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**ROYAL SCHOOL FOR THE DEAF DERBY**  
(A company limited by guarantee)

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**ROYAL SCHOOL FOR THE DEAF DERBY**  
**(A company limited by guarantee)**

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**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 2018**

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**Trustees**

Mr D C du Celliee Muller  
M J H Richardson  
Ms L E Senior (resigned 2 March 2018)  
Mr J A B Ottewell  
Mr A M L Passmore  
Mr D E Bulger  
Ms S Killian  
Ms T Pepper  
Mr C Crowley (appointed 25 October 2018)

**Company registered  
number**

03367515

**Charity registered  
number**

1062507

**Registered office**

180 Ashbourne Road  
Derby  
DE22 3BH

**Company secretary**

Miss H N Radford

**Board of Governors**

Mrs J Hall, Chair  
Mr D Makinde, Vice Chair  
Mrs A Brown  
Ms H Flockton, Local Authority Rep  
Mrs S Hewitt  
Mrs K Hassall, Teachers' Rep  
Ms S Hogan, Non-teaching Staff Rep  
Mrs A Jones  
Mr J Mann  
Mr P Milner  
Mrs H Shepherd, Headteacher  
Mrs A Walsh

**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

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**ROYAL SCHOOL FOR THE DEAF DERBY**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees present their annual report together with the audited financial statements for the 1 September 2017 to 31 August 2018. The Trustees confirm that the Annual Report and financial statements of the company comply with the 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) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the Charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

### **Objectives and Activities**

#### **Policies and objectives**

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

#### **Strategies for achieving objectives**

The charitable company accordingly aims to run an effective special school for deaf learners in order that they leave with the confidence and know-how to achieve success in life beyond school.

#### **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 our 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**

Since the last report the school has accelerated towards its ambition of becoming an outstanding provider of education for deaf children and young people. Ofsted Social Care recently rated the progress and experiences

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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of children and young people as a solid good, leadership and management was judged outstanding. Key to this success was a curriculum capable of shaping the knowledge and experiences of children and young people by placing each learner's progress and experiences at the heart of everyday practice. Regular pupil and parent/carers surveys validate the school's performance and feed into continuous improvement plans.

Intentions to exploit fundraising opportunities through formal applications and raising awareness of the school in the wider community are realised. Restricted and designated funds provided a significant boost to making the wishes of children for a more modern campus come true. These included a new student café, refurbished student club, updated Post 16 kitchen and radical improvements to a residential house opened by the school's new patron, the Duke of Devonshire. This, in turn, made room for the school's first independent house for young people in the Post 16 department helping them to prepare for life beyond school. School condition allocations provided resources to keep the campus safe and fit for purpose including a substantial roof repair and upgrades to existing health and safety systems.

Pupil premium positively influenced the health, education, emotional, social and psychological wellbeing of pupils from relatively disadvantaged socio-economic groups. Led by the individual needs of children activities included:

- Art therapy and psychotherapy to enable children to recover from previous experiences, mitigate trauma and develop coping strategies in environments they found stressful;
- Improving literacy and numeracy by utilising a wider variety of approaches to engage learners, providing booster sessions delivered by subject specialist teachers of deaf outside of the school day;
- Increasing participation in learning opportunities outside of the school such as Duke of Edinburgh's award, trips to Paris, Germany and outdoor activity centres;
- Providing specialist equipment and technological aids to help to minimise absence and maximise independence for children and young people requiring medical interventions.

Sports Premium had a positive impact on children and young people in Primary department through enriching the quality of the curriculum. Children experienced positive outcomes in:

- Swimming and water safety
- Core stability, co-ordination, strength and stamina
- Adopting healthy lifestyle choices
- Access to a wide range of sports and activities capable of stretching talented and gifted children including those with complex special educational needs
- Taking part in both mainstream and specialist competitions

### **Financial review**

Trustees remain delighted to see the school continue to make a surplus. Funds carried forward demonstrate a positive financial outlook and provide the foundations of a reserves pot capable of mitigating risks encountered.

A wider range of placing partners together with a fair fee structure underpinned by a sound matrix of need are successfully embedded adding transparency and longer term financial sustainability in spite of rising employment costs and the fragile state of public finances.

