

Company Registration No: 1163246  
Registered Charity No: 271907



**RUSSELL SCHOOL TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**31 AUGUST 2022**

# ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 AUGUST 2021

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CONTENTS	Page
<a href="#"><u>Governors, Directors and Charity Trustees</u></a>	2
<a href="#"><u>Officers, Advisors and Website</u></a>	3
<a href="#"><u>History of the School</u></a>	4
<a href="#"><u>Directors' Report</u></a>	5-9
<a href="#"><u>Strategic Report</u></a>	10
<a href="#"><u>Financial Review</u></a>	11-14
<a href="#"><u>Statement of Accounting and Reporting Responsibilities</u></a>	15
<a href="#"><u>Independent Auditor's Report</u></a>	16-19
<a href="#"><u>Consolidated Statement of Financial Activities</u></a>	20
<a href="#"><u>Consolidated Balance Sheet</u></a>	21
<a href="#"><u>School Balance Sheet</u></a>	22
<a href="#"><u>Consolidated Cash Flow Statement</u></a>	23-24
<a href="#"><u>Notes to the Consolidated Financial Statements</u></a>	25-36



# **RUSSELL SCHOOL TRUST** **ANNUAL REPORT OF THE GOVERNORS** **FOR THE YEAR ENDED 31 AUGUST 2022**

## **GOVERNORS, DIRECTORS AND CHARITY TRUSTEES**

The Governors of Russell School Trust ("the School") are trustees under charity law and the directors of the charitable company. The members of the Governing Body who served in office during the year are detailed below.

Governor	Details	(1)	(2)	(3)
Professor A M Ansari+, BA, MA, PhD FRSE		•		
Mr N Cobill		•		
Mr P Dawson		•		
Doctor A T Fernandes** MBE FRCGP BSc AKC MBBS DRCOG DCCH		•	•	•
Mrs L J Jessup** ACIB				
Mr J Lacey+		•	•	•
Mr A Lorie+**		•	•	
Mrs A Martin	Resigned December 2021		•	
Mr A Merriman BA FCA		•	•	•
The Hon Sir Philip Moor**, Kt; MA (Oxon)		•	•	•
Mrs M Norris	Resigned June 2022		•	
Mr J Penny** FSI, ACIB		•	•	•
Mrs N Rabson	Appointed June 2022			
Mr A Roach-Bowler** BSc, LLB, FRICS, FCIHT		•		
Mrs J Smith			•	•

- (1) Finance and Estates Committee
- (2) Education and Welfare Committee
- (3) Strategy, Appointments and Remuneration Committee
- \* Parent of pupil at the School
- \*\* Parent of ex-pupil/s
- + Alumni of Royal Russell

During the year, the activities of the Governing Body were carried out through three committees, with membership of these committees shown above.



# **RUSSELL SCHOOL TRUST ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2022**

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## **OFFICERS**

Headmaster	C J Hutchinson BMet, FRSA
Head of Junior School	J J Evans BA, MA (CANTAB)
Director of Operations/Finance & Clerk to the Governing Board	N W Cufley MBA, CMgr, FCMI, FRSA
<b>Principal Address and Registered Office:</b>	Royal Russell School, Coombe Lane, Croydon, CR9 5BX

## **PROFESSIONAL ADVISORS**

### **Auditors**

Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW<sup>1</sup>

### **Bankers**

Barclays Bank plc, 1 Churchill Place, London, E14 5HP

### **Solicitors**

Barlow Robbins LLP, The Oriel, Sydenham Road, Guildford, GU1 35R

### **Website**

[www.royalrussell.co.uk](http://www.royalrussell.co.uk)

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<sup>1</sup> Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.



## **RUSSELL SCHOOL TRUST ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2022**

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The Governors present their Annual Report for the year ended 31 August 2022 under the Charities Act 2011, incorporating the Directors' and Strategic Reports under the Companies Act 2006, together with the audited financial statements for the year.

### **HISTORY OF THE SCHOOL**

The School was founded as a charity in 1853 for the education of children of necessitous warehousemen and clerks. Lord John Russell consented to be the first President of the new School and in 1863 Edward, Prince of Wales, laid the Foundation stone of the Russell Hill School, Purley. The School was dependent upon subscriptions from the Warehousemen and Clerks, but it was also supported by many important commercial firms: Debenhams, Bentall, Courtauld, Marshall, Snelgrove, Lewis, Selfridges and Simpson are just a few.

The School at Purley flourished; however, post 1918 the demand for further places from war orphans led to the purchase of the Ballards Estate in Addington. In a truly magnanimous gesture Mr Hollingsworth (of Bourne & Hollingsworth), made a deed of gift of the whole of the purchase price of £21,000. Work on the new School started in 1923 and the School was formally opened by HRH Edward, Prince of Wales, in 1924.

During the interwar years both schools continued to build on the foundations laid down in the past; however, increasing cost per head and lack of reserves were an increasing concern. The depression of the 1930s and the Second World War aggravated the situation still further. Post war social change, particularly the coming of the Welfare State, made it increasingly difficult to raise money for falling numbers of orphans and needy children. The schools went through a difficult transition period which ended with the sale of the site at Russell Hill and the concentration of both primary and secondary education on the Ballards site. The new facilities were formally opened in 1962 by Lord Hollenden, the then President of the School and, the following year, the School was honoured by a visit from the Queen when the School officially became Royal Russell School.

In 1973, in financial difficulties, the decision was made to close the School, but parents and staff of the School set up a campaign to fight for the School. This resulted in the formation of a new Educational Charity which was able to lease the premises from the Trust and eventually purchase the freehold in 1992. Slowly, the new charity turned around the fortunes of the School and in 2003 Her Majesty Queen Elizabeth, the School's Patron, visited the School to mark its Sesquicentenary, her fourth visit to the School. In December 2010 the School was delighted to welcome her son, the Earl of Wessex, to open the Performing Arts Centre.



# **RUSSELL SCHOOL TRUST ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2022**

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## **DIRECTORS' REPORT**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing Documents**

The School is governed by its Memorandum of Association and Articles of Association, last amended on 27 November 1998. The School is constituted as a company limited by guarantee registered in England, Company No 1163246, and is registered with the Charity Commission under Charity No 271907.

#### **Governance Code**

The trustees are aware of the Charity Governance Code published in 2017 which sets out the principles and recommended practice for good governance within the sector. The Charity continually reviews its governance arrangements against the principles within the code and will address any issues raised where required.

#### **Governing Body**

The Board is a self-appointing body governing the School. The Board of Governors is appointed by the members. Governors are elected for a term of three years expiring at the Annual General Meeting after the third anniversary of election and are eligible for re-election every three years thereafter. No Governor may be re-elected to serve beyond the expiry of the term following their 70<sup>th</sup> birthday. An extension may be granted in exceptional circumstances to retain experience for a period of time and this extension is to be approved at the Annual General Meeting when the Governor would have retired.

