

**RUSSELL EDUCATION TRUST**  
**(A Company Limited by Guarantee)**  
**ANNUAL REPORT & FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**  
**Company Registration Number: 07452885 (England and Wales)**

**RUSSELL EDUCATION TRUST  
FINANCIAL STATEMENTS  
YEAR ENDED 31 AUGUST 2021**

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**RUSSELL EDUCATION TRUST  
REFERENCE AND ADMINISTRATIVE DETAILS  
YEAR ENDED 31 AUGUST 2021**

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<b>Board of Directors</b>	K Lynch (Chair) D Lynch J McDermott M Pareas (appointed 7 October 2021) C Brazil I Gunn J Chambers (resigned 1 November 2021) C Mackinlay P Taylor M Karaolis (resigned 7 October 2020)
<b>Members</b>	D Lynch K Lynch C Smythe Education London P Ward
<b>Company Secretary</b>	D Lynch
<b>Key Management Personnel</b>	C Mackinlay – RET Chief Executive S King – Bristol Free School Headteacher A Scott-Evans – Becket Keys Church of England School Headteacher S Price – King’s School Headteacher I Warwick – St Andrew the Apostle Greek Orthodox School Headteacher M O’Sullivan – Turing House Headteacher P Frayne – RET Chief Finance Officer
<b>Business Address</b>	Manor House The Crescent Leatherhead Surrey KT22 8DY
<b>Registered Office</b>	Manor House The Crescent Leatherhead Surrey KT22 8DY
<b>Company Registration Number</b>	07452885
<b>Independent Auditor</b>	UHY Hacker Young LLP Quadrant House 4 Thomas More Square London E1W 1YW
<b>Bankers</b>	Lloyds Bank Plc 1 Legg Street Chelmsford CM1 1JS
<b>Solicitors</b>	Browne Jacobson LLP Victoria Square House Victoria Square Birmingham B2 4BU
<b>Schools within Multi Academy Trust</b>	Bristol Free School King’s School, Hove St Andrew the Apostle Greek Orthodox School, Barnet Turing House School, Teddington Becket Keys Church of England School

**RUSSELL EDUCATION TRUST  
DIRECTORS' REPORT  
YEAR ENDED 31 AUGUST 2021**

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## **Background**

The directors present their report and financial statements of the company for the year ended 31 August 2021.

This report has been prepared in accordance with the Companies Act 2006 and also Part 8 of the Charities Act 2011 and serves the purpose of both a trustees' report under charity law and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the company's Memorandum and Articles of Association, applicable laws and 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).

The company was incorporated on 26 November 2010, the principal activity since incorporation was that of establishing and running new schools.

Russell Education Trust (the 'Trust' or 'RET') became a Multi Academy Trust on 1 September 2013 when a funding agreement, and supplemental funding agreements for RET St Andrew the Apostle School and RET King's School were signed by the Trust and the Department for Education. Bristol Free School subsequently transferred into the Multi Academy Trust with effect from 1 May 2014. RET Turing House School opened on 1 September 2015 following the signature of a supplemental funding agreement in March 2015. Becket Keys Church of England Free School transferred into the Trust on 1 September 2020 having been an RET controlled trust since the school opened in 2012.

When all of its five schools, that were delivered under the free schools programme and therefore not all year groups are currently filled, are at capacity its academies will have a combined pupil capacity of 5,600. The total number of pupils recorded in the school census in October 2021 was 4,405.

## **Structure, Governance and Management**

### **Constitution**

The Trust is a company limited by guarantee incorporated on 26 November 2010, is an exempt charity, and does not have share capital. The Charitable Company's Memorandum and Articles of Association are the primary governing document of the Trust. The Memorandum of Association established the objects and powers of the charitable company and it is governed under its Articles of Association.

The Russell Education Trust Memorandum and Articles of Association work alongside the Funding Agreements with the Secretary of State for Education, to which the Russell Education Trust is a party.

The trustees/directors who served during the year are included in the Reference and Administrative Details on page 1.

The members of the company comprise:

- Principal Sponsor – EL (RET) Community Interest Company (CRN: 12783367)
- Up to four persons appointed by the Principal Sponsor
- One person appointed by the Secretary of State for Education, (in the event that the Secretary of State appoints a person for this purpose)
- Chair of the directors
- Any person appointed by the other members, by unanimous agreement

### **Members' Liability**

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, such amount as may be required not exceeding £10.

### **Directors' Indemnities**

In accordance with normal commercial practice, the academy trust has arranged for cover to protect directors and officers from the financial impact of claims arising from negligent acts, errors or omissions occurring whilst on trust business. The financial protection is through the Department for Education's Risk Protection Arrangement (RPA). The RPA scheme provides cover up to £10m.

### **Directors**

The following directors have held office during the year:

- |  |                                       |   |
|--|---------------------------------------|---|
| • K Lynch (Chair)                      | • M Pareas (appointed 7 October 2020) | • P Taylor                              |
| • D Lynch                              | • C Brazil                            | • C Mackinlay                           |
| • J McDermott                          | • I Gunn                              | • J Chambers (resigned 1 November 2021) |
| • M Karaolis (resigned 7 October 2020) |                                       |   |

### **Relationship between Principal Sponsor and Charity**

EL (RET) Community Interest Company (CRN: 12783367) sponsors the exempt charity, Russell Education Trust (RET). Russell Education Trust is a Multi Academy Trust. Education London does not provide any services to the Trust.

### **Method of Recruitment and Appointment of Directors**

Directors serve for four years following which they are eligible for re-appointment. This time limit does not apply to the directors appointed by the Principal Sponsor.

Directors are recruited so that the following areas of expertise, experience and responsibility are represented on the Board:

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- Senior local government leadership
- Management and leadership of charities
- Primary leadership in outstanding schools
- Secondary leadership in outstanding schools
- Relevant and up to date experience of the Ofsted inspection of primary and secondary schools and local authorities
- Financial management and monitoring
- School improvement
- Project management
- Government education policy

#### **Directors' Induction and Training**

Most directors are already familiar with the work of the company. Additionally, new directors will be given an individual induction by the Chairman of the Board which covers:

- The obligations of members of the Board
- The current financial position of the company
- Future plans and objectives

#### **Organisational Structure**

Overall responsibility for finances and for all other aspects of the Trust continues to rest with the Board of Directors. The CEO's delegated responsibilities are outlined in a scheme of delegation. The board delegates a number of functions to the local governing bodies of Turing House School, Bristol Free School, King's School, Becket Keys School, and St Andrew the Apostle School.

#### **Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The setting of pay for all staff, including key management personnel, is managed in accordance with the Trust's Pay Policy and performance management framework. Pay decisions are reviewed by either the local governing body or the RET Board to ensure external review of management decisions.

#### **Connected Organisations, including Related Party Relationships**

Russell Education Trust established RET Becket Keys Church of England Free School Trust (08096798) as a separate trust in 2012 but on 1 September 2020 the school transferred into the RET multi academy trust. Education London is RET's sponsor and provides no services to the Trust.

#### **Trade Union Facility Time**

The Trust employed more than 49 full time employees during the financial year and therefore it must disclose trade union facility time in accordance with the requirements of the Trade Union (Facility Time Publication Requirements) Regulations 2017. RET schools recognise the valuable support and advice trade unions provide to teaching and non-teaching staff. Many employees at the Trust's schools are trade union members with union representatives appointed, who, where necessary provide advice to union members during work hours. During the year five employees were union representatives. Total time spent by these employees in fulfilling their role as union representatives during the year was not significant. The work of these representatives is undertaken with the support of the Trust and its school. Employees are where necessary referred to their union representatives to ensure they take appropriate advice in relation to employment matters. Each of the Trust's schools provides access to its meeting facilities to enable Trade Unions to hold meetings that take place outside of the school day.

## **Objectives and Activities**

### **Objects**

The objects of the company are to advance, for the public benefit, education in the United Kingdom, by sponsoring, establishing, developing and maintaining academy schools.