New designated and restricted funding streams have made a significant and substantial impact on the experiences of children and young people demonstrating the school's strategy to engage the wider community has paid off. As a result the school has fused the wishes of pupils for a more modern campus with the need to provide a safe, fit for purpose campus and demonstrate value for money to placing authorities.

Total funds at the year end amount to £829,120 of which restricted funds make up £435,885 at the year end date. Of the total unrestricted balance, £241,467 is tied up in the Tangible fixed assets of the school.

As set out under the headings of performance and activities and future developments, the school is looking

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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outwards to find opportunities to build and share its community knowledge, educational opportunities, and skills to create social assets to be enjoyed beyond our campus.

As an educational charity the school is unable to reclaim VAT input tax on our costs as we are exempt for tax purposes. We also pay tax as an employer through the national insurance contributions we make.

### **Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has access to adequate 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 the Accounting Policies.

### **Principal funding**

Pupil fees received from the Education and Skills Funding Agency and Local Authorities represent the largest part of incoming resources. In the year to 31 August 2018, this amounted to 94% of total incoming resources.

### **Reserves and investment policies**

The unrestricted funds shown on the balance sheet at the year end represent the free reserves of the charitable company. The trustees are pleased to see a significant growth in the free reserves of the charitable company this year though acknowledge that this trend must continue to enable the School to respond to material fluctuations in its operating commitments independent of support from the RSDD 2016 Property Trust. In the meantime the School takes comfort from ongoing support pledged by the RSDD 2016 Property Trust, subject to the resources available to them.

### **Structure, governance and management**

#### **Constitution**

The charitable company is a company limited by guarantee, governed by its Memorandum and Articles of Association and a Board of Governors. The Governors operate subject to a Scheme of Delegation approved by Trustees.

The charitable company operates Royal School for the Deaf Derby, a non-maintained special school approved for the education of deaf and hearing impaired pupils aged 3 to 19.

#### **Method of appointment or election of Trustees**

The trustees of the charitable company 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. Four additional trustees have been appointed since 1 September 2015. Appointment of additional trustees is subject to the unanimous approval of existing trustees. The trustees may seek out or advertise for additions to their number to enhance the competencies and diversity of the board. Recent newcomers were selected on the basis of skills needed in the context of the school and brought the following areas of expertise to the board, charity law and governance, strategic leadership in the education sector, special education needs, Deaf community, culture and context.

The board of governors takes a strategic view of the school's policies and objectives. Progress and achievement in key functional and operational areas are subject to more detailed monitoring and evaluation by governors'

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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committees that meet at least once per academic term. Discrete committees meeting in addition to full board meetings 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, there is always trustee representation at finance meetings. In addition to 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. A full-board governor appointment is subject to ratification by trustees. The governors may co-opt additional members to any of the committees's capabilities. New governors benefit from an induction process and can access training and support through the Derby City governor programme.

### **Organisational structure and decision making**

Responsibility for the day to day organisation, management and control of the school lies with its senior leadership team led by the Headteacher and is made up of a Deputy Headteacher Achievement, Deputy Head Care & Guidance and Assistant Headteacher Early Years Foundation Stage/Primary. The Headteacher has overall responsibility for the running of the school. 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 senior leadership team has been set on the advice of an external consultant, having 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 is determined by reference to the Pay scales and Allowances of the National Joint Council for Local Government Services together with practice in the sector.

### **Risk management**

Governors and Trustees review the risks facing the school as part of monitoring annual budgets, development plans and by the use of a balanced scorecard which provides a comprehensive overview of performance. Individual governors are assigned to scrutinise and report on particular operational risk areas through the Committees listed above. The declaration of any conflicts of interest is required before the start of all Trustee, Governor and Committee meetings.

Health and Safety issues are a permanent feature of the Resources Committee Agenda.

Any material safeguarding issues are notified at all trustee and governing body meetings and initially reviewed in detail by the Pupil Wellbeing Committee. There is a safeguarding team comprised of six qualified and competent members of school staff, led by the Deputy Head Care & Guidance who is the Designated Safeguarding Lead. 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.