#### **Recruitment and Training of Governors**

The names of suitable candidates are normally submitted by existing Governors or members of the School's Leadership Team to the Chair of the Board, although the School has advertised for Governors in the past. New candidates tour the School, meet with its Officers, and are interviewed by the Strategy, Appointments and Remuneration Committee. If recommended, their name goes forward to the Board for consideration.

New Governors are supported in their role by the provision of an information pack and meetings with the Headmaster, Director of Operations & Finance and School Leadership Team. In their first year, new Governors attend meetings of both the Education and Welfare Committee and Finance and Estates Committee to broaden their understanding of the School. New Governors attend specialist external trustee training courses on the role and responsibilities of charity trustees.

All Governors undertake regular training designed to keep them informed and updated on regulatory requirements and current issues in the sector.

#### **Organisational Management**

The members of the Governing Body, as the charity trustees, are legally responsible for the overall management and control of the School. The Governors normally meet at least three times a year. The Strategy, Appointments and Remuneration Committee sets the School's long-term strategy, oversees recruitment of Governors and members of the School Management Team, and makes recommendations on the remuneration of members of the School Management Team and any staff pay awards. The members of the Finance and Estates Committee and the Education and Welfare Committee monitor the implementation of the Board's policies and make recommendations to the Board on matters within their respective areas of responsibility.



## **RUSSELL SCHOOL TRUST ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2022**

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### **Chairs of Sub-Committees:**

Strategy, Appointments and Remuneration Committee  
Finance and Estates Committee  
Education and Welfare Committee

Mr J Penny  
Mr J Lacey  
Dr A Fernandes

The day-to-day management of the School is delegated to the respective Headmasters of each part of the School and the Director of Operations & Finance. They are supported by their management teams and together this group are the key management personnel. Both Headmasters and the Director of Operations & Finance attend all Governor meetings.

Staff remuneration is set by the Board, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding, fairly and responsibly, individual contributions to the School's success. In setting remuneration levels, reference is made to comparisons with other independent schools and other benchmarking data to ensure the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

### **Group Structure and Relationships**

The School has two wholly owned non-charitable subsidiaries: Russell School Enterprises Limited and Russell School International Limited, whose activities and trading performance are discussed in the relevant sections of this report. The annual taxable profits of both subsidiaries are donated to the School under the Gift Aid scheme.

### **Employment Policy**

The School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the School.

### **Investment Policy and Performance**

The School aims to maximise its total investment return for reinvestment in its ongoing development plans. All surplus monies are either held in an interest-bearing account with Barclays Bank, Nationwide or on longer term deposits with Lloyds Bank. Every effort is made to retain the maximum amount on deposit for as long as possible.

### **OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

The objects of the Charity, as set out in the Memorandum of Association, are to promote and provide for the advancement of education of children and young persons in the United Kingdom and elsewhere. In furtherance of these Objects for the public benefit the School has established and administers a programme of bursarial awards.

The Governing Body is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011 in this connection, the Governing Body has monitored closely the guidance on public benefit produced by the Charity Commission.





## RUSSELL SCHOOL TRUST ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2022

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### Vision and Values

Royal Russell is different by design. We are a family school which values the things which make each of us distinctively brilliant. Our commitment to each other is to help every member of our community strive for their vision of success – to take a wider view of what their personal ambitions are.

Our values speak to who we are and who we strive to be; whether you are a pupil, teacher, staff member, alumni or volunteer. Our values help to guide us in our learning together and also as we navigate our way through life.

### Our Vision

To provide an outstanding co-educational experience for children aged 3 – 18 as the family school of choice.

### Our Values

**Ambitious** We are passionate learners who pursue excellence in all that we do. Through our broad curriculum and co-curricular programme, we are ambitious for ourselves and recognise the rewards of effort, collaboration, and commitment.

**Open** The school's motto is 'Not for oneself but for all'. In our inclusive community, we believe in ourselves and celebrate the differences in each other recognising the value of honesty, integrity, and respect for everyone.

**Distinctive** We value originality, authenticity, and contribution to our community as a whole. We nurture pupils' intellectual, social, cultural, and moral development, so that they can confidently contribute to their world using their unique skill set.

**Courageous** We emphasise that the right thing to do isn't always the easiest thing to do and promote spiritual and moral values through Christian principles. We encourage pupils to challenge themselves and each other to do good; becoming strong global citizens.

### Principal activity

The School's principal activity, as specified in the Memorandum of Association, is to promote and provide for the advancement of education of children. During the year, it has continued its efforts to improve academic standards and provide a high-quality education for both girls and boys, but one balanced by the needs and the ability of the individual and one that contains a rich and varied co-curricular programme. The School remains committed to monitoring the value added in terms of education to get the best from its pupils.

In setting objectives and planning our activities the Governors have considered the Charity Commission general guidance on public benefit and remain committed to maintaining the current level of assistance to broaden access to education.

Our key objectives for the year included:

- continuing to focus on maintaining pupil numbers
- continuing to focus bursaries on entry to Year 7 and Year 9 to encourage applications from those who would not necessarily consider an independent education
- continuing the current strategy to strengthen the School's position in a competitive market by endeavouring to ensure that each pupil achieves the best results possible
- providing individual learning programmes to all GCSE and A level candidates
- plan for the next stage of the school development plan, the rebuild of the junior school
- implementation of a "blended learning" pedagogic strategy





## **RUSSELL SCHOOL TRUST ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2022**

### **PUBLIC BENEFIT**

#### **Bursaries**

The Governors remain committed to maintaining the level of funding made available for bursaries. All bursaries are means tested and the emphasis remains on bursaries for new pupils joining the Senior School. Bursaries are awarded to help ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our entry requirements and are made solely based on parental means, or to relieve hardship where a pupil's education and prospects would otherwise be at risk, for example in the case of parental illness or redundancy. The bursary awards range in value and are means tested. In assessing means we take several factors into consideration, including family income, investments and savings, and family circumstances.

The School has no endowment funds, and all bursaries are funded by redirecting fee income. We have, therefore, to be mindful that we ensure a balance between fee paying parents, many of whom make a considerable personal sacrifice to fund their child's education, and those benefiting from the awards. This year the total of scholarships and bursaries was £1,984,512 (2021: £1,897,328). 74 pupils in 2022 (86 in 2021) were in receipt of a bursary and the total allocated to bursaries in 2022 was £692,496 (2021: £716,200). There were four pupils in the School whose fees were being met in full, and another four where the fee remission, including scholarships, is more than 90%, but there are also a range of other bursaries of smaller amounts for pupils entering the School at Year 7.

Information on fee assistance through bursaries is provided to all applying to the School and the information is on the School's website. Advertisements for the School also carry information on the availability of bursaries.

#### **Working in the Community**

We take our responsibilities as a member of the Croydon community very seriously and play an active role in supporting a wide range of local activities, either by personal representation, use of facilities or both. Some examples of these activities are described below:

Our Combined Cadet Force offers the opportunity to join the Royal Russell School CCF to Coloma Convent Girls' School and to share the School's facilities and staff. Students from Coloma participate throughout the year in the nationally recognised framework for both the Army Cadet Force and the Air Cadet Organisation. They also participate in weekend and holiday leadership courses and activity camps.