### **Objectives and Aims**

Russell Education Trust works to establish and disseminate best practice and support the establishment of free schools and academies. In particular:

1. RET's approach is based on best practice in schools; in which each child's needs and aspirations are met in a stimulating and safe environment. We understand that excellent discipline and the security of each student to both express individuality and take responsibility at school are fundamental to personal, social and academic success.
2. In RET's schools, students will be taught exceptionally well, and trained and encouraged to progress to the jobs, training and higher education most suited to their talents and abilities, irrespective of their social or economic circumstances.
3. RET works with proposing groups to envision, propose and then plan free schools. We work with parents, communities and diocesan authorities to set up and run new free schools. RET will only support free schools when a new school is needed in the proposed locality and its establishment significantly extends parental choice (for example establishing a secondary or primary school where there is none; or opening a Church school for which there is very strong parental demand and diocesan support; or opening a coeducational non-faith school for which there is very strong parental demand). These schools are inclusive comprehensives with the highest possible academic standards, serving their locality and working as part of their local family of

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YEAR ENDED 31 AUGUST 2021**

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schools. Both RET and the founding groups with whom it works are firmly resolved that these free schools will all be judged to be good or outstanding by Ofsted and their communities within two years of opening.

4. RET aims to contribute to the development of training for teachers and head teachers.
5. RET aimed to have five secondary free schools open by 2015 which was achieved with the opening of Turing House School in September 2015.
6. RET aims to improve the life chances of children from the most economically and socially disadvantaged groups, through improved teaching and extended extra-curricular opportunities.

#### **Public Benefit**

The directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's objectives and aims and in planning future activities for the year. The directors consider that the charitable company's aims are demonstrably for the public benefit.

## **Strategic Report**

### **A. Achievements and Performance**

Like all schools across the country, RET schools were heavily impacted upon by COVID-19 and the virus control measures that were introduced by the UK government. During the first lockdown in spring 2020 RET schools continued to provide teaching and learning to students from deprived backgrounds, and key workers' children. In addition, the Trust developed an approach to online learning for all students with the rapid implementation of IT solutions to enable this and this was deployed during the spring 2021 lockdown.

The Trust's comprehensive suite of risk assessments and supporting guidance documents that were developed in spring and summer 2020 were strengthened in 2020-21 and underpinned a safe approach to teaching and learning in all RET schools. These arrangements ensure all employees and students are protected as far as is practicably possible. Despite the pressures of the spring 2021 lockdown and the revised ways of working, the Trust made significant progress in a wide range of areas including the introduction of a host of enhanced IT systems including a new MIS and HR system, the delivery of the Teacher Assessed Grades, and the updating of supplementary funding agreements for three schools.

There has been one change to the key management personnel of the Trust with the appointment of Mrs Indira Warwick as the permanent headteacher of St Andrew the Apostle School. Mrs Warwick took up her post on 1 January 2021.

### **Overview of RET School Activities**

Like all schools, due to the COVID-19 no formal exams were sat at GCSE or A Level by students at RET schools. Therefore, the most up-to-date formal results to report on are those which were included in the 2018-19 report.

#### **Bristol Free School**

The school has been consistently oversubscribed since it opened in 2011. Recruitment to the 6th form has been challenging due to competition within the local 6th form sector. The school's leadership team worked hard in 2020-21 to increase recruitment to the 6th form for September 2021 and this paid off in September 2021 with 102 students on roll in the October 21 census.

Ofsted visited the school in 2018 and its judgement was that the school should be categorised as 'Requires Improvement'. The school, together with the Trust, had already started taking steps to address the challenges the school faced, and it is confident of a positive outcome at the next Ofsted inspection.

#### **Becket Keys Church of England School**

Becket Keys was part of a connected trust which transferred into Russell Education Trust on 1 September 2020. High standards have been achieved at Becket Keys and the school has been oversubscribed every year since 2013. The exceptional standards achieved were validated by the Ofsted inspection report in May 2014 which identified the school as Outstanding in all areas. The high standards at the school are reflected in the school's admissions: the school is oversubscribed at year 7 and recruitment to the school's 6th form is very strong.

#### **St Andrew the Apostle School**

After working with the Classical Education Trust and the office of the Archbishop of Thyateira and Great Britain RET opened St Andrew the Apostle in September 2013. This was the country's first, and is still the only, Greek Orthodox secondary school. The high standards achieved by the school were recognised in the school's latest Ofsted inspection in 2018 which identified the school as Good.

The school's successes need to be placed in the context of a challenging site. The school has a permanent site agreed, and the procurement of a contractor for the new school building has commenced.

#### **King's School**

RET worked with local parents to open King's School in September 2013. The school had its first Ofsted inspection in May 2015 and the hard work of the staff and students was rewarded with an excellent Ofsted inspection outcome of Good with outstanding features. The school is anticipating an Ofsted visit in 2020-21 and the school is anticipating a positive outcome.

#### **Turing House School**

Turing House School opened on 1 September 2015 following close co-operation between the Trust and parent proposers. The school has made a very successful start on a temporary site in Teddington and in September 2018 it opened a second temporary site in Hampton which is approximately 2 miles from the existing temporary site. The Trust and school are working closely with the contractor and ESFA to ensure that the new school building is completed on schedule and passed to the school in spring 2022.

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### **Risk Management**

The directors hold responsibility for the management of the risks faced by the company. In light of the Corporate Governance guidance contained within the Charities Statement of Recommended Practice (SORP) FRS102, they have considered the major risks to which the company is exposed and continue to review regularly the financial and compliance controls necessary to mitigate those risks.

The key risk currently facing the Trust that it had to manage in the 2020-21 financial year is the impact of the COVID-19 pandemic. The lockdown, and operating environment had a limited impact upon the financial position of the Trust. The Trust has been fortunate that the health of its staff and students was not materially affected, and the Trust's financial position was also not adversely affected by COVID-19. However, the impact of COVID-19 upon the education to the school's students has been significant. The Trust has put in place an array of changes to its operating arrangements to ensure that staff and students are safe and to minimise the risk of transmission of COVID-19 within the Trust's schools. Whilst these measures impacted upon how teaching is provided, the Trust continued to provide a curriculum for all students on the same basis as was provided before the outbreak. The Trust has also put COVID-19 catch up plans in place for all its schools to ensure that the needs of students who fell behind during the lockdown are addressed.

The future risk facing the Trust is the management of the temporary and permanent sites for St Andrew the Apostle school. The Trust and St Andrew the Apostle School are working with the DfE and the Comer Group to support the delivery of the new school building as per the agreed project plan.

### **Risk and Control Framework**

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. It includes:

- Trust Financial Procedures;
- Delegation of authority and segregation of duties in each associated academy's financial procedures;
- Directors' review of RET schools' operating costs;
- Directors' review of proposed and actual procurement (e.g. ICT provider);
- Identification and management of other risks through the use of risk registers; and
- Internal scrutiny arrangements.

The Trust has a risk register in place for each school that identifies the risks being managed by each school, categorises the risks according to their likelihood and impact, and identifies the mitigating actions being taken. The schools' management teams review the risk registers and they are also reviewed by local governing bodies and the RET board. There is also a strategic risk register that identifies those risks being managed corporately by the Trust.

The RET Board considered the need for a specific internal audit function and took the decision in December 2019 to procure an external provider to deliver this service. The scope of work is set by the RET Board who also received internal scrutiny reports in 2020-21.

### **Key Performance Indicators**

As described in the Overview and Activities section above, due to the COVID-19 no formal exams were sat at GCSE or A Level by students at RET schools. Therefore, the most up-to-date formal results to report on are those which were included in last year's report. All the Trust's schools obtained a strong set of GCSE results in Summer 2019, and A-Level results for Bristol Free School and Becket Keys School.

