
ROYAL SCHOOL FOR THE DEAF DERBY
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

ROYAL SCHOOL FOR THE DEAF DERBY
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2025

Trustees Mr D C du Celliee Muller
 Mr J A B Ottewell
 Mr D E Bulger
 Mr C Crowley
 Mr M I Tomalin

**Company registered
number** 03367515

**Charity registered
number** 1062507

Registered office 180 Ashbourne Road
 Derby
 DE22 3BH

Company secretary Miss H N Radford

Independent auditors Bates Weston Audit Ltd
 Statutory Auditors
 Chartered Accountants
 The Mills
 Canal Street
 Derby
 DE1 2RJ

Bankers HSBC Bank Plc
 1 St Peter's Street
 Derby
 DE1 2AE

ROYAL SCHOOL FOR THE DEAF DERBY
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

The Trustees present their annual report together with the audited financial statements for the year 1 September 2024 to 31 August 2025. The Trustees confirm that the Annual Report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

Policies and objectives

The main objective of the charitable company is to promote the relief of children and young people who are deaf or whose hearing or speech is impaired, by furthering their education.

Strategies for achieving objectives

Accordingly, the charitable company is dedicated to the operation of an effective special school for deaf children and young people.

Activities for achieving objectives

Curriculum design which places the progress and experiences of children at the heart of everyday practice.

A clear vision for children and young people to:

- Have confidence in developing their own deaf identity and their sense of belonging;
- Feel safe, happy and cared for in an environment where all children are listened to, can express their views and are understood whatever their preferred communication;
- Be challenged to achieve their best through excellent teaching, a comprehensive curriculum and a wide variety of experiences from Early Years to 16 Plus;
- Work in an environment that encourages lifelong learning, and equips children and young people with the tools and skills to achieve;
- Be tolerant and inclusive, so all children and young people are able to build effective relationships based on empathy, friendship and respect;
- Have access to excellent communication support.

MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR THE PUBLIC BENEFIT

The Trustees confirm that they have paid due regard to the Charity Commission's guidance on public benefit, including the guidance contained in the document Public Benefit: Running a Charity (PB2).

ACHIEVEMENTS AND PERFORMANCE

Review of activities

The main aim of this report is to help funders, beneficiaries and wider stakeholders understand the School's work, finances, achievements, and plans. It tells the story of what the School does, how it uses its money and how activities and finances have impact beyond just the numbers.

Last year Trustees noted that language deprivation is a key barrier for D/deaf children impacting upon many developmental outcomes including school readiness. Plans for future periods included increasing the scope of the School's Early Year's provision. In the year a milestone was passed: there are now seven children in Early Years. Placements are part-funded by the Government's childcare voucher scheme topped up by funds designated in the budget. The outcome, each child in Early Years can enjoy the very best start to life led by a

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team of in-house experts in their field who would ordinarily prove inaccessible. The number of children accessing pre-school messy play activities is also growing. The offer is supported by partnership working with the People Learning Together Programme supporting parents and carers to boost children's' development through everyday activities with a focus on the importance of building confidence for school readiness using everyday talk, play, singing, and books.

Partnership working between experts in phonics and qualified Teachers of the Deaf sparked professional dialogue about the best way to teach D/deaf children how to read and write. One year on, cohorts of deaf children are now achieving on a par with their non-deaf peers, bucking what has become a national trend. Evidence led and research based, the initiative is capable of supporting improvement across the whole school. Know-how is shared with other schools, professionals and wider stakeholders via social media networks.

As one long-term campus development plan came to an end a new consultation started. Initial thoughts gathered from children, young people and staff can be grouped into discrete areas namely: ensuring the built environment supports curriculum delivery and meets the expectations of children and staff; IT – are we digitally enabled? Is our campus and practice sustainable and earth friendly? Can our health, safety and security improve? A fully consulted plan of action and costings is anticipated in the near future. Significant savings to energy efficiency are already afoot showing that there is always merit in plans which look beyond the school year and in to future periods.

A number of research projects happened throughout the year. Working with the National Health Service (NHS) and a partner charity, young people in Post 16 had their say at a strategic level about the lived experiences of Deaf people in the health care system. It is a fact that Deaf people's health outcomes are relatively poor ranging from the late diagnosis of cancer to a greater prevalence of diabetes. Initial conclusions from the project identified a number of areas where services need improvement. The loudest message researchers heard was, "We want to be able to use the NHS like everyone else – easily, fairly and with respect." The top priorities for achieving this included, better ways to contact and understand the NHS, NHS staff trained in Deaf awareness, more and better interpreters, technology that works for Deaf people. The findings will be shared with NHS leaders, researchers and policy makers to design better services for Deaf people and fund research that matters most.

At the end of the academic year a number of members of the Governing Body (GB), including its Co-chairs, stepped down to make way for new recruits. Trustees look forward to joint working with the new GB to develop a broad set of strategic aims encompassing the entire provision alongside which future developments can take shape.

Further inspections from key stakeholders demonstrate the school's ability to deliver consistently good and outstanding outcomes against progressively stringent criteria. Highlights from reports, now in the public domain, comment on a truly bilingual approach to all aspects of school life, with communication being the golden thread through everything. British Sign Language (BSL) and speech and language therapy are the fundamental parts of all pupils' learning. Our continuing Outstanding judgement for the School's residential provision describe a school where children make exceptional progress in education from their starting points when moving to the residential provision. This includes children who have struggled in previous schools. This is a result of effective transition planning, where families are provided with a bespoke and well-organised process that is focused on the needs of the child.

The synergy of strong stewardship of funds and the expertise of staff are greater than the sum of their parts, driving sustainability and continuing success throughout the year. Trustees wish to thank all staff for their unwavering determination and dedication in securing the best outcomes for all children and young people at the School.