The financial well being of the organisation is intimately tied to the maintenance and development of pupil numbers at suitable fee levels. The Headteacher and Finance Committee are required to pay particular attention to this need.

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

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**ROYAL SCHOOL FOR THE DEAF DERBY**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Plans for future periods**

**Future developments**

At the forefront of improving teaching and learning over the next year is the school's ability to prioritise resources to ensure a holistic approach to the progress of each child and young person. This includes the capacity and expertise to promote their physical and psychological wellbeing, emotional resilience, social awareness and academic attainment. The school looks forward to further opportunities to show the quality of the curriculum and demonstrate the experiences and progress of each learner is at the heart of everyday practice. Plans to continuously improve the quality of teaching and learning for children and young people are detailed in the school's Self Assessment Report which carefully details areas to develop, milestones, risk indicators and outcomes.

Providing value for money to external stakeholders is vital to sustaining and building on partnerships with placing authorities in both education and social care settings. Identifying opportunities to work in collaboration with a wider range of placing partners is a priority together with advocating for children and young people who need additional resource to achieve their potential and enjoy the best life chances.

Refining the matrix of need, which underpins the fair fee structure, remains a key challenge in light of the changing population of children and young people at the school. Routine meetings involving a range of key stakeholders including local authorities, social care, parents/carers and external professionals provide an ideal opportunity to demonstrate the fee structure is not only fair but can be seen to be fair and has demonstrable positive outcomes for children and young people. The fragile state of public finances together with widespread concern about high needs funding budgets place a keen emphasis on excellent partnership working between the school and placing authorities.

Further development of the reserves policy to ensure it is capable of identifying and mitigating risks encountered is on the agenda. Any level of reserves should be proportionate to the risks faced but should not detract from the school's charitable objects nor slow down its acceleration to reach its aspiration of becoming a leader in the field of deaf education. Squaring these two priorities is a challenge.

Changes proposed as part of the A38 Junctions Scheme are on the horizon. Trustees are determined to secure the best possible outcome for the school and to make sure the views of children, young people, staff and those who use or wish to use the campus are heard loud and clear through meaningful and timely consultation.

Plans to grow the synergy that already exists between the school and wider community are in place. Fundraising efforts realised in the forthcoming year include a multi-use games area to enhance opportunities for children and young people at school and in wider communities to enjoy and achieve in sporting activities. Trustees also look forward to finding out how children and young people would like to spend their healthy pupils capital funding in the year ahead. Celebrations of the school's 125th birthday continue. The school is privileged to have the support of so many positive role models willing to foster a sense of belonging through shared experiences rooted in the school's heritage and a positive sense of identity.

**Trustees' responsibilities statement**

The Trustees (who are also directors of Royal School for the Deaf Derby for the purposes of company law) 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



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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statements, the Trustees are required to:

- 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.

The 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 hence for 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.

This report was approved by the Trustees, on 5 March 2019 and signed on their behalf by:

**J A B Ottewell**  
**Trustee**

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

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**Opinion**

We have audited the financial statements of Royal School for the Deaf Derby (the 'Charity') for the year ended 31 August 2018 set out on pages 11 to 28. 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 2018 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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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**ROYAL SCHOOL FOR THE DEAF DERBY**  
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**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ROYAL SCHOOL FOR THE DEAF DERBY**

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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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has 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.

We have nothing to report in respect of the following matters in relation to which the 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Charity 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

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

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**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 ACA (Senior statutory auditor)  
for and on behalf of  
**Bates Weston Audit Ltd**  
Statutory Auditors  
Chartered Accountants  
The Mills  
Canal Street  
Derby  
DE1 2RJ  
29 March 2019

**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 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>					
Donations and legacies	2	228,494	187,422	415,916	552,863
Charitable activities	3	3,440,323	-	3,440,323	3,601,805
Other income	4	5,891	-	5,891	4,656
<b>TOTAL INCOME</b>		<b>3,674,708</b>	<b>187,422</b>	<b>3,862,130</b>	<b>4,159,324</b>
<b>EXPENDITURE ON:</b>					
Charitable activities	5	3,589,886	216,236	3,806,122	3,869,832
<b>TOTAL EXPENDITURE</b>	6	<b>3,589,886</b>	<b>216,236</b>	<b>3,806,122</b>	<b>3,869,832</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>84,822</b>	<b>(28,814)</b>	<b>56,008</b>	<b>289,492</b>
Transfers between Funds	13	2,895	(2,895)	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>87,717</b>	<b>(31,709)</b>	<b>56,008</b>	<b>289,492</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>87,717</b>	<b>(31,709)</b>	<b>56,008</b>	<b>289,492</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		288,099	467,594	755,693	466,201
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>375,816</b>	<b>435,885</b>	<b>811,701</b>	<b>755,693</b>