Pupil recruitment is extremely strong at the Trust's schools. All RET schools except St Andrew the Apostle are likely to be oversubscribed for year 7 in September 2021 and initial indications are that all those schools will be oversubscribed in 2022-23; some schools significantly so. The recruitment of 6th form students at all RET schools has been very challenging for 2020-21 and 2021-22 due to COVID-19 in addition to site related issues affecting St Andrew the Apostle School and Turing House School. The Trust is continuing to work with its schools to identify how 6th form recruitment for 2022-23 can be strengthened.

### **Going Concern**

After making appropriate enquiries, the Board has reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues 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 in note 1 to the financial statements.

Whilst the COVID-19 pandemic has had a significant impact upon the school's operations, it does not affect the Board's view regarding the preparation of these financial statements on a going concern basis. The Trust's schools are primarily funded based on pupil numbers, and therefore the schools' income positions, and that of the Trust as a whole, are generally unaffected. Whilst there have been additional costs of operating arising out of the COVID-19 pandemic, particularly during lockdowns, these had no bearing on the Board's judgement regarding going concern.

### **B. Financial Review**

The Trust's income is mainly derived from Department for Education grants. Total income (excluding Fixed Asset Funds, transfers from an incoming school and the Pension Reserve) was £27,283k. Expenditure (excluding Fixed Asset Funds and the Pension Reserve) was £26,346k. Funds transferred in with a new school was £15,009k. There was an in-year surplus of £724k on the Restricted and Unrestricted Funds (excluding the Pension Reserve and funds in with the new school). The COVID-19 pandemic did not have a materially detrimental impact upon the Trust's financial position. The Trust worked hard to limit the financial impact of actions required to reduce the risk of transmission amongst staff and students. The Trust did not furlough any staff members because Trust operations continued during the lockdown in early 2021.

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There is a cumulative surplus on the Unrestricted and Restricted Funds (excluding Fixed Assets and Pension Reserve) of £2,919k. At the end of the year under review the reserves balances for the Trust were as follows:

	Restricted Funds exc. Pension Reserve £000	Unrestricted General Funds £000	Total Free Reserves £000	Pension Reserve £000	Fixed Asset Reserve £000	Total Reserves £000
<b>Reserves at 1 September 2020</b>	<b>(478)</b>	<b>1,168</b>	<b>690</b>	<b>(2,678)</b>	<b>13,772</b>	<b>11,784</b>
Transfer in with academy school	(1,024)	1,373	349	(1,049)	15,709	15,009
Other movement in funds 2020-21	1,776	104	1,880	(1,689)	(213)	(22)
<b>Reserves at 31 August 2021</b>	<b>274</b>	<b>2,645</b>	<b>2,919</b>	<b>(5,416)</b>	<b>29,268</b>	<b>26,771</b>

Restricted fixed asset income for the year is £1,017k and total fixed asset additions during the year is £998k. The Trust has robust arrangements in place to prioritise the application of this capital funding to school projects.

Net pension liabilities at 31 August 2021 are £5,416k. Whilst the Local Government Pension Scheme (LGPS) liabilities are recognised as a significant deficit within the Trust's restricted funds, there is not an immediate liability for the total amount, but rather the liability reflects the potential for increases in employer pension contributions in later years.

#### Reserves Policy

The General Unrestricted Fund reserve more than offsets the balance on General Annual Grant, and the Trust will keep the situation under review and transfer funds if it deems this necessary.

The Trust's Board has previously reviewed its reserves position and set the following targets for the Trust's schools:

- **St Andrew the Apostle School:** Balanced position on reserves by 31 August 2021 and 3.5% of gross income held as reserves by 31 August 2024
- **King's School:** Maintain balanced position on reserves to 31 August 2021 and 3.5% of gross income held as reserves by 31 August 2024
- **RET central services:** £100k of reserves by 31 August 2021
- **Turing House School:** Balanced position on reserves by 31 August 2022
- **Bristol Free School and Becket Keys School:** 3.5% of gross income by 31 August 2022

The Trust's 2020-21 final accounts demonstrate that the Trust's schools have achieved their reserves targets at the end of the 2020-21 financial year.

#### Investment Policy

In the short-term cash balances are adequate and it looks like these balances will grow. The Board has approved an investment policy with the focus upon minimising risk. Investments are restricted to accounts and investments held with UK banking institutions.

#### Fundraising Activities

RET schools raise a limited amount of funds to support their operating activities and enhancements to the school environments. The funds are raised through direct appeals to parents and occasional small-scale events that also serve to encourage the growth and development of the school communities. The Trust is mindful of the need not to pressurise parents and therefore avoids unreasonably intrusive or persistent fundraising approaches. Furthermore, requests for contributions always emphasise that any parental or community donations are voluntary. The Trust's Charging and Remissions Policy and Gifts and Hospitality Policy set a framework for the management of fundraising activities.

#### Plans for Future Periods

All the Trust's schools have a robust School Development Plan that are formulated in conjunction with Russell Education Trust's central advisory team. These plans draw upon the strength of the Trust's school improvement experience. The Trust's key priority for this academic year is to manage the impact of COVID-19, and to do so the school will follow the RET Trust wide priorities of:

- Curriculum Modification for year 10 to 13;
- Developing the digital curriculum;
- Reducing the gap for disadvantaged pupils i.e. digitally, socio-economically, SEND, year 7; and
- Emotional and mental health support for students and staff.



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**Provision of Information to Auditors**

In so far as all of the directors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors' report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, and signed on its behalf by:



**K Lynch**  
Chair  
15 December 2021

**RUSSELL EDUCATION TRUST  
GOVERNANCE STATEMENT  
YEAR ENDED 31 AUGUST 2021**

**Scope of Responsibility**

As directors, we acknowledge that we have overall responsibility for ensuring that Russell Education Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

Mr Colin Mackinlay is the Trust's CEO and Accounting Officer. The Board has delegated the day-to-day responsibility to the CEO for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreements between Russell Education Trust and the DfE with regard to King's School, St Andrew the Apostle, Turing House School, Becket Keys School and Bristol Free School, and in the financial handbooks of each of RET's associated academies. The CEO is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The board of directors/trustees has formally met three times during the year to 31 August 2021. Attendance during the year at meetings of the current Board members was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Karen Lynch	5	6
Danny Lynch	6	6
Colin Mackinlay	6	6
Iain Gunn	5	6
Patricia Taylor	6	6
John McDermott	5	6
Marina Pareas	6	6
Clive Brazil	6	6
John Chambers	5	6

The Finance Committee is a subcommittee of the main board and its purposes are to:

**General**

- To consider the MAT's indicative funding, notified annually by the ESFA, and to assess its implications for the MAT;
- To consider and recommend acceptance/non-acceptance of the MAT's budget including staffing levels, at the start of each financial year;
- To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the MAT's priorities set out in the strategic plan;
- To review the regular budget monitoring reports from each school and approve the necessary action, up to and including removal of financial delegation;
- To review the MAT's list of preferred suppliers and oversee procurement arrangements;
- To consider policies;
- To advise the Board on the appointment, re-appointment, dismissal and remuneration of the financial statements auditor;
- To review the Trust's annual external financial statements and reports, and ensure they can be recommended to the Trust's Board for final approval; and
- To monitor the Trust's risk management arrangements and advise the Board on their adequacy and effectiveness.

**Audit**

- To consider and advise the Board regarding internal and external assessments of financial and corporate governance;
- To consider and advise the Board about any alleged fraud and irregularity reported by the Accounting Officer in accordance with the RET Anti-Fraud and Whistleblowing policies. The Committee is responsible for and ensuring that all such allegations of fraud and irregularity are properly investigated, and appropriate action taken;
- To ensure that the Trust's internal control systems meet, or exceed, the standards specified in the Academies Financial Handbook and complies in all other respects with these guidelines;
- To keep under review, the internal financial control of the Trust and establish a programme of work to address identified risks, the statement of internal control, and so far as is possible, provide assurance to external auditors;
- To determine the scope and objectives of the work of the internal audit service;
- To consider internal audit reports and the arrangements for their implementation and recommend to the Board actions as appropriate to respond to findings;
- To monitor the implementation of agreed recommendations relating to internal audit reports;
- To ensure the Trust is independently audited by an approved registered auditor;
- To monitor the implementation of agreed recommendations relating to the financial statements auditor's management letter; and
- To consider and advise the Board on the Trust's annual and long-term audit programme.