Throughout the season, Addiscombe Hockey Club use our facilities to run their academy for beginners to experienced players aged 7 to 13 involving pupils from our School and their club members. We are actively considering other opportunities to engage with other local sporting clubs, connecting our community more widely for the benefit of all concerned.

Each year we facilitate meetings for the Croydon Neighbourhood Watch organisation. We hosted the Croydon Neighbourhood Watch 2021 AGM and lunch, which was attended by most of the Neighbourhood Watch co-ordinators within the Borough, Local Council Officials and representatives from Trading Standards, Fire and Police Services.

Our swimming facilities are available to local state schools throughout the year for swimming lessons and to prepare competitors for swimming galas. We also support the Restless Development Triathlon, which is hosted annually by the School and supported by staff and students in aid of the national charity.

Throughout the year, we supported the Metropolitan Police Croydon Volunteer Police Cadets and we have also provided beneficial use to the British Transport Police Dog section for training new police dogs and several our staff assisted with the training. We also assisted with the British Transport Police Ropes Team to facilitate their training. We also hosted a Metropolitan Police initiative along with Netball England, 'Beyond



## **RUSSELL SCHOOL TRUST ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2022**

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the Court', to facilitate young women from the wider community to look at netball as a vehicle for positive change.

We supported the Metropolitan Police Croydon Volunteer Police Cadets, the Metropolitan Police Young Engagement Team and a local Scout Group with the use of the School minibus throughout the year.

We hosted and sponsored a Borough-wide competition for young people this year. The School hosts 4-5 meetings a year for the Youth Organisations in Uniform (YOU), London Borough of Croydon, which allows youth organisations to share resources and exchange good practice.

Our facilities were used at various times during the year by the Surrey Wing Air Training Corps thereby ensuring members across the County attend valuable training sessions. In addition, we supported the Local Squadron (Croydon).

Croydon Young Driver was supported with the use of our facilities to enable young people aged between 15 and 24 years to learn basic car control, manoeuvring around a specially designed course and awareness of the dangers of drug, alcohol and mobile phone use while driving, or as a passenger, of a vehicle.

The Spanish Government use the facilities to develop Spanish among young nationals living in the local community, hosting twice-weekly language lessons.

### **Fund Raising**

Pupils and staff enthusiastically participate in and promote numerous charitable events to raise money for people less fortunate than themselves. Junior School fundraising included a variety of good causes such as Jeans for Genes, Restless Development, British Dyslexia Association, The Salvation Army, and Cancer Research. The Poppy Appeal and Crisis were supported by the whole school. The Senior School continued to raise money for several local and overseas charities including The Chartwell Cancer Trust, British Red Cross, Sailors' Fund, the Ukraine Appeal, Reverse Rett, Free Kicks.

### **Fund Raising for the Charity**

Most of the School's income is from school fees and other associated income. Russell School Trust has not engaged with third parties to raise funds and any direct approach to members of the public for funding has been limited to parents of pupils and alumni. No complaints were received in relation to our fundraising activities.

### **International Involvement**

Internationally, the School has maintained its commitment to the Model United Nations, despite the impact of the pandemic leading to its cancellation in 2020. At the 40<sup>th</sup> THIMUN Affiliated Conference, hosted by the School in October 2022, the School welcomed over five hundred students from twenty schools with delegations from the UK and Europe. Over one hundred Royal Russell pupils organised and participated in a stunningly successful event with seven committees, an International Court of Justice, and a day of debating in the General Assembly.



## **RUSSELL SCHOOL TRUST ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2022**

### **STRATEGIC REPORT**

#### **ACHIEVEMENTS AND PERFORMANCE**

##### **Review of achievements and performance for the year**

The School principally provides education for day pupils in the Croydon area with a catchment area extending into South London and across to Wimbledon and Bromley, but it also has a significant boarding community with pupils drawn from over twenty different countries.

The average number of pupils during the year was 1,143 (2021: 1,086) of whom 183 (2021:169) were boarders.

##### **ISI Inspection – September 2022**

In September 2022 we were visited by a team of ISI Inspectors to carry out an integrated inspection, which covered compliance, Educational Quality and a request to change pupil numbers by an additional 100 to 1250. The School was found to be excellent and compliant in all areas, and the increase in pupil numbers was granted.

##### **Academic Achievements**

###### **GCSE Results 2021**

115 candidates sat for a total of 1,069 GCSE awards this year. Success was evident across the whole cohort and our top candidates achieved straight grade 9s, whilst the top 22 candidates all achieved an average grade of 8.0 or more.

The 9-7 grade % was an impressive 58.6%, with the overall pass rate at 97.4%. Success was evident across the whole cohort and our top candidates achieved straight grade 9s, whilst the top 30 candidates all achieved an average grade of 8.0 or more.

###### **A level Results 2021**

127 candidates were entered for 389 A levels and Level 3 BTEC National qualifications this summer. The overall results are very strong from a high performing year group and individual success is evident at all levels of the ability range both within our A level and our BTEC programmes. Overall, 56.8% of students achieved A\*/A grade, with 100% of all students entered for exams passing.

Students have moved on from Royal Russell to study a wide range of courses including Medicine, Dentistry, Architecture, Business, Computer Science, Economics, English, History, Creative Music Technology, Law, Maths, Sport and Exercise Science, Film Production, Illustration and Psychology at universities including Bath, St Andrew's, Edinburgh, Manchester, King's College London, Royal Holloway, Loughborough, Nottingham, and University College London. Two students secured places to study medicine, one student secured a place to study dentistry, with two students selected to study law.



# RUSSELL SCHOOL TRUST ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2022

## FINANCIAL REVIEW

### Streamlined Energy and Carbon Reporting

The Streamlined Energy and Carbon Reporting disclosure presents our carbon footprint within the United Kingdom across Scope 1 and Scope 2, some international travel, waste disposal and water supply & treatment in Scope 3, an appropriate intensity metric, the total energy use of electricity, gas and transport fuel and an energy efficiency improvements summary.

Year ended 31 August 2022

Emissions Source	Quantity	Unit	Carbon Footprint (tonnes of CO <sub>2</sub> equivalent)	Scope
Electricity	2,016,439	KWh	389.9	2
Gas	7,479,433	KWh	1,365.3	1
Water Supply & Treatment	61,902	M <sup>3</sup>	10.7	3
Waste Disposal	583	t	12.4	3
Business travel - land	32,155	KWh	7.7	1
Business travel - air	37,854	km	6.9	3
<b>TOTAL</b>		-	<b>1,792.9</b>	

Year ended 31 August 2021:

Emissions Source	Quantity	Unit	Carbon Footprint (tonnes of CO <sub>2</sub> equivalent)	Scope
Electricity	1,333,651	KWh	283.2	2
Gas	5,653,062	KWh	1,035.4	1
Business travel - land	13,793	KWh	3.2	1
Business travel - air	6,960	km	1.1	3
<b>TOTAL</b>	-	-	<b>1,322.9</b>	

The carbon footprint for the year is 1,792.9 (2021: 1,322.9) tonnes CO<sub>2</sub> equivalent, which represents a carbon intensity of 6.77 (2021: 5.01) tonnes per full time equivalent employee.