FINANCIAL REVIEW

Trustees continue to celebrate the outstanding financial health of the school endorsed by key funding partners.

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FOR THE YEAR ENDED 31 AUGUST 2025

The forecasted 2025 financial year end position was a shortfall of £129,000 however new pupils joining throughout the year buoyed income and significant savings were made following capital expenditure to increase energy efficiency as part of a campus development plan. Once restricted funds, to the cost of salaries and income earned on investments held as reserves, were brought into the general income and expenditure fund the final position was a surplus of £322,974, being 6% of total income. The Trustees recognise the importance of the charity generating a small financial surplus in order that its built environment may be appropriately maintained and developed and that the charity's strategic objectives may be met.

Comprehensive and timely management reporting enables thorough scrutiny of the School's financial sustainability at any one point in time. Detailed income and expenditure, restricted funds movement and balance sheets are externally scrutinised by qualified accountants so decision makers can act with confidence. Five-year income and expenditure modelling and a balanced score card reporting across key performance areas enable meaningful discussions at Trust Board and Governing Body meetings. Ongoing financial sustainability and success is propelled by robust stewardship of funds, an increasingly qualified, competent and confident staff team, and effective structure and governance.

Reserves targets remain met in full with funds in excess designated to the costs of improving the residential experience and built environment for children staying away from home. To this end, funds designated for campus enhancement were spent on modernising the campus. The backdrop of a rising number of children staying in residence including a younger age range profile provided sound financial sense in agreeing to a major refurbishment project of more than half a million pounds for Lydia House. At the time of writing this report the project is near completion. Trustees are looking forward to seeing children and young people enjoy a new contemporary space to live and learn in.

Following the Chancellor's declaration on 31 October 2024 to bring Non Maintained Special Schools (NMSS) into scope of VAT policy, the School moved quickly and coherently to secure the best outcomes. Inherent risks of untested legislation are mitigated and opportunities to reclaim a portion of the VAT the School pays when purchasing are achieved.

The broad headlines about financial performance remain relatively constant. The challenge of meeting budget for the two key financial indicators, fee income and staff expenditure, remain. Checks and balances are in place. Carefully considered budgets, timely and thorough management reporting, independent critical observation and regular collaboration between the Governing Body and Trust Board provide further opportunity for joined up thinking on the best use of resources. Ongoing inflationary pressures coupled with changes to National Insurance contributions to employers have added to the challenge of achieving a minimum break-even position. The spotlight remains on income generation.

GOING CONCERN

After making appropriate enquiries, the Trustees reasonably expect the Charity has sufficient resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in Accounting Policies.

Late payment and occasional non-payment by some Local Authority partners for children and young people with Education, Health and Care Plans (EHCPs) places an unfair burden on the school finances which, in turn, places reliance on the charity to cover shortfalls in learner costs. This could have a potential detrimental effect on plans to improve the campus and supporting infrastructure of the school.

PRINCIPAL FUNDING

High needs funding direct from the Education and Skills Funding Agency with top-up fees from Local Authority placing partners represent the largest part of incoming resources. In the year to 31 August 2025 these amounted to 95% of total incoming resources.

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FOR THE YEAR ENDED 31 AUGUST 2025

RESERVES AND INVESTMENT POLICIES

The unrestricted funds shown on the balance sheet at the year end represent the free reserves of the charitable company. Current reserves enable the School to respond independently to material fluctuations in its operating commitments.

The target £0.9 - £1.3m of readily realisable reserves is met. Total reserves are £8.9 million, which includes fixed assets of £5.6 million. £173,018 of total reserves relates to restricted funds. The target level of reserves is likely to be increased in the coming year due to increasing inflationary costs. Reserves held above the target are designated to campus enhancement and developments to the benefit of all beneficiaries.

Trustees follow a policy of maintaining the investments of the charity in readily realisable, low risk cash products and investments are held in accordance with the trustees' powers. Investment and reserves policies are reviewed annually in conjunction with appointed investment managers.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The charitable company operates Royal School for the Deaf Derby, a non maintained special school approved for the education of D/deaf learners aged 3 to 19.

The School is a company limited by guarantee not share capital, governed by its Memorandum and Articles of Association and a Governing Body. The Governors operate subject to a Scheme of Delegation approved by Trustees.

The Non-Maintained Special School Regulations 2015 define the Governing Body as the proprietor of the School. The Regulations follow the definition of proprietor in the Education Act 1996 which says, "proprietor", in relation to a school means the person or body of persons responsible for the management of the school'.

Method of appointment or election of Trustees

The Trustees of the School constitute directors for Companies Act purposes. One third of Trustees retire by rotation annually and may also be reappointed. The charitable company may otherwise by ordinary resolution appoint a trustee to either fill a casual vacancy or as an additional trustee. Appointment of additional Trustees is subject to the unanimous approval of existing Trustees who may seek out or advertise for additions to their number in order to enhance the skills and diversity of the Board.

The Governing Body are tasked with taking a strategic view of the school's policies and objectives. Progress and achievement across key functional operational areas are subject to more detailed monitoring and evaluation by governors' committees that meet at least once per academic term. Discrete committees meet in addition to full board meetings and have responsibilities under the following headings: Resources (including Finance, Human Resources, Premises and Health & Safety), Pupil Wellbeing & Attainment

In addition to governor representation at these meetings, the chair of the Governing Body is invited to attend all Trustee meetings. As well as general responsibilities, each governor is expected to have or adopt an area of special interest relevant to the school's operation and new governor recruitment is focused on the specialisms needed. The complement of the governing body is subject to annual ratification by Trustees. The governors may co opt additional members to enhance any of the committee's capabilities. New governors benefit from an induction process, are encouraged to access training and support through the Derby City governor programme and development sessions provided by an Education Consultant tailored to the Governing Body's strategic plans and regulatory frameworks.