The notes on pages 14 to 28 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 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	10		599,228		686,357
<b>CURRENT ASSETS</b>					
Debtors	11	991,743		767,648	
Cash at bank and in hand		460,965		383,984	
		<u>1,452,708</u>		<u>1,151,632</u>	
<b>CREDITORS:</b> amounts falling due within one year	12	(1,240,235)		(1,082,296)	
<b>NET CURRENT ASSETS</b>			212,473		69,336
<b>NET ASSETS</b>			<u>811,701</u>		<u>755,693</u>
<b>CHARITY FUNDS</b>					
Restricted funds	13		435,885		467,594
Unrestricted funds	13		375,816		288,099
<b>TOTAL FUNDS</b>			<u>811,701</u>		<u>755,693</u>

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 5 March 2019 and signed on their behalf, by:

**J A B Ottewell**

The notes on pages 14 to 28 form part of these financial statements.

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**ROYAL SCHOOL FOR THE DEAF DERBY**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	15	<b>76,981</b>	235,401
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		-	(5,711)
<b>Net cash used in investing activities</b>		-	(5,711)
<b>Change in cash and cash equivalents in the year</b>		<b>76,981</b>	229,690
Cash and cash equivalents brought forward		<b>383,984</b>	154,294
<b>Cash and cash equivalents carried forward</b>	16	<b>460,965</b>	383,984

The notes on pages 14 to 28 form part of these financial statements.

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**ROYAL SCHOOL FOR THE DEAF DERBY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), 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 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.



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**ROYAL SCHOOL FOR THE DEAF DERBY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 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.

**1.5 Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes the cost of education activities undertaken to further the purposes of the charitable company and their associated support costs.

**1.6 Tangible fixed assets and depreciation**

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

Items costing less than £5,000 are written off as expenditure in the year of purchase.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	50 years
Motor vehicles	-	4 years
Fixtures and fittings	-	5 years

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.7 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities (incorporating income and expenditure account) on a straight line basis over the lease term.

**1.8 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.

**1.9 Taxation**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

**2. INCOME FROM DONATIONS AND LEGACIES**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<i>Total funds 2017 £</i>
Donations	<b>49,043</b>	<b>25,627</b>	<b>74,670</b>	8,323
Legacies	-	-	-	45,713
Grants	<b>179,451</b>	<b>161,795</b>	<b>341,246</b>	498,827
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	<b>228,494</b>	<b>187,422</b>	<b>415,916</b>	552,863
	<hr/>	<hr/>	<hr/>	
<i>Total 2017</i>	<b>436,595</b>	<b>116,268</b>	<b>552,863</b>	
	<hr/>	<hr/>	<hr/>	

**ROYAL SCHOOL FOR THE DEAF DERBY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Pupil fee income	3,440,323	-	3,440,323	3,601,805
<i>Total 2017</i>	3,601,805	-	3,601,805	

**4. OTHER INCOMING RESOURCES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Sundry income	5,891	-	5,891	4,656
<i>Total 2017</i>	4,656	-	4,656	

**5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Staffing costs	2,648,740	23,724	2,672,464	2,956,019
Education and pupil support costs	316,021	61,296	377,317	313,655
Campus and property costs	369,826	127,728	497,554	349,221
Administration costs	179,253	3,488	182,741	201,866
Governance costs	76,046	-	76,046	49,071
	3,589,886	216,236	3,806,122	3,869,832
<i>Total 2017</i>	3,729,780	140,052	3,869,832	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE**