### Energy Efficiency Improvements

Russell School Trust is committed to year-on-year improvements in operational energy efficiency. As such, a register of energy efficiency measures has been compiled with a view to implementation in the next five years. Ongoing energy efficiency measures already undertaken, and including those undertaken in this year:

- Where possible, we are completing replacement of all fluorescent lighting with LED lighting. This will not only reduce the energy consumption but will also reduce long-term maintenance requirements.
- We have sought to introduce PIR sensors for lighting, which switch lighting off when rooms are not in use.
- With heating being a core requirement within our School, as appropriate, new more energy efficient heating systems are being installed as part of the estate Masterplan, including a Combined Heat and Power (CHP) plant for the two new Replacement Residential Student Accommodation (RRSA) buildings, which incorporates gas turbines for generating electricity from unused power.
- The new cascade boiler system installed in the Senior School is more energy efficient than its predecessor, we have also sought to provide more insulation to the boiler, boiler area and pipework to increase efficiency and heat loss.
- All new build projects and major works are built to a minimum of a good Building Research Establishment Environmental Assessment Method (BREEAM) rating and passive house options are regularly considered.





## **RUSSELL SCHOOL TRUST ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2022**

- The school has moved away from using internal combustion engine vehicles, purchasing electrically powered vehicles for the catering and estates departments.
- We have installed a waste food bio digester to decrease the amount of waste food that is disposed of.

Measures under consideration for the future:

- We are mandated to comply with the Energy Savings Opportunity Scheme (ESOS) and as such produce a summary of all available energy efficiency improvements on a four-year cycle. This will be completed again in line with the 2023 Phase 3 compliance deadline.

### **Results for the year**

The group's net income for the year from operations amounted to £1,362,229 (2021: £1,035,085). This included a profit of £321,747 (2021: £60,691) achieved by the School's trading subsidiaries which is donated to the School.

### **Reserves and Financial Health**

The Governors regularly review the level of the School's funds, which are managed through a structured business planning process. It is the policy of the Governors that fees should be set at levels that allow the School to meet its normal operating expenditure and provide a surplus for future investment in improving and expanding the School's facilities. The School currently has reserves of £20.9 million (2021: £19.5m). The School had no free reserves at the balance sheet date but had a £6million revolving loan facility of which £1.5 million had been drawn at 31 August 2022. These facilities were put in place for any working capital requirements. The revolving loan facility is available until December 2023.

The Governors are satisfied that the resources available to the School are adequate for its projected requirements, including the funding of expected future capital projects.

### **RISK MANAGEMENT**

The Board of Governors is responsible for the management of the risks faced by the School. Detailed consideration of risks is delegated to the Chair of each sub-committee, who are assisted by the Headmasters and Director of Operations & Finance. A formal review of the charity's risk management process is undertaken on an annual basis.

The key controls used by the charity include:

- detailed terms of reference and formal agendas for all Committee and Board activity;
- formal annual strategic development planning;
- comprehensive budgeting and management accounting;
- established organisational structures and lines of reporting;
- formal written policies including clear authorisation and approval levels;
- vetting procedures as required by law for the protection of the vulnerable.

### **Principal risks and uncertainties**

The Covid-19 pandemic caused the School's usual view of risks and uncertainties to be challenged. Previously, Governors were mindful of the effect of a pandemic on the School, with this noted in the Risk Register and managed accordingly as the Covid-19 pandemic hit the world. As a result of the pandemic, the School was able to mitigate the financial impact by taking advantage of the Government Coronavirus Job Retention Scheme (CJRS) whilst minimising any unnecessary expenditure. Historically, the view of Governors was, and remains that the main risk to the School is financial in nature and would primarily occur due to a



## **RUSSELL SCHOOL TRUST ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2022**

decrease in the pupil roll, especially in the boarding community. However, for each of the major risks that have been identified, the probability of an occurrence has been assessed as low. This is because the Governors are satisfied appropriate controls have been put in place and have been maintained to manage those risks adequately. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

### **DEVELOPMENT**

The Board continues their current strategy to improve the School's position in a competitive market by endeavouring to ensure that each pupil achieves to the best of their ability. The Governors remain aware of the need to continue to invest in educational facilities and maintain the fabric of the School.

The construction of a full-size hockey astro turf pitch and Multi Use Games Area (MUGA) was completed during 2013/14 and three, new, full size grass sports pitches had established and were ready for use from September 2015. A well-equipped pavilion and strength and conditioning facility were added in 2016 to complement the sports pitches with the help of a generous donation from the School's parents' association, the 1853 Society.

The School continues to provide for the long-term property development master plan. Two new residential student accommodation buildings were built and opened in 2017 and 2020. The School also built and completed an extension to the science block in 2020, which delivered four large laboratories, one smaller theory classroom and new facilities for staff and students.

Work continues to develop the existing estate, with a rolling programme of upgrade and refurbishment, which is managed over a 5-year period of development. This year we successfully developed a new Food Technology classroom, two new science laboratories, and renovated the School's original building, the Aston Webb (Latessa) block.

We continue to develop plans for the demolition of the current Junior School and a complete rebuild of this part of the school campus, which we hope will begin to develop in the latter stages of 2023.

### **Strategic Priorities**

#### **Learning**

- We will ensure that every pupil follows a unique learning journey by offering challenging, demanding and exciting lessons delivered by passionate and dynamic teachers who are experts in their field.
- From Nursery to Sixth Form, our education will foster curiosity, celebrate scholarship and enable discovery, creating confident, independent learners.
- We believe everyone can change and grow through application and experience. We will encourage pupils to develop resilience and make the effort to strive for their vision of success.
- We believe in a total education. We will encourage pupils to extend their learning beyond the curriculum through enrichment activities and cultural experiences; learning together in a community that celebrates individual and collective achievements.

#### **People**

- Royal Russell is deeply committed to the individual care and development of each member of our community; we will help each of them to define what success means to them.
- We will encourage our community to live completely, emphasising the importance of academic achievement, self-worth, adaptability, and kindness by showing respect for everyone.
- Just as we care deeply for our pupils, we value our staff and the contribution they make to the learning experience. We will provide opportunities for advancement and self-improvement by investing in activities which enhance their teaching practice and leadership skills.
- We will actively engage our community with warm, timely and accurate communication.



## **RUSSELL SCHOOL TRUST ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2022**

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### **Place**

- The pupil environment contains excellent teaching and learning spaces and high-quality pastoral and social facilities. We will ensure our learning environment and specialist facilities continue to meet the academic, pastoral and social needs of our pupils across all areas and ages.
- As part of a comprehensive campus masterplan, we will build an outstanding new Junior School and progress towards the development of the practical blocks in the Senior School.
- We will use innovative technology in all areas of school life.
- We are committed to environmental sustainability. We will consume the resources needed to run the campus responsibly, efficiently and ethically.