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TRUSTEES' REPORT (CONTINUED)
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Organisational structure and decision making

Responsibility for the day to day organisation, management and control of the school lies with its executive, the senior leadership team (SLT). The Headteacher is a member of the SLT, the leader of the SLT and an ex officio member of the Governing Body. The remit of the Headteacher is to maintain and improve the quality of the provision and ensure pupil numbers are capable of protecting the breadth and depth of the curriculum. The performance management of the Headteacher is conducted by a specialist consultant together with the chair of the Governing Body. The performance management of other members of the leadership team is the responsibility of the Headteacher. Pay for members of the SLT has been set on the advice of an external consultant with reference to the School Teachers' Pay and Conditions Document England & Wales. The pay of teaching staff is set by reference to the same Document and the pay of non teaching staff ordinarily but without precedent determined by reference to the Pay Scales and Allowances of the National Joint Council for Local Government Services together with custom and practice in the sector.

RISK MANAGEMENT

Governors and Trustees review the risks facing the school by taking on the role of critical friends, monitoring the quality of teaching and learning, school self-assessment and development plans, pupil attainment and wellbeing, safeguarding, income and expenditure, movements in restricted funds, cash flow, key financial indicators, annual budgets. An "at a glance" overview is provided to Trustees via a balanced scorecard. It gives a comprehensive overview of performance across all key functions identified in the Scheme of Delegation which, in turn, determines levels of autonomy in decision making structures. Individual governors are assigned to scrutinise and report on particular operational risk areas through the committees listed above. At present Trustees delegate to the maximum level of autonomy provided for in the Scheme of Delegation continuing to adopt an "eyes on - hands off" approach.

Health and Safety issues are a permanent feature of the agenda at the Resources Committee. The declaration of any conflicts of interest is required before the start of all Trustee and Governor meetings. Alleged or suspected material safeguarding issues are a rolling agenda item at all Trustee and Governing Body meetings and initially reviewed in detail by the Pupil Wellbeing and Attainment Committee. There is a safeguarding team comprised of qualified and competent members of school staff led by the Deputy Head Care & Guidance who is the Designated Safeguarding Lead line managed by the Headteacher. Safeguarding policy and practice is scrutinised by a dedicated Safeguarding Governor. Governors ensure that one of their number always acts as Safeguarding Governor and receives appropriate training.

Financial sustainability is intimately tied to the quality of the education and care, together maintaining pupil numbers at suitable fee levels. The Headteacher and Governing Body are required to pay particular attention to these areas.

The school is a member of the National Association of Special Schools, a body representing the interests of non maintained special schools. It also works closely with Derby City Council in addressing issues of mutual interest in the arena of the development of special education for deaf learners.

PLANS FOR FUTURE PERIODS

Future developments

The School's 2025/2026 budget forecasts a small surplus. It includes monies set aside to continue to develop the built environment, to maintain and improve social media channels for communication and marketing, maintain and improve the quality of education and care. An additional sum of money is ring-fenced to help the growing number of children facing relative socio-economic disadvantage through the Children's Fund.

In readiness for a new Governing Body, Trustees are reviewing key documentation to ensure structure and governance remains up to date and meaningful. The Scheme of Delegation sets out, amongst other things, how

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and when Trustees delegate their decision-making powers to the Governing Body. This is ordinarily determined by how well the School is performing across a number of key headings. Discussions to review reserve levels are tabled with an eye to revisiting what is an appropriate level of reserves in the context of any foreseeable risks the school may encounter. Discussions about the purpose of funds held in excess of reserves going forward will give scope for all stakeholders to have their say about their aspirations for the School. Once complete the next task is to work with the Governing Body and Senior Leadership Team to devise a scalable strategic plan of direct relevance to the School's beneficiaries, targeting resources to where they are needed most.

An increasing number of learners in residence beckons an appraisal of the School's offer to young people staying on campus. At the end of the academic year the school started to collaborate with a neighbouring university. The aim, to give young people staying on campus the chance to enjoy the same opportunities and experiences of their non-deaf peers off campus in university halls. At the time of writing this report the plan is underway. Outcomes are positive, independent living skills, resilience and a positive can-do attitude are palpable. Thoughts on making the opportunity a mainstay of the School's offer are gathering.

A continued commitment to be "the best outstanding provider of education and care for D/d children and young people accentuates the need to be an employer of choice. Dedicated resources are needed for the foreseeable future to protect relatively generous terms and conditions of employment including bespoke, individual programmes of continuous professional development. The knowledge and skill of staff make the sharing of excellent practice possible. This is evident in the School's approach to reading and writing, articles written by staff in the British Association of Teachers of the Deaf (BATOD) and requests to participate as research partners by leading practitioners such as the University of London's Deafness, Cognition and Language (DCAL) faculty. Successful completion of mandatory qualifications such as Level 3 Diplomas for the children's workforce and accredited Teacher of the Deaf status also ensure there is always a qualified, competent team of in-house experts around each learner. This team is confident to communicate their ideas to improve the experiences, achievements, wellbeing and attainment of all learners.