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GOVERNANCE STATEMENT  
YEAR ENDED 31 AUGUST 2021**

Attendance at Finance Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Karen Lynch	1	1
Danny Lynch	1	1
Colin Mackinlay	1	1
Iain Gunn	1	1
Patricia Taylor	1	1
John McDermott	1	1
Marina Pareas	1	1
Clive Brazil	1	1
John Chambers	-	-

#### Review of Value for Money

As Accounting Officer the CEO has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- Supporting senior leaders and teachers across the Trust's schools to ensure the robust, effective and efficient delivery of target assessed grades for students;
- Sharing expertise, experience and data within the Trust, as well as accessing economies of scale when undertaking shared purchases. Cost savings from vendors include the retendering of software services across the MAT resulting in tailored solutions for individual schools, facilitating significant long-term cost reductions;
- Disseminating best practice in pedagogy across the Trust's schools including through the delivery of subject networks;
- Automating processes to eliminate paperwork and administration overheads;
- Switching to cloud-based document storage and servers to eliminate the costs of on premises servers and to integrate with the Trust's ICT infrastructure;
- Adopting Microsoft Teams to support the response to Covid but to take the Trust to alternative ways of working that are more efficient and less costly;
- Enhancing the budget monitoring process through the development of improvements to the budget setting and monitoring processes. This has contributed to the Trust's culture of rigorous expenditure management; and
- Improving the efficiency and effectiveness of each school's administrative functions through detailed reviews of support staff functions.

As described elsewhere in this document, the Board and Accounting Officer has serious concerns regarding the capacity of the ESFA's capital team. These concerns include the failure to achieve value for money when acquiring sites and managing the associated capital works which in turn impacts on the Trust's revenue budget either through unfunded budget pressures from operating from temporary sites, some of which are also split sites, and the necessity of shadow managing the ESFA's capital team to ensure projects are managed to a level the Trust regards as a generally accepted standard.

#### Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust's objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The current system of internal control has been in place since September 2012 and for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

#### Capacity to Handle Risk

The board of directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to manage those risks. The board of directors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

#### Risk and Control Framework

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- Trust's Financial Procedures;
- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;

**RUSSELL EDUCATION TRUST  
GOVERNANCE STATEMENT  
YEAR ENDED 31 AUGUST 2021**

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- Delegation of authority and segregation of duties in each associated academy's Financial Procedures;
- Director review of projected new schools' costs;
- Director review of proposed and actual procurement (e.g. ICT provider);
- Identification and management of other risks through the use of risk registers. Additional detail is provided in the Risk and Control Framework section of the Directors' Report;
- Setting targets to measure financial and other performance; and
- Clearly defined purchasing (asset purchase or capital investment) guidelines.

The board of trustees has considered the need for a specific internal audit function and has decided to put in place an internal audit function. The service is delivered by qualified accountants from across Russell Education Trust's schools. The internal audit function reports directly to the trustees, who also set an annual scope of work for internal audit.

Internal audit's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular, the checks carried out in the current period included bank reconciliations and VAT.

The internal audit function reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**Review of Effectiveness**

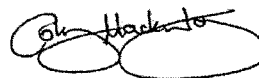
Review of the effectiveness of the Trust's system of internal control is the responsibility of the CEO. During the year in question the review has been informed by:

- the work of the internal audit function;
- the work of the Finance Committee;
- the work of the external auditor; and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the Board on 15 December 2021 and signed on its behalf by:



**Mrs K Lynch**  
Chair



**C Mackinlay**  
Accounting Officer

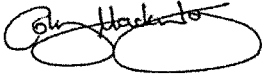
**RUSSELL EDUCATION TRUST  
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE  
YEAR ENDED 31 AUGUST 2021**

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As Accounting Officer of Russell Education Trust, I have considered my responsibility to notify the academy trust governing body and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the Funding Agreement in place between the academy trust and the Secretary of State. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's Funding Agreement and the Academies Financial Handbook 2020.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



**C Mackinlay**  
Accounting Officer

15 December 2021

**RUSSELL EDUCATION TRUST**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**YEAR ENDED 31 AUGUST 2021**

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The directors (who act as trustees for charitable activities of Russell Education Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the directors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under company law the directors 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The directors 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.

The directors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board on 15 December 2021 and signed on its behalf by:



**K Lynch**  
Chair

**RUSSELL EDUCATION TRUST  
INDEPENDENT AUDITORS' REPORT  
YEAR ENDED 31 AUGUST 2021**

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**Opinion**

We have audited the financial statements of Russell Education Trust for the year ended 31 August 2021 which comprise of the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion, Russell Education Trust financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

**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 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 statement 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 academy trust'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 directors are responsible for the other information. 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. We have nothing to report in this regard.

**Opinions 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 Directors' Report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, including the incorporated 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 the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report, including the incorporated strategic 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**RUSSELL EDUCATION TRUST**  
**INDEPENDENT AUDITORS' REPORT**  
**YEAR ENDED 31 AUGUST 2021**

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**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities, the directors 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 directors 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 directors are responsible for assessing the academies trust'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 directors 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 auditor's 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 academy trust and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the academy trust, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated income and the academy trust's net income for the year.

Audit procedures performed included:

- reviewing the financial statement disclosures to underlying supporting documentation
- enquiry of trust staff in compliance functions to identify any instances of non-compliance with laws and regulations
- review of correspondence with and reports to the regulators, including correspondence with the ESFA
- enquiries of management, those charged with governance and the trust's legal advisors and the review of relevant correspondence around actual and potential litigation and claims
- reviewing minutes of meetings with those charged with governance
- review of internal audit reports during the year and discussion and consideration of any significant matters raised
- assessing the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with part 3 of Chapter 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 auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Colin Wright (Senior Statutory Auditor)  
For and on behalf of UHY Hacker Young LLP, Chartered Accountants

Statutory Auditor  
15 December 2021

UHY Hacker Young LLP  
Quadrant House  
4 Thomas More Square  
London  
E1W 1YW



**RUSSELL EDUCATION TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
(Including Income and Expenditure Account and Statement of Recognised Gains and Losses)  
**FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2021 £000	Total 2020 £000
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	117	1,017	1,134	1,316
Charitable activities:						
- Funding for the academy trust's education operations	4	-	26,992	-	26,992	18,073
Other trading activities	5	174	-	-	174	926
		<b>174</b>	<b>27,109</b>	<b>1,017</b>	<b>28,300</b>	<b>20,315</b>
Transfer in with academy school	30	1,373	(2,073)	15,709	15,009	-
<b>Total Incoming Resources</b>		<b>1,547</b>	<b>25,036</b>	<b>16,726</b>	<b>43,309</b>	<b>20,315</b>
<b>Expenditure on:</b>						
Charitable activities:						
- Academy trust's education operations	6, 7	70	26,276	1,230	27,576	19,787
<b>Total</b>		<b>70</b>	<b>26,276</b>	<b>1,230</b>	<b>27,576</b>	<b>19,787</b>
<b>Net income / (expenditure)</b>		<b>1,477</b>	<b>(1,240)</b>	<b>15,496</b>	<b>15,733</b>	<b>528</b>
Transfers between funds		-	-	-	-	-
<b>Net income / (expenditure) for the year</b>		<b>1,477</b>	<b>(1,240)</b>	<b>15,496</b>	<b>15,733</b>	<b>528</b>
<b>Other recognised gains and losses:</b>						
Actuarial gain on defined benefit pension scheme	25	-	(746)	-	(746)	(342)
<b>Net movement in funds</b>		<b>1,477</b>	<b>(1,986)</b>	<b>15,496</b>	<b>14,987</b>	<b>186</b>
Total funds brought forward	15	1,168	(3,156)	13,772	11,784	11,598
<b>Total funds carried forward</b>	15	<b>2,645</b>	<b>(5,142)</b>	<b>29,268</b>	<b>26,771</b>	<b>11,784</b>

The Statement of Financial Activities also complies with the requirements for an Income and Expenditure Account under the Companies Act 2006.