### **Community**

- We are an inclusive community. We will continue to build positive relationships with members of our extended community, including local schools, our neighbours and community groups.
- Our pastoral structures promote moral responsibility, respect and courage alongside an understanding of and support for British values. The Chapel will remain at the heart of the School to encourage spiritual-thinking and awareness beyond materialism and the self.
- We have a global outlook and will continue to establish strong international relationships and explore the creation of partnership schools across the world.
- We will maintain strong bonds with Old Russellians, their parents and families and former colleagues. We look to the friendship and experience of these groups to support current Russellians and provide even greater opportunities for Russellians in the future.





## **RUSSELL SCHOOL TRUST ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2022**

### **STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES**

The members of the Governing Body (who are also the directors of Russell School Trust for the purposes of company law) are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable Accounting Standards 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 members of the Governing Body are responsible for ensuring that adequate accounting records are maintained that are sufficient to show and explain the charity's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Relevant Audit Information**

Insofar as each of the Governors, as directors of the charitable company, at the date of approval of this report is aware there is no relevant audit information (information needed by the Company's auditor in connection with preparing the audit report) of which the Company's auditor is unaware. Each member of the Governing Body has taken all of the steps that he or she should have taken as a member of the Governing Body in order to make himself or herself aware of the relevant audit information and to establish that the Company's auditor is aware of that information.

### **Governing Body approval**

This Annual Report, prepared under the Charities Act 2011, was approved by the Governing Body of the School on 09 December 2022, including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and is signed as authorised on their behalf by:

Mr A J Merriman FCA, Chair  
Date: 09 December 2022

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUSSELL SCHOOL TRUST

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### Opinion

We have audited the financial statements of Russell School Trust ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and School Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group'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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUSSELL SCHOOL TRUST (CONTINUED)**

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### **Other information**

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUSSELL SCHOOL TRUST (CONTINUED)

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### **Responsibilities of trustees**

As explained more fully in the Statement of Accounting and Reporting Responsibilities, set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, employment legislation, health & safety legislation and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including

fraud, to be within [the timing of recognition of fee and other income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance & Estates Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted, analytical procedures and tests of detail on income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### **Use of this report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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.



Tim Redwood

Senior Statutory Auditor

For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

**London**

**Date:** 10 January 2023





**RUSSELL SCHOOL TRUST**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

Company Registration No: 1163246

	Notes	All unrestricted and restricted funds 2022 £	All unrestricted and restricted funds 2021 £
<b>INCOME FROM:</b>			
<b>Charitable activities</b>			
School fees receivable	3	21,666,213	18,840,528
Ancillary trading income	4	782,316	438,061
<b>Other trading activities</b>			
Non Ancillary trading income		528,573	77,120
<b>Other income</b>			
Grant receivable		-	583,370
<b>Investments</b>			
Bank and Other Interest	7(a)	38,531	289
<b>Donations and legacies</b>			
Donations	7(b)	24,138	52,568
<b>Total income</b>		<b>23,039,771</b>	<b>19,991,936</b>
<b>EXPENDITURE ON:</b>			
<b>Raising funds</b>			
Non Ancillary trading costs		209,202	27,478
Financing costs	8	82,796	66,835
		291,998	94,313
<b>Charitable activities</b>			
Education and grant-making		21,385,544	18,862,538
<b>Total expenditure</b>	9	<b>21,677,542</b>	<b>18,956,851</b>
<b>Net income for the year</b>		<b>1,362,229</b>	<b>1,035,085</b>
Balance brought forward at 1 September		19,498,571	18,463,486
<b>Balance carried forward at 31 August</b>		<b>20,860,800</b>	<b>19,498,571</b>

All activities are continuing and there are no gains or losses other than as stated above. Included within Donations is £940 of restricted income and within Education and grant-making is £6,675 of restricted expenditure.



**RUSSELL SCHOOL TRUST**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2022**  
 Company Registration No: 1163246

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible assets	10	32,940,801	32,756,185
<b>CURRENT ASSETS</b>			
Stocks	12	66,557	63,148
Debtors	13	1,135,538	1,067,072
Cash and Deposits		<u>1,059,760</u>	<u>1,514,634</u>
		2,261,855	2,644,854
<b>CURRENT LIABILITIES</b>			
Creditors payable within one year	14	<u>10,176,537</u>	<u>11,454,578</u>
<b>NET CURRENT LIABILITIES</b>		<u>(7,914,682)</u>	<u>(8,809,724)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		25,026,119	23,946,461
<b>LONG-TERM LIABILITIES</b>			
Creditors payable after one year	15	<u>4,165,319</u>	<u>4,447,890</u>
<b>NET ASSETS</b>		20,860,800	19,498,571
<b>UNRESTRICTED FUNDS:</b>			
General funds		20,859,672	19,491,708
<b>RESTRICTED FUNDS</b>		<u>1,128</u>	<u>6,863</u>
<b>TOTAL FUNDS</b>		<u>20,860,800</u>	<u>19,498,571</u>

The surplus for the financial year dealt with in the financial statements of the parent charitable company was £1,362,229 (2021: £1,035,085)

Approved by the Board of Governors and authorised for issue on 09 December 2022

Mr A Merriman FCA, Chair, Governing Body

Mr J Lacey, Chair, Finance and Estates Committee





**RUSSELL SCHOOL TRUST**  
**BALANCE SHEET**  
**AS AT 31 AUGUST 2022**  
 Company Registration No: 1163246

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible assets	10	32,940,801	32,756,185
Investments	11	2	2
		<u>32,940,803</u>	<u>32,756,187</u>
<b>CURRENT ASSETS</b>			
Stocks	12	66,557	63,148
Debtors	13	1,284,784	1,125,390
Cash and Deposits		<u>789,741</u>	<u>1,400,182</u>
		2,141,082	2,588,720
<b>CURRENT LIABILITIES</b>			
Creditors payable within one year	14	<u>10,060,616</u>	<u>11,403,296</u>
<b>NET CURRENT (LIABILITIES)</b>		<u>(7,919,534)</u>	<u>(8,814,576)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		25,021,269	23,941,611
<b>LONG-TERM LIABILITIES</b>			
Creditors payable after one year	15	<u>4,165,319</u>	<u>4,447,890</u>
<b>NET ASSETS</b>		<u>20,855,950</u>	<u>19,493,721</u>
<b>UNRESTRICTED FUNDS:</b>			
General funds	20	20,854,822	19,486,858
<b>RESTRICTED FUNDS</b>		<u>1,128</u>	<u>6,863</u>
<b>TOTAL FUNDS</b>		<u>20,855,950</u>	<u>19,493,721</u>