A number of significant wider environmental changes that may shape future developments are on the horizon. Notes published alongside the Chancellor's autumn budget stated the statutory override, an accounting mechanism that has been in place to enable local authorities to keep their Special Educational Needs and Disabilities (SEND) deficits off their balance sheets, will end in 2028. After this the SEND deficit and future costs will be absorbed within the overall government budget. Local authorities will not need to cover SEND costs from their general funds after the end of 2027-28. The role they will play, if any, is unclear. Further information about funding is anticipated in the Local Government Finance Settlement anticipated to coincide with another key document, the Schools Whitepaper early in 2026. At a headline level consultation responses confirm continuation of SEND tribunals, while also noting that the Government is exploring other solutions to reduce the need for parents to seek tribunal appeals. It reiterates the five principles underpinning SEND reform—Early, Local, Fair, Effective, and Shared. With an age range of three to nineteen, a strong presence on local authority local offer webpages, a fair fee structure, resilient governance and expert resource, Royal School for the Deaf Derby is in the perfect place to sustain its success.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees who are also directors of Royal School for the Deaf Derby for the purposes of a company limited by guarantee are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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FOR THE YEAR ENDED 31 AUGUST 2025

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and therefore taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Mr D E Bulger

Date: 4 March 2026

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROYAL SCHOOL FOR THE DEAF DERBY

Opinion

We have audited the financial statements of Royal School for the Deaf Derby (the 'charity') for the year ended 31 August 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROYAL SCHOOL FOR THE DEAF DERBY
(CONTINUED)

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and sector in which it operates, we considered those laws and

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROYAL SCHOOL FOR THE DEAF DERBY
(CONTINUED)

regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. Audit procedures performed by the engagement team included:

- Enquiry of management around actual and potential litigation and claims;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Wayne Thomas FCA (Senior Statutory Auditor)

for and on behalf of

Bates Weston Audit Ltd

Statutory Auditors

Chartered Accountants

The Mills

Canal Street

Derby

DE1 2RJ

23 March 2026

ROYAL SCHOOL FOR THE DEAF DERBY
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2025**

| | Note | Unrestricted funds 2025 £ | Restricted funds 2025 £ | Total funds 2025 £ | Total funds 2024 £ |
|---|------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Donations and legacies | 2 | 72,094 | - | 72,094 | 95,586 |
| Charitable activities | 3 | 4,958,442 | 407,399 | 5,365,841 | 4,794,787 |
| Other income | | 187,544 | - | 187,544 | 126,021 |
| Total income | | 5,218,080 | 407,399 | 5,625,479 | 5,016,394 |
| Expenditure on: | | | | | |
| Raising funds | 4 | 16,747 | - | 16,747 | 15,574 |
| Charitable activities | 5 | 5,074,825 | 409,530 | 5,484,355 | 4,855,909 |
| Total expenditure | | 5,091,572 | 409,530 | 5,501,102 | 4,871,483 |
| Net income/(expenditure) before net gains on investments | | 126,508 | (2,131) | 124,377 | 144,911 |
| Net gains on investments | | 59,078 | - | 59,078 | 132,158 |
| Net income/(expenditure) | | 185,586 | (2,131) | 183,455 | 277,069 |
| Transfers between funds | 14 | (883) | 883 | - | - |
| Net movement in funds | | 184,703 | (1,248) | 183,455 | 277,069 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 8,554,541 | 174,266 | 8,728,807 | 8,451,738 |
| Net movement in funds | | 184,703 | (1,248) | 183,455 | 277,069 |
| Total funds carried forward | | 8,739,244 | 173,018 | 8,912,262 | 8,728,807 |

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 31 form part of these financial statements.

ROYAL SCHOOL FOR THE DEAF DERBY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 03367515

BALANCE SHEET
AS AT 31 AUGUST 2025

| | Note | 2025 £ | 2024 £ |
|--|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 9 | 5,557,319 | 5,632,616 |
| Investments | 10 | 3,049,204 | 2,668,854 |
| | | <u>8,606,523</u> | <u>8,301,470</u> |
| Current assets | | | |
| Debtors | 11 | 191,451 | 240,661 |
| Investments | 12 | 210,489 | 404,612 |
| Cash at bank and in hand | | 413,901 | 147,242 |
| | | <u>815,841</u> | <u>792,515</u> |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 13 | (510,102) | (365,178) |
| | | <u>305,739</u> | <u>427,337</u> |
| Net current assets | | | |
| | | <u>8,912,262</u> | <u>8,728,807</u> |
| Total net assets | | | |
| | | <u>8,912,262</u> | <u>8,728,807</u> |
| Charity funds | | | |
| Restricted funds | 14 | 173,018 | 174,266 |
| Unrestricted funds | 14 | 8,739,244 | 8,554,541 |
| Total funds | | <u>8,912,262</u> | <u>8,728,807</u> |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mr D E Bulger

Date: 4 March 2026

The notes on pages 15 to 31 form part of these financial statements.

ROYAL SCHOOL FOR THE DEAF DERBY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2025

| | Note | 2025 £ | 2024 £ |
|--|------|------------------|----------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 17 | 416,395 | 120,061 |
| Cash flows from investing activities | | | |
| Dividends, interests and rents from investments | | 87,718 | 85,545 |
| Proceeds from the sale of tangible fixed assets | | (53,738) | - |
| Purchase of investments | | (691,999) | (494,301) |
| Proceeds from the disposal of investments | | 314,160 | 564,642 |
| Net cash (used in)/provided by investing activities | | (343,859) | 155,886 |
| Change in cash and cash equivalents in the year | | 72,536 | 275,947 |
| Cash and cash equivalents at the beginning of the year | | 551,854 | 275,907 |
| Cash and cash equivalents at the end of the year | 18 | 624,390 | 551,854 |

The notes on pages 15 to 31 form part of these financial statements

ROYAL SCHOOL FOR THE DEAF DERBY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Royal School for the Deaf Derby meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

1.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Pupil fee income represents fees invoiced to Local Authorities for educational purposes supplied during the year and recognised in the period to which it relates, together with "core" pupil funding from the Educational and Skills Funding Agency, recognised when it is received.