All of the academy's activities derive from continuing operations during the above two financial periods.

A comparative Statement of Financial Activities for the year ended 31 August 2020 is shown in note 2 to the financial statements.

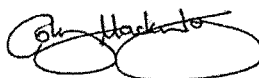
**RUSSELL EDUCATION TRUST**  
**BALANCE SHEET AT 31 AUGUST 2021**

	Notes	2021 £000	2021 £000	2020 £000	2020 £000
<b>Fixed assets</b>					
Tangible assets	11		28,494		13,023
<b>Current assets</b>					
Debtors	12	1,548		792	
Cash at bank and in hand	22	<u>4,848</u>		<u>2,680</u>	
		<b>6,396</b>		<b>3,472</b>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	<u>(2,703)</u>		<u>(2,033)</u>	
<b>Net current assets/(liabilities)</b>			<b>3,693</b>		<b>1,439</b>
<b>Total assets less current liabilities</b>			<b>32,187</b>		<b>14,462</b>
Creditors: amounts falling due after more than one year	14		<u>-</u>		<u>-</u>
<b>Net assets excluding pension liability</b>			<b>32,187</b>		<b>14,462</b>
Defined benefit pension scheme liability	25		<u>(5,416)</u>		<u>(2,678)</u>
<b>Net assets</b>			<b><u>26,771</u></b>		<b><u>11,784</u></b>
<b>Funds of the Trust:</b>					
<b>Restricted funds</b>					
- Fixed asset fund	15		29,268		13,772
- General fund	15		274		(478)
- Pension reserve			<u>(5,416)</u>		<u>(2,678)</u>
<b>Total restricted funds</b>			<b><u>24,126</u></b>		<b><u>10,616</u></b>
<b>Unrestricted income funds</b>					
- General fund	15		<u>2,645</u>		<u>1,168</u>
<b>Total unrestricted funds</b>			<b><u>2,645</u></b>		<b><u>1,168</u></b>
<b>Total funds</b>			<b><u>26,771</u></b>		<b><u>11,784</u></b>

The financial statements were approved by the directors and authorised for issue on 15 December 2021 and are signed on their behalf by:



**K Lynch**  
Chair



**C Mackinlay**  
Accounting Officer

**Company Number: 07452885**

**RUSSELL EDUCATION TRUST**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021**

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	Notes	2021 £000	2020 £000
<b>Cash flows from operating activities</b>			
Net cash from operating activities	19	1,551	784
Cash flows from investing activities	20	617	721
Cash flows from financing activities	21	-	-
<b>Change in cash and cash equivalents in the reporting period</b>		<u>2,168</u>	<u>1,505</u>
Cash and cash equivalents at 1 September 2020		<b>2,680</b>	1,175
<b>Cash and cash equivalents at 31 August 2021</b>	22	<u><b>4,848</b></u>	<u><b>2,680</b></u>

**RUSSELL EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021**

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## **1. Accounting Policies**

### **Basis of Preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the 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) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. Russell Education Trust meets the definition of a public benefit entity under FRS 102. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

### **Going Concern**

At the time of approving the financial statements, the directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions, including the current and future impact of COVID-19, that may cast significant doubt on the ability of the trust to continue as a going concern.

The directors make this assessment in respect of a period of one year from the date of approval of the financial statements. It is difficult to determine the full impact of COVID-19 to the trust, however after due considerations the directors have concluded that the trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the trust's ability to continue its operational activities and continue as a going concern. The directors continue to adopt the going concern basis of accounting in preparing the financial statements.

### **Income**

All incoming resources are recognised when the trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

#### **Grants Receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is an entitlement and are not deferred over the life of the asset on which they are expended.

The academy trust is benefiting from the ESFA's Free School programme. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the academy trust controls (through ownership, lease or licence) the site where the development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

#### **Sponsorship Income**

Sponsorship income provided to the trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance related conditions), where the receipt is probable and it can be measured reliably. There was no sponsorship income received during the period.

#### **Donations**

Donations are recognised on a receivable basis where the receipt is probable and the amount can be reliably measured.

#### **Other Income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

#### **Donated Services and Gifts in Kind**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

**RUSSELL EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021**

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**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 is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

**Expenditure on Raising Funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

**Charitable Activities**

These are costs incurred on the trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**Tangible Fixed Assets**

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

- Long leasehold land & buildings - life of lease
- Fixtures & equipment - 20% straight line
- Computer equipment & software - 20% straight line
- Motor vehicles - 20% straight line

Assets or buildings in the course of construction are included at cost, based on the value certified or other direct costs incurred to 31 August. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

**Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**Leased Assets**

Rentals under operating leases are charged on a straight-line basis over the lease term.

**RUSSELL EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021**

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**Financial Instruments**

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

**Financial assets**

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

**Cash at bank**

This is classified as a basic financial instrument and is measured at face value. None are included in this model but if relevant the suggested disclosure could be as follows, with valuation in line with SORP 2019.

**Financial liabilities**

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 13 and 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**Taxation**

The academy trust 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 trust 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.

**Pensions Benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS'), and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other gains and losses.

**Fund Accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency or the Department for Education.

**Critical Accounting Estimates and Areas of Judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Critical assumptions for LGPS**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**RUSSELL EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021**

## 2. Comparative SoFA

In accordance with the requirement under SORP 2019 the Trust must disclose the comparative information for all amounts presented in the SoFA. The trust's SoFA for 2019-20 is provided below to allow comparisons with the 2020-21 SoFA.

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020 £000
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	49	1,267	1,316
Charitable activities:					
- Funding for the academy trust's education operations	4	-	18,073	-	18,073
Other trading activities	5	521	405	-	926
<b>Total</b>		<b>521</b>	<b>18,527</b>	<b>1,267</b>	<b>20,315</b>
<b>Expenditure on:</b>					
Charitable activities:					
- Academy trust's education operations	6, 7	156	18,533	1,098	19,787
<b>Total</b>		<b>156</b>	<b>18,533</b>	<b>1,098</b>	<b>19,788</b>
<b>Net income / (expenditure)</b>		<b>365</b>	<b>(6)</b>	<b>169</b>	<b>528</b>
Transfers between funds		-	-	-	-
<b>Net income / (expenditure) for the year</b>		<b>365</b>	<b>(6)</b>	<b>169</b>	<b>528</b>
<b>Other recognised gains and losses:</b>					
Actuarial losses on defined benefit pension scheme	25	-	(342)	-	(342)
<b>Net movement in funds</b>		<b>365</b>	<b>(348)</b>	<b>169</b>	<b>186</b>
Total funds brought forward	15	803	(2,808)	13,603	11,598
<b>Total funds carried forward</b>	<b>15</b>	<b>1,168</b>	<b>(3,156)</b>	<b>13,772</b>	<b>11,784</b>

## 3. Donations and Capital Grants

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2021 £000	Total 2020 £000
Capital grants	-	-	1,017	1,017	1,261
Donations	-	117	-	117	55
	-	<b>117</b>	<b>1,017</b>	<b>1,134</b>	<b>1,316</b>

The income from donations and capital grants was £1,134k (2020: £1,317k) of which £nil was unrestricted (2020: nil), £117k restricted (2020: £49k) and £1,017k restricted fixed assets (2020: £1,316k).