Approved by the Board of Governors and authorised for issue on 09 December 2022

Mr A Merriman FCA, Chair, Governing Body

Mr J Lacey, Chair, Finance and Estates Committee



**RUSSELL SCHOOL TRUST**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	£	2022 £	£	2021 £
<b>Net cash inflow from operating activities</b> <b>(Note a)</b>		<b>2,904,073</b>		<b>3,317,013</b>
<b>Cashflow from investing activities</b>				
Payments for additions to tangible fixed assets	(1,473,374)		(1,755,575)	
Bank and other interest receipts	<u>38,531</u>		<u>289</u>	
		<b>(1,434,843)</b>		<b>(1,755,286)</b>
<b>Cashflows from financing activities</b>				
Loan interest paid	(82,796)		(63,694)	
Loan capital drawn down/(repaid)	<u>(1,841,307)</u>		<u>(360,901)</u>	
		<b>(1,924,103)</b>		<b>(424,595)</b>
<b>Change in Cash and cash equivalents in the year (Note b)</b>		<u><b>(454,873)</b></u>		<u><b>(1,137,132)</b></u>
<b>Reconciliation of net cash flow to movement in net debt</b>				
(Decrease)/Increase in cash	(454,873)		1,137,132	
(Increase)/Decrease in bank loan finance	<u>1,841,307</u>		<u>360,901</u>	
<b>(Increase)/Decrease in net debt (Note b)</b>		<b>1,386,434</b>		<b>1,498,033</b>
<b>Net debt at 1 September</b>		<u><b>(6,290,422)</b></u>		<u><b>(7,788,455)</b></u>
<b>Net debt at 31 August</b>		<u><b>(4,903,988)</b></u>		<u><b>(6,290,422)</b></u>



**RUSSELL SCHOOL TRUST**  
**CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**NOTES TO THE CASH FLOW STATEMENT**

**a. Reconciliation of net income to net cash inflow from operating activities**

	2022	2021
	£	£
Net income for the year	1,362,229	1,035,085
Bank and other interest receipts	(38,531)	(289)
Bank interest and other financing costs	82,796	66,836
Profit on disposals of fixed assets	-	706
Depreciation	1,407,745	1,314,460
Increase in stock	(3,409)	(7,802)
Decrease/ (increase) in debtors	(68,466)	(14,405)
(Decrease) / increase in creditors	161,709	922,422
<b>Net cash inflow from operating activities</b>	<b>2,904,073</b>	<b>3,317,013</b>

**b. Analysis of changes in net debt**

	As at 1 September 2021 £	Cash flow £	As at 31 August 2022 £
Cash at bank and in hand	1,514,634	(454,873)	1,059,761
Bank loan due within one year	(3,366,388)	1,561,901	(1,804,487)
Bank loan due after more than one year	(4,438,668)	279,406	(4,159,262)
	<u>(6,290,422)</u>	<u>1,386,434</u>	<u>(4,903,988)</u>



# **RUSSELL SCHOOL TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

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#### **1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the 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 functional currency of the School is considered to be British pounds because that is the currency of the primary economic environment in which the School operates.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments.

The accounts present the consolidated statement of financial activities (SOFA), the consolidated cash flow statement and the consolidated and Charity balance sheets comprising the consolidation of the School and with its wholly owned subsidiary Russell School Enterprises Ltd and Russell School International Ltd. The Charity has taken exemption from presenting its unconsolidated income and expenditure account under section 408 of the Companies Act. The Charity has also taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only cash flow statement with the consolidated financial statements.

After considering current cash holdings, the funding facilities and the cash flow projection for the next twelve months and current pupil numbers, and taking into consideration the scheduled capital and interest payments on the bank loans, the Trustees have a reasonable expectation that the Charity has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Charity's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 15.

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 15 March 1974 (company number: 1163246) and registered as a charity on 16 August 1976 (charity number: 271907).

#### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, Trustees are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Charity's financial statements.

##### **1.1 Fees and similar earned income**

Fees receivable and charges for services and use of the premises, less any allowances, scholarships and bursaries granted by the Charity against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.



## **RUSSELL SCHOOL TRUST NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022**

### **1.2 Grants receivable**

Government grants are recognised when the School has complied with any conditions attaching to the grant and the grant will be received. The grant in connection to the job retention scheme has been recognised in the period to which the underlying furloughed staff costs relate to. Included in income is an amount of £0 (2021: £583,370) in respect of the Coronavirus Job Retention Scheme.

### **1.3 Fixed Assets**

Buildings, motor vehicles, computers, plant and machinery and other equipment costing more than £2,500 are capitalised and depreciated by annual instalments over their estimated useful lives. The current rates of depreciation are:

Freehold buildings	2% - 10% on a straight line basis
School and computer equipment	15% - 33% on a straight line basis
Plant and Machinery	10% on a straight line basis
Motor vehicles	25% on a straight line basis

Assets in the course of construction and land are not depreciated.

Investments in subsidiaries are valued at cost less provision for impairment.

### **1.4 Stocks**

Stocks are valued at the lower of cost and net realisable value, cost being the purchase price on a first in, first out basis.

### **1.5 Investment income**

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis.

### **1.6 Expenditure**

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities and accounted for on an accruals basis. Overheads and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories based on the related staff time. Governance costs include expenditure on compliance with constitutional and statutory requirements. The irrecoverable element of value added tax is included with the item of expense to which it relates.

Intra-group sales and charges between the Charity and its subsidiaries are excluded from trading income and expenditure.

### **1.7 Operating Leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

### **1.8 Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except fees received in advance, social security and other taxes. Assets and liabilities held in foreign currency are translated to British pounds at the balance sheet date at an appropriate year end exchange rate.



## RUSSELL SCHOOL TRUST NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

### 1.9 Pension Scheme Contributions

Retirement benefits to employees of the Charity are provided through three pension schemes; two defined benefit and one defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) **The Teachers' Pension Scheme.** This scheme is a multi-employer pension scheme. It is not possible to identify the Charity's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, the Charity accounts for the scheme as if it were a defined contribution scheme. The Charity's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.
- (b) **The Pensions Trust (TPT) Growth Plan.** The School took the decision to leave this scheme effective from 31 August 2020. As a result of the funding deficit on this scheme, additional contributions were required from the Trust for the year totalling £4,608. The estimated value of the deficit owed at 31.8.22 was £8,816. The School has been advised by the Plan trustee that, in the event that it was to withdraw its membership of the Plan, it had an estimated contingent liability of £119,997 at September 2019 (£111,182 at September 2018). This debt will not crystallise whilst Russell School Trust continues to have one or more active members in the scheme.
- (c) **Royal Russell AVIVA Pension Scheme.** Support staff of Russell School Trust have been entitled to membership of the Royal Russell AVIVA Pension Scheme ("the Plan") since 1 September 2020. All staff were asked to sign a contract variation to agree to move from TPT to AVIVA in the summer of 2020. All new staff have only been offered membership of the AVIVA scheme since 1 September 2020. During the summer of 2020, existing staff were provided with a seminar and slides outlining the benefits of AVIVA over TPT, and given information on how to transfer their TPT funds to the new scheme; however it is unknown how many have done so. In the last year £505,983 was contributed by the School to AVIVA as employer contributions to the scheme and there has been increased interest and take-up of employees wishing to make their own contributions to the scheme which are paid under a SMART Pensions facility (salary-sacrifice). The AVIVA scheme has been made available to teaching staff as an alternative to the Teachers' Pension Scheme since September 2020 and currently there are 17 members of teaching staff who have opted out of TPS and into AVIVA, of which 8 joined the school during the academic year 2021/22.
- (d) The Charity also pays pension contributions to employee stakeholder and personal pension plans. These contributions are accounted for in the year in which they are payable.