The charitable company also receives grants for educational purposes resulting from initiatives by the Department for Education and Skills.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the school. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

ROYAL SCHOOL FOR THE DEAF DERBY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

1. Accounting policies (continued)

1.4 Expenditure (continued)

Expenditure on charitable activities includes the cost of education activities undertaken to further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.5 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Leasehold property includes the cost of any building improvements to leased land.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

| | |
|-----------------------|------------|
| Freehold property | - 50 years |
| Motor vehicles | - 4 years |
| Fixtures and fittings | - 5 years |

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

1.8 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

ROYAL SCHOOL FOR THE DEAF DERBY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

1. Accounting policies (continued)

1.9 Pensions

The School participates in a multi employer defined benefits pension scheme, "The Teachers' Pension Scheme (England and Wales)", for its teachers. As a result it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with Financial Reporting Standard 102 therefore, the Scheme is accounted for as a defined contribution scheme. The Scheme is managed by the Department of Education.

The charity operates a defined contributions arrangement for its non-teaching staff in terms of group personal pension plans.

Contributions to both schemes are charged in the Statement of financial activities (incorporating income and expenditure account) as they become payable in accordance with the rules of the Scheme.

1.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2. Income from donations and legacies

| | Unrestricted funds 2025 £ | Total funds 2025 £ | <i>Total funds 2024 £</i> |
|-------------------|--|---------------------------------------|---------------------------------------|
| Donations | 5,140 | 5,140 | 17,707 |
| Government grants | 66,954 | 66,954 | 77,879 |
| Total 2025 | <u>72,094</u> | <u>72,094</u> | <u>95,586</u> |

ROYAL SCHOOL FOR THE DEAF DERBY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

3. Income from charitable activities

| | Unrestricted funds 2025 £ | Restricted funds 2025 £ | Total funds 2025 £ | <i>Total funds 2024 £</i> |
|-------------------|--|--|---------------------------------------|---------------------------------------|
| Pupil fee income | 3,998,442 | - | 3,998,442 | 3,387,043 |
| Government grants | 960,000 | 407,399 | 1,367,399 | 1,407,744 |
| Total 2025 | <u>4,958,442</u> | <u>407,399</u> | <u>5,365,841</u> | <u>4,794,787</u> |
| <i>Total 2024</i> | <u>4,347,043</u> | <u>447,744</u> | <u>4,794,787</u> | |

Government grants received support the provision of education to pupils.

4. Expenditure on raising funds

Costs of raising voluntary income

| | Unrestricted funds 2025 £ | Total funds 2025 £ | <i>Total funds 2024 £</i> |
|----------------------------|--|---------------------------------------|---------------------------------------|
| Investment management fees | 16,747 | 16,747 | 15,574 |

ROYAL SCHOOL FOR THE DEAF DERBY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

5. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2025 £ | Restricted funds 2025 £ | Total 2025 £ | Total 2024 £ |
|-----------------------------------|------------------------------------|----------------------------------|-------------------------|--------------------|
| Staffing costs | 3,767,313 | 217,831 | 3,985,144 | 3,571,157 |
| Education and pupil support costs | 455,482 | - | 455,482 | 360,696 |
| Campus and property costs | 495,332 | 191,699 | 687,031 | 607,340 |
| Administration costs | 302,508 | - | 302,508 | 259,702 |
| Governance costs | 54,190 | - | 54,190 | 57,014 |
| | <u>5,074,825</u> | <u>409,530</u> | <u>5,484,355</u> | <u>4,855,909</u> |
| <i>Total 2024</i> | <u><u>4,514,716</u></u> | <u><u>341,193</u></u> | <u><u>4,855,909</u></u> | |

Summary by expenditure type

| | Staff costs 2025 £ | Depreciation 2025 £ | Other costs 2025 £ | Total 2025 £ | Total 2024 £ |
|-----------------------------------|--------------------------|---------------------------|--------------------------|-------------------------|--------------------|
| Staffing costs | 3,874,110 | - | 111,034 | 3,985,144 | 3,571,157 |
| Education and pupil support costs | - | - | 455,482 | 455,482 | 360,696 |
| Campus and property costs | - | 127,358 | 559,673 | 687,031 | 607,340 |
| Administration costs | - | - | 302,508 | 302,508 | 259,702 |
| Governance costs | - | - | 54,190 | 54,190 | 57,014 |
| | <u>3,874,110</u> | <u>127,358</u> | <u>1,482,887</u> | <u>5,484,355</u> | <u>4,855,909</u> |
| <i>Total 2024</i> | <u><u>3,462,084</u></u> | <u><u>134,374</u></u> | <u><u>1,259,451</u></u> | <u><u>4,855,909</u></u> | |

ROYAL SCHOOL FOR THE DEAF DERBY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

6. Auditors' remuneration

| | 2025 | <i>2024</i> |
|--|---------------|---------------|
| | £ | £ |
| Auditors' remuneration | 13,200 | <i>12,570</i> |
| Fees payable to the Charity's auditor in respect of: | | |
| Non-audit services | 5,640 | <i>5,160</i> |

7. Staff costs

| | 2025 | <i>2024</i> |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 3,120,481 | <i>2,840,587</i> |
| Social security costs | 347,696 | <i>277,926</i> |
| Other pension costs | 405,933 | <i>343,571</i> |
| | 3,874,110 | <i>3,462,084</i> |

Wages and salaries includes redundancy and termination payments totalling £5,175 (2024: £Nil), which were fully paid in the year.