	<b>Staff costs 2018 £</b>	<b>Depreciation 2018 £</b>	<b>Other costs 2018 £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Staffing costs	<b>2,461,149</b>	-	<b>211,315</b>	<b>2,672,464</b>	2,956,019
Education and pupil support costs	-	<b>14,566</b>	<b>362,751</b>	<b>377,317</b>	313,655
Campus and property costs	-	<b>72,563</b>	<b>424,991</b>	<b>497,554</b>	349,221
Administration costs	-	-	<b>182,741</b>	<b>182,741</b>	201,866
Governance costs	-	-	<b>76,046</b>	<b>76,046</b>	49,071
	<b>2,461,149</b>	<b>87,129</b>	<b>1,257,844</b>	<b>3,806,122</b>	3,869,832
<i>Total 2017</i>	<i>2,759,496</i>	<i>90,654</i>	<i>869,666</i>	<i>3,719,816</i>	

**7. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2018 £</b>	<b>2017 £</b>
Depreciation of tangible fixed assets: - owned by the charity	<b>87,129</b>	90,654

During the year, no Trustees received any remuneration, benefits in kind or reimbursement of expenses (2017 - £NIL).

**8. AUDITORS' REMUNERATION**

	<b>2018 £</b>	<b>2017 £</b>
Fees payable to the Charity's auditor and its associates for the audit of the Charity's annual accounts	<b>7,500</b>	6,000
Fees payable to the Charity's auditor and its associates in respect of: All other non-audit services not included above	<b>15,000</b>	11,782

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**9. STAFF COSTS**

Staff costs were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>2,102,276</b>	2,362,435
Social security costs	<b>180,245</b>	201,495
Other pension costs	<b>178,628</b>	195,566
	<hr/> <b>2,461,149</b> <hr/>	<hr/> <b>2,759,496</b> <hr/>

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

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Academic	<b>27</b>	28
Residential care	<b>11</b>	9
Learning support	<b>36</b>	37
Corporate & technical services	<b>29</b>	34
	<hr/> <b>103</b> <hr/>	<hr/> <b>108</b> <hr/>

The number of higher paid employees was:

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
In the band £70,001 - £80,000	<b>1</b>	1

Key management personnel during the year comprised 5 employees who received total remuneration and benefits of £274,121 (2017: £311,304 - 7 employees).

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. TANGIBLE FIXED ASSETS**

	Leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 September 2017 and 31 August 2018	609,195	79,150	1,450,871	2,139,216
<b>Depreciation</b>				
At 1 September 2017	62,249	50,016	1,340,594	1,452,859
Charge for the year	12,184	14,566	60,379	87,129
At 31 August 2018	74,433	64,582	1,400,973	1,539,988
<b>Net book value</b>				
At 31 August 2018	534,762	14,568	49,898	599,228
At 31 August 2017	546,946	29,134	110,277	686,357

**11. DEBTORS**

	2018 £	2017 £
Trade debtors	891,627	679,936
Due from connected charity	21,451	8,691
Other debtors	161	4,350
Prepayments and accrued income	78,504	74,671
	991,743	767,648

**12. CREDITORS: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	116,100	91,234
Other taxation and social security	40,050	44,845
Other creditors	35,933	34,296
Accruals and deferred income	1,048,152	911,921
	1,240,235	1,082,296

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**12. CREDITORS: Amounts falling due within one year (continued)**

	£
<b>Deferred income</b>	
Deferred income at 1 September 2017	868,676
Resources deferred during the year	976,289
Amounts released from previous years	(868,676)
	<u>976,289</u>
Deferred income at 31 August 2018	<u><u>976,289</u></u>

Deferred income includes fees charged for pupils of £882,874 and various grant funding totalling £93,415.