## 4. Funding for Trust's Educational Operations

	Unrestricted Funds £000	Restricted General Funds £000	Total 2021 £000	Total 2020 £000
<b>DfE / ESFA revenue Grants</b>				
- General Annual Grant	-	22,716	22,716	15,285
- Start Up Grants	-	75	75	225
- Pupil Premium	-	700	700	545
- Other DfE/ESFA Grants	-	2,613	2,613	812
	-	<b>26,104</b>	<b>26,104</b>	<b>16,867</b>
<b>Other Government Grants</b>				
- SEN Grant	-	510	510	272
- Other grants	-	378	378	934
	-	<b>888</b>	<b>888</b>	<b>1,206</b>
<b>Total</b>	-	<b>26,992</b>	<b>26,992</b>	<b>18,073</b>

Funding for the Trust's educational operations was £26,992k (2020: £18,073k) of which £nil was unrestricted (2020: £nil) and £26,992k restricted (2020: £18,073k).

**RUSSELL EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021**

**5. Other Trading Activities**

	Unrestricted Funds	Restricted General Funds	Total 2021	Total 2020
	£000	£000	£000	£000
Hire of Facilities	34	-	34	5
Trip and Club Income	30	-	30	562
Other Income	110	-	110	359
	<b>174</b>	<b>-</b>	<b>174</b>	<b>926</b>

Income from other trading activities was £174k (2020: £926k) of which £174k was unrestricted (2020: £521k) and £nil restricted (2020: £405k).

**6. Expenditure**

	Staff Costs	Premises	Other	Total 2021	Total 2020
	£000	£000	£000	£000	£000
Trust's education operations:					
- Direct costs	17,216	-	1,143	18,359	13,395
- Allocated support costs	3,967	703	1,767	9,217	6,392
	<b>21,183</b>	<b>703</b>	<b>2,910</b>	<b>27,576</b>	<b>19,787</b>

Net income / (expenditure) for the year includes:

	2021 £000	2020 £000
Depreciation	1,230	1,098
Fees payable to auditor - audit	32	30

**7. Charitable activities – Educational Operations**

	Total 2021 £000	Total 2020 £000
Direct costs – educational operations:	18,359	13,395
Support costs – educational operations	9,217	6,392
	<b>27,576</b>	<b>19,787</b>

**Analysis of Support Costs**

Support staff costs	3,967	2,826
Depreciation	1,230	442
Technology costs	445	357
Premises costs	2,253	1,662
Other support costs	1,285	1,048
Governance costs	38	57
<b>Total Support Costs</b>	<b>9,218</b>	<b>6,392</b>

**8. Staff**

**a. Staff Costs**

	2021 £000	2020 £000
Wages and salaries	14,644	10,424
Social security costs	1,497	1,065
Pension costs	4,175	2,869
Apprenticeship levy	60	33
	<b>20,376</b>	<b>14,391</b>
Supply staff costs	798	391
Staff restructuring costs	9	-
	<b>21,183</b>	<b>14,782</b>

Staff restructuring costs comprise:

	2021 £000	2020 £000
Severance payments	9	-

**b. Non-statutory/non contractual staff severance payments**

Included in staff costs are non-statutory/non-contractual severance payments totalling £9k (2020: £nil).



**RUSSELL EDUCATION TRUST**  
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**c. Staff Numbers**

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

	2021 No.	2020 No.
Teachers	301	224
Administration and support	209	124
Management	7	6
	<b>510</b>	<b>354</b>

The number of employees whose emoluments fell within the following bands was:

	2021 No.	2020 No.
£60,001 - £70,000	17	7
£70,001 - £80,000	6	3
£80,001 - £90,000	3	3
£90,001 - £100,000	3	4
£100,001 - £110,000	2	-
£110,001 - £120,000	1	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-

**d. Key Management Personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £964k (2020: £684k) with the increase coming from the appointment of a permanent headteacher at St Andrew the Apostle School and the transfer of Becket Keys School into the Trust.

**9. Related Party Transactions - Directors' Remuneration and Expenses**

One trustee has been paid remuneration by the Trust. RET's Chief Executive only received remuneration in respect of this role, and not in respect of services provided as a trustee. Other trustees did not receive any remuneration in respect of their services as trustees. The value of the trustee's remuneration was as follows:

C Mackinlay (RET Chief Executive and Trustee):
Remuneration £135,001 - £140,000 (2020: £135,001 - £140,000)
Pension costs of £32,313

During the period ended 31 August 2021, travel and subsistence expenses totalling £1,067 (2020: £2,714) were paid to one trustee (2020: 1 trustees).

**10. Governors' and Officers' Financial Liabilities**

In accordance with normal commercial practice, the academy has arranged for cover through the Department for Education's Risk Protection Arrangement (RPA) to protect governors and officers from the financial impact of claims arising from negligent acts, errors or omissions occurring whilst on academy business. The arrangement provides cover up to £10m. The membership cost for the scheme is £20 per pupil per annum and the Governors and Officers cover is included within this cost. It is not possible to quantify the trustees and officers' indemnity element from the overall cost of the RPA scheme membership

**11. Tangible Fixed Assets**

	Leasehold land & buildings £000	Furniture and equipment £000	Computer equipment £000	Motor Vehicles £000	Total £000
<b>Cost</b>					
At 1 September 2020	18,073	1,434	2,804	76	22,387
Transfers in with academy school	17,101	596	709	25	18,431
Additions	342	179	506	-	998
Disposals	-	-	-	-	-
<b>At 31 August 2021</b>	<b>35,516</b>	<b>2,180</b>	<b>4,019</b>	<b>101</b>	<b>41,816</b>
<b>Depreciation</b>					
At 1 September 2020	5,771	1,182	2,335	76	9,364
Transfers in with academy school	1,536	511	656	25	2,728
Charged in year	703	179	348	-	1,230
Disposals	-	-	-	-	-
Depreciation on disposals	-	-	-	-	-
<b>At 31 August 2021</b>	<b>8,010</b>	<b>1,872</b>	<b>3,339</b>	<b>101</b>	<b>9,364</b>
<b>Net book values</b>					
At 31 August 2021	27,506	308	680	-	28,494
At 1 September 2020	12,302	252	469	-	13,023

**RUSSELL EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021**

**12. Debtors**

	2021 £000	2020 £000
Trade debtors	74	11
VAT recoverable	202	123
Other debtor	6	6
Prepayments and accrued income	1,266	652
	<b>1,548</b>	<b>792</b>

**13. Creditors: Amounts falling due within one year**

	2021 £000	2020 £000
Trade creditors	786	696
Other taxation and social security	378	266
Pensions	384	230
Other creditors	360	362
Accruals and deferred income	795	479
	<b>2,703</b>	<b>2,033</b>

**Deferred Income**

	2021 £000
<b>Deferred income at 1 September 2020</b>	<b>325</b>
Resources deferred in the year	411
Amounts released from previous years	(325)
<b>Deferred income at 31 August 2021</b>	<b>411</b>

Deferred income represents funds received in advance for school trips, and grants for business rates.

**14. Creditors: Amounts falling due after more than one year**

There are no creditors due after more than one year (2020: nil).