The average number of persons employed by the Charity during the year was as follows:

| | 2025 | <i>2024</i> |
|--------------------------------|-------------|-------------|
| Academic | 27 | <i>27</i> |
| Residential care | 8 | <i>8</i> |
| Learning support | 44 | <i>42</i> |
| Corporate & technical services | 23 | <i>25</i> |
| | 102 | <i>102</i> |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2025 | <i>2024</i> |
|---------------------------------|-------------|-------------|
| | No. | No. |
| In the band £60,001 - £70,000 | 2 | <i>3</i> |
| In the band £70,001 - £80,000 | 1 | <i>-</i> |
| In the band £90,001 - £100,000 | - | <i>1</i> |
| In the band £100,001 - £110,000 | 1 | <i>-</i> |

Key management personnel during the year comprised the Senior Leadership Team who received total remuneration and benefits of £453,713 (2024 - £359,215).

ROYAL SCHOOL FOR THE DEAF DERBY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 August 2025, expenses totalling £NIL for mileage were reimbursed or paid directly to Trustees (2024 - £NIL)

9. Tangible fixed assets

| | Freehold property £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|-----------------------|---------------------------|------------------------|-------------------------------|------------|
| Cost | | | | |
| At 1 September 2024 | 6,100,000 | 58,265 | 309,209 | 6,467,474 |
| Additions | 26,893 | 26,845 | - | 53,738 |
| At 31 August 2025 | 6,126,893 | 85,110 | 309,209 | 6,521,212 |
| Depreciation | | | | |
| At 1 September 2024 | 476,987 | 58,265 | 299,605 | 834,857 |
| Charge for the year | 122,000 | 2,237 | 4,799 | 129,036 |
| At 31 August 2025 | 598,987 | 60,502 | 304,404 | 963,893 |
| Net book value | | | | |
| At 31 August 2025 | 5,527,906 | 24,608 | 4,805 | 5,557,319 |
| At 31 August 2024 | 5,623,013 | - | 9,604 | 5,632,617 |

ROYAL SCHOOL FOR THE DEAF DERBY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

10. Fixed asset investments

| | Listed investments £ |
|--------------------------|----------------------------|
| Cost or valuation | |
| At 1 September 2024 | 2,668,854 |
| Additions | 691,999 |
| Disposals | (314,161) |
| Revaluations | 2,512 |
| At 31 August 2025 | <u>3,049,204</u> |

11. Debtors

| | 2025 £ | 2024 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 62,328 | 143,677 |
| Other debtors | 29,526 | - |
| Prepayments and accrued income | 99,597 | 96,984 |
| | <u>191,451</u> | <u>240,661</u> |

12. Current asset investments

| | 2025 £ | 2024 £ |
|-----------------|-----------|-----------|
| Cash on deposit | 210,489 | 404,612 |

13. Creditors: Amounts falling due within one year

| | 2025 £ | 2024 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 116,667 | 100,849 |
| Other taxation and social security | 81,659 | 56,539 |
| Other creditors | 37,364 | 46,779 |
| Accruals and deferred income | 274,412 | 161,011 |
| | <u>510,102</u> | <u>365,178</u> |

ROYAL SCHOOL FOR THE DEAF DERBY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

13. Creditors: Amounts falling due within one year (continued)

| | 2025 £ | 2024 £ |
|--|----------------|---------------|
| Deferred income at 1 September 2024 | 97,010 | 116,556 |
| Resources deferred during the year | 239,963 | 97,010 |
| Amounts released from previous periods | (97,010) | (116,556) |
| | <u>239,963</u> | <u>97,010</u> |

Deferred income includes ESFA grant funding totaling £235,247 (2024: £93,075) and other income of £4,716 (2024: £3,935).

14. Statement of funds

Statement of funds - current year

| | Balance at 1 September 2024 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2025 £ |
|---------------------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| Designated funds | | | | | | |
| Children's Fund | 3,949 | - | (229) | - | - | 3,720 |
| Fundraising | 6,791 | 2,300 | (130) | - | - | 8,961 |
| Tuck Shop | 57 | 1,162 | (998) | - | - | 221 |
| Campus enhancement | 2,668,854 | - | - | 321,272 | 59,078 | 3,049,204 |
| | <u>2,679,651</u> | <u>3,462</u> | <u>(1,357)</u> | <u>321,272</u> | <u>59,078</u> | <u>3,062,106</u> |
| General funds | | | | | | |
| General funds | 5,874,890 | 5,214,618 | (5,090,215) | (322,155) | - | 5,677,138 |
| Total Unrestricted funds | <u>8,554,541</u> | <u>5,218,080</u> | <u>(5,091,572)</u> | <u>(883)</u> | <u>59,078</u> | <u>8,739,244</u> |

ROYAL SCHOOL FOR THE DEAF DERBY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

14. Statement of funds (continued)

Restricted funds

| | | | | | | |
|---------------------------|------------------|------------------|--------------------|------------|---------------|------------------|
| Devolved Capital Grant | 9,214 | 10,396 | (9,215) | - | - | 10,395 |
| NMSS Maintenance Grant | 115,634 | 99,481 | (115,634) | - | - | 99,481 |
| Pupil Premium Receipts | 3,488 | 53,059 | (37,654) | - | - | 18,893 |
| Sports Premium Grant | 1,421 | 16,527 | (17,948) | - | - | - |
| Roe Memorial | 34,687 | - | - | - | - | 34,687 |
| Minibus Fund | 6,722 | - | (560) | - | - | 6,162 |
| DCEP Legacy Theatre | 2,500 | - | (2,700) | 200 | - | - |
| Bursary 24/25 | - | 3,436 | (3,436) | - | - | - |
| Core Schools Budget Grant | - | 215,431 | (215,431) | - | - | - |
| ESFA Mental Health Grant | 600 | - | - | - | - | 600 |
| Free School Meals | - | 1,716 | (1,997) | 281 | - | - |
| ECT Mentoring | - | 2,400 | (2,400) | - | - | - |
| Zochonis Trust | - | 2,800 | - | - | - | 2,800 |
| Dancop | - | 830 | (1,170) | 340 | - | - |
| Greggs | - | 1,323 | (1,385) | 62 | - | - |
| | 174,266 | 407,399 | (409,530) | 883 | - | 173,018 |
| Total of funds | 8,728,807 | 5,625,479 | (5,501,102) | - | 59,078 | 8,912,262 |