# RUSSELL SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 2. STATUS OF THE CHARITY

The Charity is a company limited by guarantee and does not have a share capital. Each member of the Charity undertakes to contribute up to £1 to the assets of the Charity in the event of its being wound up. As all of its activities are charitable, the Charity is not liable to income tax or corporation tax.

#### 3. FEES RECEIVABLE

	2022 £	2021 £
Fees receivable consist of:		
Gross fees	23,898,564	21,010,453
Less: Bursaries, scholarships and other awards	(2,232,351)	(2,169,925)
	<u>21,666,213</u>	<u>18,840,528</u>

#### 4. OTHER ANCILLARY ACTIVITIES

	2022 £	2021 £
School trips and other extra charges	749,270	406,976
Staff property service charge	33,046	31,085
	<u>782,316</u>	<u>438,061</u>

#### 5. EXPENDITURE

	2022 £	2021 £
Direct charitable expenditure and trading expenditure includes:		
Depreciation	1,407,745	1,314,460
Payments under operating leases – equipment	317,651	331,506
Governance costs of the charity and trading expenditure includes:		
Auditor's remuneration - Audit fees	27,025	26,274
- Other work	6,670	6,810

#### 6. STAFF COSTS

(a)	2022 £	2021 £
All employee costs		
Salaries and wages	11,552,019	10,511,076
Social security costs	1,209,256	1,056,965
Pension costs	1,766,487	1,698,591
	<u>14,527,762</u>	<u>13,266,632</u>
Staff costs of all employees		

Staff costs include redundancy or other termination payments during the year which amounted to £14,907 (2021: £29,988). No amounts were outstanding at 31 August 2022 in respect of redundancy or termination payments.

None of the Governors received any remuneration or other benefits from Russell School Trust or from any connected body.

(b)	2022 £	2021 £
Aggregate employee benefits of key management personnel	<u>1,513,908</u>	<u>1,550,175</u>





# **RUSSELL SCHOOL TRUST** **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 AUGUST 2022**

(c) The average number of employees in the year:

	<b>2022</b>		<b>2021</b>	
	<b>FTE</b>	<b>Headcount</b>	<b>FTE</b>	<b>Headcount</b>
Teaching	151	183	152	195
Other	114	182	112	144
Total	<u>265</u>	<u>365</u>	<u>264</u>	<u>339</u>

(d) The number of employees whose emoluments, including benefits, exceeded £60,000 in the following bands was:

	<b>2022</b>	<b>2021</b>
£60,001-£70,000	16	12
£70,001-£80,000	1	-
£80,001-£90,000	3	3
£100,001-£110,000	1	1
£170,001-£180,000	1	1

(e) Governors received no remuneration through the year. During the period ended 31 August 2022, there were governor training expenses totalling £179 (2021: £75), gifts to governors totalling £120 (2021: £210) and dinner with governors totalling £134 (2021: £0).

## **7. (a) INTEREST INCOME**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest from short term bank deposits	38,531	289
	<u>38,531</u>	<u>289</u>

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
(b) DONATIONS RECEIVED : Unrestricted	7,951	19,396
Restricted	16,187	33,172
Total	<u>24,138</u>	<u>52,568</u>

Donations income of £15,247 was received from the Parents' Association, the 1853 Society. This was used towards new school equipment before 31 August 2022. Other donations were towards fees for students from the annual fund.

## **8. FINANCING COSTS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank interest payable	82,796	63,694
Interest Cap Revaluation	-	3,141
	<u>82,796</u>	<u>66,835</u>



# **RUSSELL SCHOOL TRUST** **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 AUGUST 2022**

## **9. ANALYSIS OF EXPENDITURE**

	Staff costs	Other costs	Depreciation	Total 2022	Total 2021
	£	£	£	£	£
<b>Raising funds:</b>					
Financing costs	-	82,796	-	<b>82,796</b>	66,835
Trading costs of subsidiary	139,257	70,488	-	<b>209,745</b>	27,478
<b>Total</b>	<b>139,257</b>	<b>153,284</b>	<b>-</b>	<b>292,541</b>	<b>94,313</b>
<b>Charitable activities</b>					
Teaching	9,832,028	1,191,422	126,774	<b>11,150,224</b>	9,999,904
Welfare	2,361,277	1,133,254	151,322	<b>3,645,853</b>	2,875,003
Premises	469,052	1,509,444	1,120,548	<b>3,099,044</b>	2,698,898
Support & Governance	1,726,149	1,754,630	9,101	<b>3,489,880</b>	3,288,733
<b>Total</b>	<b>14,388,506</b>	<b>5,588,750</b>	<b>1,407,745</b>	<b>21,385,001</b>	<b>18,862,538</b>
<b>Total Expenditure</b>	<b>14,527,763</b>	<b>5,742,034</b>	<b>1,407,745</b>	<b>21,677,542</b>	<b>18,956,851</b>

The trading costs of the subsidiary include corporation tax payable of £nil (2021: nil). Included in support and governance costs above are governance costs of £55,869 (2021: £33,246).

## **10. TANGIBLE FIXED ASSETS (GROUP AND COMPANY)**

	Freehold Land and Buildings	Plant and Equipment	Software	Motor Vehicles	Total
	£	£	£	£	£
<b>Cost</b>	<b>40,697,906</b>	<b>4,317,759</b>	<b>119,844</b>	<b>34,705</b>	<b>45,170,214</b>
At 1 September 2021					
Additions	1,144,207	447,854	300	-	1,592,361
Disposals	-	-	-	-	-
<b>At 31 August 2022</b>	<b>41,842,113</b>	<b>4,765,613</b>	<b>120,144</b>	<b>34,705</b>	<b>46,762,575</b>
<b>Depreciation</b>					
At 1 September 2021					
Provided in the year	9,001,218	3,276,269	105,593	30,949	12,414,029
Disposals	1,118,506	277,438	9,758	2,043	1,407,745
	-	-	-	-	-
<b>At 31 August 2021</b>	<b>10,119,724</b>	<b>3,553,707</b>	<b>115,351</b>	<b>32,992</b>	<b>13,821,774</b>
<b>Net book value</b>					
At 31 August 2022	<b>31,722,389</b>	<b>1,211,906</b>	<b>4,793</b>	<b>1,713</b>	<b>32,940,801</b>
At 31 August 2021	<b>31,696,688</b>	<b>1,041,490</b>	<b>14,251</b>	<b>3,756</b>	<b>32,756,185</b>



# **RUSSELL SCHOOL TRUST** **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 AUGUST 2022**

## **11. INVESTMENTS**

<b>Company</b>	<b>£</b>	<b>£</b>
Investment in subsidiaries	<b>2</b>	<b>2</b>

The company holds 100% of the issued share capital of Russell School Enterprises Limited (company number 09860025) and Russell School International Ltd (company number 11243414). The principal activities of Russell School Enterprises Limited are the building of Replacement Residential Student Accommodation, the letting of Royal Russell School facilities to third parties and the provision of pupil recruitment services. The principal activities of Russell School International are the investigation and set up of overseas business opportunities. The registered office for both subsidiaries is Royal Russell School, Coombe Lane, Croydon, CR9 5BX.