**15. Funds**

**15.1 Analysis of Funds**

	Balance at 1 September 2020 £000	Incoming resources £000	Resources expended £000	Gains, losses and transfers £000	Balance at 31 August 2021 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(138)	22,716	(20,820)	(1,022)	736
Start-up Grant	-	75	(75)	-	-
Pupil Premium	-	700	(700)	-	-
Other DfE/ESFA grants	(294)	2,613	(2,735)	-	(416)
Pension reserve	(2,678)	-	(941)	(1,797)	(5,416)
Activities for generating funds	(46)	-	-	-	(46)
Local authority grant	-	510	(510)	-	-
Donations	-	117	(117)	-	-
Other government grant	-	378	(378)	-	-
	<b>(3,156)</b>	<b>27,109</b>	<b>(26,276)</b>	<b>(2,819)</b>	<b>(5,142)</b>
<b>Restricted fixed asset funds</b>					
DfE / ESFA building grants	8,886	823	(1,138)	9,675	18,246
DfE/ESFA capital grants	384	131	-	136	651
Activities for generating funds	(21)	63	(92)	-	(50)
Voluntary Income	4,523	-	-	5,898	10,421
	<b>13,772</b>	<b>1,017</b>	<b>(1,230)</b>	<b>15,709</b>	<b>29,268</b>
<b>Total restricted funds</b>	<b>10,616</b>	<b>28,126</b>	<b>(27,506)</b>	<b>(12,890)</b>	<b>24,126</b>
<b>Unrestricted funds</b>					
General funds	1,168	174	(70)	1,373	2,645
<b>Total unrestricted funds</b>	<b>1,168</b>	<b>174</b>	<b>(70)</b>	<b>1,373</b>	<b>2,645</b>
<b>Total funds</b>	<b>11,784</b>	<b>28,300</b>	<b>(27,576)</b>	<b>14,263</b>	<b>26,771</b>

**RUSSELL EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021**

Comparative information in respect of the preceding period is as follows:

## 15. Funds

### 15.1 Analysis of Funds

	Balance at 1 September 2019 £000	Incoming resources £000	Resources expended £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(879)	15,317	(14,576)	-	(138)
Start-up Grant	-	225	(225)	-	-
Pupil Premium	-	545	(545)	-	-
Other DfE/ESFA grants	(167)	803	(930)	-	(294)
DfE Exceptional Covid Funding	-	9	(9)	-	-
Pension reserve	(1,716)	-	(620)	(342)	(2,678)
Activities for generating funds	(46)	373	(373)	-	(46)
Local authority grant	-	272	(272)	-	-
Donations	-	49	(49)	-	-
Other government grant	-	934	(934)	-	-
	<b>(2,808)</b>	<b>18,527</b>	<b>(18,533)</b>	<b>(342)</b>	<b>(3,156)</b>
<b>Restricted fixed asset funds</b>					
DfE / ESFA building grants	8,615	1,189	(918)	-	8,886
DfE/ESFA capital grants	323	61	-	-	384
Activities for generating funds	(10)	8	(19)	-	(21)
Voluntary Income	4,675	9	(161)	-	4,523
	<b>13,603</b>	<b>1,267</b>	<b>(1,098)</b>	<b>-</b>	<b>13,772</b>
<b>Total restricted funds</b>	<b>10,795</b>	<b>19,794</b>	<b>(19,631)</b>	<b>(342)</b>	<b>10,616</b>
<b>Unrestricted funds</b>					
General funds	803	521	(156)	-	1,168
<b>Total unrestricted funds</b>	<b>803</b>	<b>521</b>	<b>(156)</b>	<b>-</b>	<b>1,168</b>
<b>Total funds</b>	<b>11,598</b>	<b>20,315</b>	<b>(19,787)</b>	<b>(342)</b>	<b>11,784</b>

The purposes for which the funds are to be applied are as follows:

**General Annual Grant:** must be used for the normal running costs of the Academy including salary costs, overheads, premises costs and curriculum costs. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

**Other DfE/ESFA and government grants:** include funding received from the DfE and Local Education Authorities for specific purposes.

**Fixed asset fund:** includes grants received from the DfE and other sources to finance the purchase of tangible fixed assets.

**Pension reserve:** the element of the local government pension fund liability attributable to the Academy (note 25).

**Transfer between funds:** a transfer from unrestricted funds to the restricted fixed asset fund was necessary to fund capital expenditure carried out during the year.

### 15.2 Analysis of Academies by Fund Balance

Fund balances at 31 August 2021 were as follows:

	2021 £000	2020 £000
RET Schools Central	198	41
Allocated reserve	277	278
Bristol Free School	743	53
St Andrew the Apostle School	415	187
King's School	309	131
Becket Keys School	745	-
Turing House School	232	-
<b>Total before fixed assets and pension reserve</b>	<b>2,919</b>	<b>690</b>
Restricted fixed asset fund	29,268	13,772
Pension reserve	(5,416)	(2,678)
<b>Total</b>	<b>26,771</b>	<b>11,784</b>

**RUSSELL EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021**

**15.3 Analysis of Academies by Cost**

	Teaching & education support £000	Other support staff costs £000	Education supplies £000	Other costs (excluding depreciation) £000	TOTAL £000
Bristol Free School	4,018	799	364	711	5,892
RET Schools Central	893	400	15	314	1,622
St Andrew the Apostle	2,970	759	179	1,189	5,097
King's School	2,560	682	119	445	3,806
Turing House School	2,963	553	162	622	4,300
Becket Keys School	3,812	774	196	777	5,559
<b>Total before fixed assets and pension reserve</b>	<b>17,216</b>	<b>3,967</b>	<b>1,035</b>	<b>4,058</b>	<b>26,276</b>

**16. Analysis of Net Assets between Funds**

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	2021 Total funds £000
Tangible fixed assets	-	-	28,494	28,494
Current assets	2,645	2,977	774	6,396
Current liabilities	-	(2,703)	-	(2,703)
Pension scheme liability	-	(5,416)	-	(5,416)
<b>Total net assets</b>	<b>2,645</b>	<b>(5,142)</b>	<b>29,268</b>	<b>26,771</b>

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	2020 Total funds £000
Tangible fixed assets	-	-	13,023	13,023
Current assets	1,168	1,555	749	3,472
Current liabilities	-	(2,033)	-	(2,033)
Pension scheme liability	-	(2,678)	-	(2,678)
<b>Total net assets</b>	<b>1,168</b>	<b>(3,156)</b>	<b>13,772</b>	<b>11,784</b>

**17. Capital Commitments**

There are no capital commitments not provided for in the financial statements.

**18. Commitments under Operating Leases**

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

Land and Buildings	2021 £000	2020 £000
Amounts due within one year	557	577
Amounts due between one and five years	1,082	1,650
Amounts due after five years	-	-
<b>TOTAL</b>	<b>1,639</b>	<b>2,227</b>

£1,480k of the commitments under operating leases relate to the additional temporary accommodation at St Andrew the Apostle School that was negotiated by, and is fully funded by, the ESFA. Therefore, there is no net financial commitment in relation to this lease upon the Trust.

**19. Reconciliation of Net Income / (Expenditure) to Net Cash Flows from Operating Activities**

	2021 £000	2020 £000
<b>Net income/(expenditure)</b>	<b>15,733</b>	<b>528</b>
Depreciation	1,230	1,098
Transfer in with academy school	(15,009)	-
Capital grants from DfE and other capital income	(1,017)	(1,268)
Defined benefit pension scheme costs less contributions payable	880	585
Defined benefit pension scheme finance cost	61	35
(Decrease) / increase in debtors	(415)	75
Decrease / (increase) in creditors	88	(119)
<b>Net cash provided by operating activities</b>	<b>1,552</b>	<b>784</b>

**RUSSELL EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021**

## 20. Cash Flows from Investing Activities

	2021	2020
	£000	£000
Purchase of tangible fixed assets	(997)	(547)
Capital grants from DfE/ESFA	954	1,251
Other capital grants	63	8
Transfer in with academy school	597	-
Voluntary capital income	-	9
<b>Net cash from financing activities</b>	<b>617</b>	<b>721</b>

## 21. Cash Flows from Financing Activities

	2021	2020
	£000	£000
Interest received	-	-
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>-</b>	<b>-</b>

## 22. Analysis of Cash and Cash Equivalents

	2021	2020
	£000	£000
Cash in hand and at bank	4,848	2,680
<b>Total cash and cash equivalents</b>	<b>4,848</b>	<b>2,680</b>

## 23. Analysis of Changes in Net Cash

	At 1 September 2020 £000	Cash flows £000	Acquisition / disposal of subsidiaries £000	New finance leases £000	Other non- cash charges £000	At 31 August 2021 £000
Cash	2,680	2,168	-	-	-	4,848
Cash equivalents	-	-	-	-	-	-
Overdraft facility repayable on demand	-	-	-	-	-	-
	<b>2,680</b>	<b>2,168</b>	-	-	-	<b>4,848</b>
Loans falling due within one year	-	-	-	-	-	-
Loans falling due after more than one year	-	-	-	-	-	-
Finance lease obligations	-	-	-	-	-	-
<b>Total</b>	<b>2,680</b>	<b>2,168</b>	-	-	-	<b>4,848</b>

## 24. Members' Liabilities

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.