ROYAL SCHOOL FOR THE DEAF DERBY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

14. Statement of funds (continued)

Statement of funds - prior year

| | <i>Balance at 1 September 2023 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 31 August 2024 £</i> |
|---------------------------------|--|---------------------|--------------------------|-----------------------------------|----------------------------------|--|
| Unrestricted funds | | | | | | |
| Designated funds | | | | | | |
| Children's Fund | 4,214 | - | (265) | - | - | 3,949 |
| Fundraising | 11,696 | 6,505 | (11,410) | - | - | 6,791 |
| Tuck Shop | - | 890 | (833) | - | - | 57 |
| Campus enhancement | 2,566,424 | - | - | (29,728) | 132,158 | 2,668,854 |
| | <u>2,582,334</u> | <u>7,395</u> | <u>(12,508)</u> | <u>(29,728)</u> | <u>132,158</u> | <u>2,679,651</u> |
| General funds | | | | | | |
| General funds | <u>5,820,846</u> | <u>4,561,255</u> | <u>(4,517,782)</u> | <u>10,571</u> | <u>-</u> | <u>5,874,890</u> |
| Total Unrestricted funds | <u>8,403,180</u> | <u>4,568,650</u> | <u>(4,530,290)</u> | <u>(19,157)</u> | <u>132,158</u> | <u>8,554,541</u> |
| Restricted funds | | | | | | |
| Greggs | - | 1,412 | (1,741) | 329 | - | - |
| Devolved Capital Grant | 448 | 9,214 | (448) | - | - | 9,214 |
| NMSS Maintenance Grant | - | 115,634 | - | - | - | 115,634 |
| Pupil Premium Receipts | - | 82,427 | (78,939) | - | - | 3,488 |
| Sports Premium Grant | 261 | 16,240 | (15,080) | - | - | 1,421 |
| Roe Memorial | 34,687 | - | - | - | - | 34,687 |
| European Visits Fund | 6,861 | - | (6,861) | - | - | - |
| Minibus Fund | 1,450 | 5,272 | - | - | - | 6,722 |

ROYAL SCHOOL FOR THE DEAF DERBY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

14. Statement of funds (continued)

Statement of funds - prior year (continued)

| | <i>Balance at 1 September 2023 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 31 August 2024 £</i> |
|---------------------------|--|-------------------------|---------------------------|-----------------------------------|----------------------------------|--|
| DCEP Legacy Theatre | 2,500 | - | - | - | - | 2,500 |
| Moscow Bilingual | 1,650 | - | (2,712) | 1,062 | - | - |
| Tutoring Grant | - | (10,716) | (7,050) | 17,766 | - | - |
| Bursary 24/25 | - | 3,264 | (3,264) | - | - | - |
| Foundation Derbyshire | 701 | - | (701) | - | - | - |
| Core Schools Budget Grant | - | 223,597 | (223,597) | - | - | - |
| ESFA Mental Health Grant | - | 1,400 | (800) | - | - | 600 |
| | <u>48,558</u> | <u>447,744</u> | <u>(341,193)</u> | <u>19,157</u> | <u>-</u> | <u>174,266</u> |
| Total of funds | <u><u>8,451,738</u></u> | <u><u>5,016,394</u></u> | <u><u>(4,871,483)</u></u> | <u><u>-</u></u> | <u><u>132,158</u></u> | <u><u>8,728,807</u></u> |

Transfers between funds

The transfer into designated funds relates to investment movements so that the carry forward balance reflects available funds at the balance sheet date.

The Core Schools Budget Grant relates to the expenditure incurred by the entity on salaries and pensions, which has been allocated against restricted grant income received for the purpose of subsidising these costs.

The following are restricted and designated funds identified in the statement of funds noted above.

The designated Children's Fund arises from individual unrestricted donations received by the charitable company that are used in the support of pupils in situations of hardship and for the provision of items for residential pupils not normally funded through local authority fees.

The designated Campus enhancement fund represents amounts held as long-term investments that may be utilised towards improvements of the school site, as earmarked in the future plan for campus enhancement.

The closing balance of the DfE Devolved Capital and NMSS Maintenance Grants represent contributions to the cost of ensuring the campus is fit for purpose and wherever possible energy efficient and earth friendly.

ROYAL SCHOOL FOR THE DEAF DERBY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

Beneficiaries of pupil and recovery premiums are children and young people facing relative socio-economic disadvantage. Each premium is focused on effective approaches to raising educational attainment for example, supporting high quality learning and tackling non-academic barriers to academic success, such as difficulties with attendance, behaviour and social and emotional wellbeing. A full report on the impact of these premiums is published annually on our website.

The national tutoring grant is similar to the pots of funding above however it is a discrete fund used only to provide a fraction of costs of school led tutoring. This year in house specialists have provided targeted academic support to individual and groups of disadvantaged pupils and also those who are below the expected standard or grade boundary in an applicable subject.