**13. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2018 £
<b>Designated funds</b>					
Children's Fund	1,323	6,409	(1,455)	-	6,277
	<u>1,323</u>	<u>6,409</u>	<u>(1,455)</u>	<u>-</u>	<u>6,277</u>
<b>General funds</b>					
General Fund	286,776	3,668,299	(3,588,431)	2,895	369,539
	<u>286,776</u>	<u>3,668,299</u>	<u>(3,588,431)</u>	<u>2,895</u>	<u>369,539</u>
Total Unrestricted funds	288,099	3,674,708	(3,589,886)	2,895	375,816
	<u>288,099</u>	<u>3,674,708</u>	<u>(3,589,886)</u>	<u>2,895</u>	<u>375,816</u>

**ROYAL SCHOOL FOR THE DEAF DERBY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**13. STATEMENT OF FUNDS (continued)**

**Restricted funds**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2018 £
Leasehold Buildings fund	363,656	-	(8,452)	-	355,204
Devolved Capital Grant	25,402	11,878	(9,870)	-	27,410
Variety Club Fund	10,376	-	(7,816)	-	2,560
Lords Taverners Fund	5,257	-	-	-	5,257
Miscellaneous fundraising	8,298	75	(91)	-	8,282
NMSS Maintenance Grant	24,779	42,271	(67,050)	-	-
European Educational visits	9,894	2,531	(6,768)	-	5,657
Sports Premium Grant	5,562	16,370	(16,658)	-	5,274
Pupil Premium Receipts	1,893	48,605	(42,275)	-	8,223
Retractable Seating	7,550	-	(7,550)	-	-
RSD Development Trust	4,927	-	(3,491)	-	1,436
Careers Local Grant	-	7,196	(9,845)	-	(2,649)
Duke of Devonshire	-	20,000	(20,000)	-	-
National Lottery Heritage	-	10,321	(2,551)	-	7,770
Catch up 7	-	496	-	-	496
MUGA	-	10,000	-	-	10,000
Kelloggs	-	1,000	(35)	-	965
Bursary 17/18	-	2,468	(2,468)	-	-
Sensory Play	-	3,114	(3,114)	-	-
RSDD Property Trust	-	8,202	(8,202)	-	-
Free School Meals	-	2,895	-	(2,895)	-
	<b>467,594</b>	<b>187,422</b>	<b>(216,236)</b>	<b>(2,895)</b>	<b>435,885</b>
Total of funds	<b>755,693</b>	<b>3,862,130</b>	<b>(3,806,122)</b>	<b>-</b>	<b>811,701</b>



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**13. STATEMENT OF FUNDS (continued)**

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 Leasehold buildings fund represents the grant funding received towards the cost of two campus buildings (the Beddoes Science Lab and the Karten Building) less apportioned accumulated depreciation to date. During the year ended 31 August 2016 the cost of the Karten Building was transferred to the charitable company from Derby College for the Deaf People together with the remaining balance of associated restricted funding and liabilities.

The closing balance on the DfE Devolved Capital Grant represents the cost of qualifying additions to buildings and equipment less depreciation charges to date.

The Variety Club and Lords Taverners Funds represent donations received from those charities towards the cost of two new school minibuses purchased during the year ended 31 August 2016, less depreciation charged.

Miscellaneous fundraising is the accumulation of smaller donations received by the charitable company.

The NMSS Maintenance Grant is received from the DfE as a contribution towards the upkeep of the premises on non-maintained special schools.

The balance of the European Educational Visits Fund is the unused portion of British Council funding for European pupil exchange visits, carried forward to future periods.

The Sport Premium Fund is the unexpired portion of an ESFA Grant received for the benefit of sporting activities in the school's Primary Department.

Pupil Premium funding is received from local authorities to be applied towards the educational benefit of named disadvantaged learners.

Donations were received towards the cost of retractable seating in the main school hall. This fund was morphed in the year, with permission from the donors, into funds to refurbish the audiology suite.

The unused portion of support from RSD Development Trust is carried forward.

The Bursary Fund is received from the ESFA to assist needy Post 16 learners with their course expenses and is distributed at the school's discretion.