## 25. Pension and Similar Obligations

### Overview

The Trust's employees belong to two principal pension schemes which are both defined-benefit schemes:

1. Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and
2. Local Government Pension Scheme (LGPS) for non-teaching staff which is managed by Essex Pension Fund.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £384k were payable to the schemes at 31 August 2021 (2020: £229k) and are included within creditors.

### A. Teachers' Pension Scheme

#### Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for teachers in academies. Teachers and lecturers are able to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary with these contributions credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

#### 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 four 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

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benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy).
- Total scheme liabilities (pensions currently in payment and the estimated costs of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional pass service deficit of £22,000 million.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI assumed real rate of return, 2.4% in excess of prices, and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1st of April 2023. A copy of the valuation report and supporting documentation is on the teachers pensions website.

The employer's pension costs paid to TPS in the period amounted to £2,580k (2020: £2,468k).

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.

**B. Local Government Pension Scheme**

Each Local Government Pension Scheme is a multi-employer funded defined-benefit scheme with the assets held in separate trustee-administered funds. The Trust is currently part of five different funds:

- London Borough of Barnet Pension Fund (St Andrew the Apostle School);
- Avon Pension Fund (Bristol Free School);
- East Sussex Pension Fund (King's School);
- Essex Pension Fund (Becket Keys School);
- London Borough of Richmond upon Thames Pension Fund (Turing House School); and
- Surrey County Council Pension Fund (Russell Education Trust central staff).

The total contributions made for the year ended 31 August 2021 was £903k (2020: £625k) of which employee's contributions totalled £230k (2020: £164,422) and employer's contributions totalled £674k (2020: £461k). The agreed contribution rates for future years are between 5.5% and 12.5% for employees and between 13.7% and 23.8% for employers.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

**25A.1 Principal Actuarial Assumptions**

	2021 Range		2020 Range	
	From	To	From	To
Rate of increase in salaries - employer specific	2.9%	4.3%	2.2%	3.8%
Rate of increase for pensions in payment / inflation	2.9%	2.9%	2.2%	2.4%
Discount rate for scheme liabilities	1.7%	1.7%	1.7%	1.8%
Inflation assumption (CPI)	2.8%	2.9%	2.2%	2.3%

**25A.2 Mortality Expectations**

The current mortality assumptions included sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 averaged across the funds are:

		2021 Range		2020 Range	
		From	To	From	To
Retiring today	Males	21.2	23.3	21.6	23.2
	Females	23.6	25.4	23.9	25.3
Retiring in 20 years	Males	22.0	24.8	22.5	24.7
	Females	25.1	27.4	25.3	27.3

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**25A.3 Estimated Share of Assets and Expected Rates of Return**

The estimated share of assets in the schemes attributable to the Trust and the average expected rates of return across the schemes were:

	2021 Fair Value £000	2020 Fair Value £000
Gilts	2,932	1,535
Equities	546	349
Other Bonds	286	106
Property	336	218
Alternative Assets	770	451
Cash	149	117
<b>Total Market Value of Assets</b>	<b>5,019</b>	<b>2,776</b>
Present value of scheme liabilities funded	(7,975)	(5,454)
<b>Deficit in the scheme</b>	<b>2,956</b>	<b>2,678</b>

**25A.4 Amounts Recognised in the Statement of Financial Activities**

	2021 £000	2020 £000
Net interest cost	128	73
Current service cost	1,523	994
Past service cost	-	-
Administrative expenses	5	4
<b>Net cost</b>	<b>1,656</b>	<b>1,071</b>

**25A.5 Movements in Present Benefit Obligations during the Year**

	2021 £000	2020 £000
<b>At 1 September</b>	<b>5,454</b>	<b>3,534</b>
Transfers In (Becket Keys)	1,784	-
Current service cost	1,552	994
Employee contributions	206	134
Actuarial loss / (gain)	1,412	724
Benefits paid	(113)	(5)
Past service cost	-	-
Interest on pension liabilities	128	73
<b>At 31 August</b>	<b>10,423</b>	<b>5,454</b>

**25A.6 Movements in the Present Value of Defined Benefit Assets**

	2021 £000	2020 £000
<b>At 1 September</b>	<b>2,776</b>	<b>1,818</b>
Transfers In (Becket Keys)	735	-
Administrative expenses	(5)	(4)
Expected return on assets	548	80
Actuarial gain	183	340
Employer contributions	677	413
Employee contributions	206	134
Benefits paid	(113)	(5)
<b>At 31 August</b>	<b>5,007</b>	<b>2,776</b>

**26. Related Party Transactions**

There were no related party transactions in 2020-21. During the previous year financial services to the value of £25,000; core services of £107,852, general support of £173,500), and specific curriculum support services of £30,000 were provided to Becket Keys Church of England School.

**27. Central Services**

The Trust has provided the following central services to its schools during the year:

- Corporate governance in line with the obligations imposed by company and charity law as well as by the DfE / ESFA
- School improvement
- Payroll support and training
- Governor support including clerking
- Premises project management
- ICT coordination and support
- Others as arising
- Finance and accounting
- Human resources

The Trust charges for these services using a flat percentage rate of 6.5% of the school's total budget in its first year of operations, which reduces by 0.5% per annum during the lifetime of the school to a minimum of 3.5%. The Trust also charges using a flat rate for

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finance, operations and bursarial services of £25k per annum and £30k per annum for specific curriculum support. All charges are subject to review by the governing bodies of the Trust's schools. The actual amounts charged during the year were as follows:

<b>RET School</b>	<b>2021 £000</b>	<b>2020 £000</b>
Bristol Free School	454	400
St Andrew the Apostle School	399	397
King's School	261	238
Becket Keys School	372	336
Turing House School	284	246
<b>Total</b>	<b>1,770</b>	<b>1,617</b>

### **28. Ultimate Controlling Party**

The directors consider there to be no ultimate controlling party.

### **29. Post Balance Sheet Events**

There are no post balance sheet events to declare.

### **30. School transferring into the Academy Trust**

On 1 September 2020 one academy school transferred into the Trust from RET Becket Keys Church of England Free School Trust, a related party trust. The net assets transferred totalled £15,009k and represented the values also reported by the transferring trust and consisted of:

	<b>Transferred in £000</b>
Tangible assets	15,703
Debtors	341
Cash at bank	597
Creditors: amounts falling due in one year	(583)
Pension scheme net liability	(1,049)
<b>Net assets transferred in to the Trust</b>	<b>15,009</b>



**RUSSELL EDUCATION TRUST**  
**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORTS ON REGULARITY TO**  
**RUSSELL EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**  
**YEAR ENDED 31 AUGUST 2021**

In accordance with the terms of our engagement letter dated 12 June 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Russell Education Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Russell Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Russell Education Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Russell Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective Responsibilities of Russell Education Trust Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirements of Russell Education Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw our conclusion includes:

- Evaluation of the general control environment and operational effectiveness of the controls, policies and procedures;
- Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education;
- Review of the declaration of interests to ensure completeness;
- Review of minutes for evidence of declaration of interest;
- A sample of payments has been reviewed to confirm that each item has been appropriately authorised in accordance with the academy trust's delegated authorities;
- A sample of cash payments were reviewed for unusual transactions;
- A sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement; and
- Formal representations have been obtained from the governing body and the Accounting Officer acknowledging their responsibilities for matters relating to regularity and propriety.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**UHY Hacker Young LLP**  
Chartered Accountants  
Reporting Accountant

UHY Hacker Young LLP  
Quadrant House  
4 Thomas More Square  
London  
E1W 1YW

15 December 2021