Our primary PE and sport premium led to sustainable improvements to the provision of PE and sport to the benefit of all primary-aged pupils. A sustainable programme to encourage the development of healthy, active lifestyles continues. We report on the impact of our PE and sport premium each year on our website.

Germany and European visit funds were combined last year to enable young people to participate in a final school exchange with our twinned school in Osnabrück Germany. Historically the funds provided other enrichment opportunities promoting cultural experiences to expand the experiences and horizons of young people.

Foundation Derbyshire and Moscow Bilingual funds are now spent. In the year each fund contributed to the costs of providing free British Sign Language tuition and assessments for families of children and young people at the School. We know that language is a fundamental part of being human and enabling families to learn together creates positive family relationships.

Thank you to the Greggs Foundation for funds to provide a safe space for children to eat, spend time with their friends, engage in learning and enjoy fun activities at the beginning of the school day. Now called the feeding brighter futures programme, children in Primary continue to enjoy a social and positive start to the school day.

DCEP Legacy Theatre once again provided resource for children and young people in residence to choose from a number of extracurricular projects linked to the performing arts.

The Roe Memorial fund remains held in trust, to be utilised for the benefit of Deaf adults in local Deaf communities.

Our school minibus fund represents the restricted income used to purchase a new school minibus in the year. As the asset is depreciated, the fund will reduce in line with the asset's net book value.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Summary of funds

Summary of funds - current year

| | Balance at 1 September 2024 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2025 £ |
|------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Designated funds | 2,679,651 | 3,462 | (1,357) | 321,272 | 59,078 | 3,062,106 |
| General funds | 5,874,890 | 5,214,618 | (5,090,215) | (322,155) | - | 5,677,138 |
| Restricted funds | 174,266 | 407,399 | (409,530) | 883 | - | 173,018 |
| | <u>8,728,807</u> | <u>5,625,479</u> | <u>(5,501,102)</u> | <u>-</u> | <u>59,078</u> | <u>8,912,262</u> |

Summary of funds - prior year

| | Balance at 1 September 2023 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2024 £ |
|------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Designated funds | 2,582,334 | 7,395 | (12,508) | (29,728) | 132,158 | 2,679,651 |
| General funds | 5,820,846 | 4,561,255 | (4,517,782) | 10,571 | - | 5,874,890 |
| Restricted funds | 48,558 | 447,744 | (341,193) | 19,157 | - | 174,266 |
| | <u>8,451,738</u> | <u>5,016,394</u> | <u>(4,871,483)</u> | <u>-</u> | <u>132,158</u> | <u>8,728,807</u> |

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2025 £ | Restricted funds 2025 £ | Total funds 2025 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | 5,551,157 | 6,162 | 5,557,319 |
| Fixed asset investments | 3,049,204 | - | 3,049,204 |
| Current assets | 609,202 | 206,639 | 815,841 |
| Creditors due within one year | (470,319) | (39,783) | (510,102) |
| Total | <u>8,739,244</u> | <u>173,018</u> | <u>8,912,262</u> |

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16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | <i>Unrestricted funds 2024 £</i> | <i>Restricted funds 2024 £</i> | <i>Total funds 2024 £</i> |
|-------------------------------|--|--|---------------------------------------|
| Tangible fixed assets | 5,632,616 | - | 5,632,616 |
| Fixed asset investments | 2,668,854 | - | 2,668,854 |
| Current assets | 602,883 | 189,632 | 792,515 |
| Creditors due within one year | (349,812) | (15,366) | (365,178) |
| Total | <u>8,554,541</u> | <u>174,266</u> | <u>8,728,807</u> |

17. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2025 £ | 2024 £ |
|--|-----------------------|-------------------|
| Net income for the year (as per Statement of Financial Activities) | 183,455 | 277,069 |
| Adjustments for: | | |
| Depreciation charges | 129,036 | 134,375 |
| Gains on investments | (2,512) | (172,771) |
| Dividends, interests and rents from investments | (87,718) | (85,545) |
| Movement in debtors | 49,210 | (10,622) |
| Movement in creditors | 144,924 | (22,445) |
| Net cash provided by operating activities | <u>416,395</u> | <u>120,061</u> |

18. Analysis of cash and cash equivalents

| | 2025 £ | 2024 £ |
|--|-----------------------|-------------------|
| Cash in hand | 413,900 | 147,242 |
| Notice deposits (less than 3 months) | 210,490 | 404,612 |
| Total cash and cash equivalents | <u>624,390</u> | <u>551,854</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of changes in net debt

| | At 1 September 2024 £ | Cash flows £ | At 31 August 2025 £ |
|--------------------------|--------------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 147,242 | 266,659 | 413,901 |
| Cash equivalents | 404,612 | (194,123) | 210,489 |
| | <u>551,854</u> | <u>72,536</u> | <u>624,390</u> |

20. Pension commitments

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The pension charge for the year includes contributions payable to the TPS of £336,722 (2024 - £280,209). At the year-end £37,262 (2024 - £35,162) was accrued in respect of contributions to this scheme. The Charity also runs a scheme for its non-teaching staff under which defined contributions are paid into a group personal pension arrangement. The cost for the year represents the School's contributions to that Scheme of £69,211 (2024 - £63,362).

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay, including a 0.08% employer administration charge;
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million, and notional assets (estimated future contribution together with the notional investments held at the valuation date) of £222,200 million giving a notional past service deficit of £39,800 million.

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20. Pension commitments (continued)

The result of this valuation was implemented on 1 April 2024. The next valuation result is due to be implemented from 1 April 2027.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

21. Related party transactions

The Charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 August 2025.

22. Controlling party

The Trustees consider there to be no ultimate controlling party.