The Free School Meals Grant has been used to mitigate the cost of providing food for appropriately aged pupils in the school's Primary Department.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 August 2017 £</i>
<b>General funds</b>					
General Fund	(38,379)	4,042,299	(3,728,169)	11,025	286,776
Designated Children's Fund	2,177	757	(1,611)	-	1,323
<b>Restricted funds</b>					
	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 August 2017 £</i>
Leasehold Buildings fund	372,110	-	(8,454)	-	363,656
Devolved Capital Grant	30,712	8,084	(13,394)	-	25,402
Variety Club Fund	15,564	-	(5,188)	-	10,376
Lords Taverners Fund	7,885	-	(2,628)	-	5,257
Miscellaneous fundraising	8,080	668	(450)	-	8,298
Barclays Chase Fund	7,909	-	-	(7,909)	-
NMSS Maintenance Grant	5,933	42,271	(23,425)	-	24,779
European Educational visits	9,894	-	-	-	9,894
Bursary Fund	1,181	4,633	(5,814)	-	-
Sports Premium Grant	4,690	8,205	(7,333)	-	5,562
Pupil Premium Receipts	19,361	46,967	(64,435)	-	1,893
Free School Meals	-	5,440	(5,440)	-	-
Retractable Seating	7,550	-	-	-	7,550
Awards for All Music Project	3,116	-	-	(3,116)	-
RSD Development Trust	8,418	-	(3,491)	-	4,927
	<u>502,403</u>	<u>116,268</u>	<u>(140,052)</u>	<u>(11,025)</u>	<u>467,594</u>
Total of funds	<u>466,201</u>	<u>4,159,324</u>	<u>(3,869,832)</u>	<u>-</u>	<u>755,693</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. STATEMENT OF FUNDS (continued)**

**SUMMARY OF FUNDS - CURRENT YEAR**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2018 £
Designated funds	1,323	6,409	(1,455)	-	6,277
General funds	286,776	3,668,299	(3,588,431)	2,895	369,539
	<u>288,099</u>	<u>3,674,708</u>	<u>(3,589,886)</u>	<u>2,895</u>	<u>375,816</u>
Restricted funds	467,594	187,422	(216,236)	(2,895)	435,885
	<u>755,693</u>	<u>3,862,130</u>	<u>(3,806,122)</u>	<u>-</u>	<u>811,701</u>

**SUMMARY OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2017 £
General funds	(36,202)	4,043,056	(3,729,780)	11,025	288,099
Restricted funds	502,403	116,268	(140,052)	(11,025)	467,594
	<u>466,201</u>	<u>4,159,324</u>	<u>(3,869,832)</u>	<u>-</u>	<u>755,693</u>

**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	241,467	357,761	599,228
Current assets	1,374,584	78,124	1,452,708
Creditors due within one year	(1,240,235)	-	(1,240,235)
	<u>375,816</u>	<u>435,885</u>	<u>811,701</u>

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**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Unrestricted funds 2017 £</i>	<i>Restricted funds 2017 £</i>	<i>Total funds 2017 £</i>
Tangible fixed assets	290,763	395,593	686,356
Current assets	1,079,631	72,001	1,151,632
Creditors due within one year	(1,082,295)	-	(1,082,295)
	<u>288,099</u>	<u>467,594</u>	<u>755,693</u>

**15. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2018 £</b>	<b>2017 £</b>
Net income for the year (as per Statement of Financial Activities)	<b>56,008</b>	289,492
<b>Adjustment for:</b>		
Depreciation charges	<b>87,129</b>	90,654
Increase in debtors	<b>(224,095)</b>	(168,095)
Increase in creditors	<b>157,939</b>	23,350
<b>Net cash provided by operating activities</b>	<b><u>76,981</u></b>	<u>235,401</u>

**16. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2018 £</b>	<b>2017 £</b>
Cash in hand and at bank	<b>460,965</b>	383,984
<b>Total</b>	<b><u>460,965</u></b>	<u>383,984</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. 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 £136,655 (2017: £150,532). At the year-end £Nil (2017: £Nil) 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 £41,973 (2017: £45,034).

**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. 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 2012 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 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% 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 £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

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**18. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	14,095	33,244
Between 1 and 5 years	32,271	12,972
Total	<u>46,366</u>	<u>46,216</u>

**19. RELATED PARTY TRANSACTIONS**

	2018 £	2017 £
Included in Unrestricted Grants receivable:		
Grant from RSDD 2016 Property Trust	8,202	-
Included in Debtors at year-end:		
RSDD 2016 Property Trust	<u>21,451</u>	<u>8,691</u>

**20. MEMBERS' LIABILITY**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 10 for the debts and liabilities contracted before he/she ceases to be a member.

**21. CONTROLLING PARTY**

The Trustees consider there to be no ultimate controlling party.