At 31 August 2022 Russell School Enterprises Limited had no fixed assets, net current assets of £3,853 (2021: £3,853) and shareholder's funds of £3,853 (2021: £3,853). Its turnover for the year was £1,012,989 (2021: £1,257,231) and it had loss for the year of £nil (2021: £nil), after a gift aid provision of £297,480 in favour of Russell School Trust.

At 31 August 2022 Russell School International had no fixed assets, net current assets of £1 (2021: £1) and shareholder's funds of £1 (2021: £1). Its turnover for the year was £31,372 (2021: £28,567) and it had profit for the year of £nil (2021: £nil), after a gift aid provision of £24,266 in favour of Russell School Trust

A significant proportion of the income of Russell School Enterprises Limited arises from facilities and services provided and charged to the School. The consolidated results therefore reflect the costs of providing these facilities and services offset by the external net income generated by this company.

## **12. STOCKS**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Consumables	<b>66,557</b>	<b>63,148</b>	<b>66,557</b>	<b>63,148</b>

## **13. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	<b>450,368</b>	<b>603,847</b>	<b>278,154</b>	<b>602,489</b>
Other debtors	<b>125,712</b>	<b>87,998</b>	<b>125,716</b>	<b>86,983</b>
Gift aid from subsidiary undertaking	<b>-</b>	<b>-</b>	<b>321,746</b>	<b>60,691</b>
Prepayments	<b>559,168</b>	<b>366,074</b>	<b>559,168</b>	<b>366,074</b>
Interest rate cap*	<b>-</b>	<b>9,153</b>	<b>-</b>	<b>9,153</b>
Other taxation	<b>290</b>			
	<b>1,135,538</b>	<b>1,067,072</b>	<b>1,284,784</b>	<b>1,125,390</b>



# **RUSSELL SCHOOL TRUST** **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 AUGUST 2022**

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

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loan – secured (note 17)	1,804,487	3,366,389	1,804,487	3,366,389
Trade creditors	488,434	302,091	436,354	297,129
Fees received in advance	2,849,549	3,483,459	2,849,549	3,483,459
Deposits	3,873,305	3,322,695	3,873,305	3,322,695
Amounts due to subsidiary undertakings	-	-	2,904	-
Other creditors	14,857	8,982	14,857	8,982
Social Security and other related taxes	301,938	263,791	301,938	263,791
Pension Scheme contributions	211,295	203,167	211,295	203,167
Other taxation	2,204	-	-	-
Accruals	630,468	504,004	565,927	457,684
	<b>10,176,537</b>	<b>11,454,578</b>	<b>10,060,616</b>	<b>11,403,296</b>

The Governors have reviewed the contract terms under which pupil fee deposits are held by the School. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the School, pupils can leave at earlier dates. The School does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements of FRS 102, the balance of the deposits held at 31 August 2022 has been included within current liabilities. Deposits total above includes £3,027,342 that is expected to fall due after one year.

**15. CREDITORS: Amounts falling due after more than one year**

<b>Group and company</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loan – secured (note 17)	4,159,262	4,438,668
Pension deficit due in more than 1 year	6,057	9,222
	<b>4,165,319</b>	<b>4,447,890</b>

**16. BANK LOANS – OUTSTANDING**

<b>Group and company</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Repayable within one year	1,804,487	3,366,389
Between one and two years	435,118	400,625
Between three and five years	3,724,145	4,038,043
After five years	-	-
	<b>5,963,750</b>	<b>7,805,057</b>



# RUSSELL SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 17. BANK LOANS - TERMS

The school has two outstanding bank loans:

- A revolving loan facility with Barclays Bank for £6 million. At 31 August 2022, £1,500,000 had been drawn. Interest is payable at 1.5% above LIBOR.
- £4,463,750 is repayable over the period ending 31 August 2025 at £35,274 per month with a balloon payment of £3.3 million approximately, at the repayment date. The maximum facility available under this loan agreement is £7,831,000 and interest is payable at 1.15% above the Barclays Base Rate.

The bank loans are secured by legal charges over the freehold land and buildings of the School.

#### 18. FINANCIAL COMMITMENTS

##### a) Capital Commitments

The School has completed the construction of a second Replacement Residential Student Accommodation (RRSA2) and is in planning stages for construction of a new Junior School building, resulting in capital commitments on 31<sup>st</sup> August 2022 of £1,044,369 (2021: £636,125).

##### b) Lease Commitments

At 31 August 2022 the Group had annual commitments under equipment operating leases:

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Payable within one year	352,157	302,907	352,157	302,907
Payable between one and five years	310,408	385,642	310,408	385,642

#### 19. PENSION COSTS

##### a) Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,417,390 (2021: £1,396,261) and at the year-end £167,271 (2021 - £168,108) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.



## **RUSSELL SCHOOL TRUST NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022**

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The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched in June 2021 on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

### **b) Pensions Trust Growth Plan**

The School took the decision to leave this scheme effective from 31 August 2020. The School paid 3% employers contributions for the remaining two members of staff, totalling £1,669 (2021: £1,581) during the year.

This is in most respects a money purchase arrangement, but does include certain guaranteed benefit elements. The Plan is a multi-employer scheme and it is not possible in the normal course of events to identify the share of the underlying assets belonging to the individual participating employers and accordingly, in accordance with FRS102, is accounted for as a defined contribution scheme with contributions being recorded as they become payable. Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from normal retirement dates. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.





## **RUSSELL SCHOOL TRUST NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022**

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions. As a result of the funding deficit, additional contributions were required from the Trust for the year. The estimated value of the deficit owed at 31.8.22 was £8,816.

As a result of the funding deficit, additional contributions of £3,585 were required from Russell School Trust for the year. The additional contributions have increased to £4,608 for 22/23 and future contributions will increase by 3% pa compound for the service charge element only, until the next valuation of the Growth Plan in September 2025.

The School has been advised by the Plan trustee that, in the event that it was to withdraw its membership of the Plan, it had an estimated contingent liability of £119,997 at September 2019 (£111,182 at September 2018). This debt will not crystallise whilst Russell School Trust continues to have one or more active members in the scheme.

The amount of the above potential debt depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the School, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of the debt can therefore be volatile over time.

### **c) Aviva**

Support staff of Russell School Trust have been entitled to membership of the Royal Russell AVIVA Pension Scheme ("the Plan") since 1 September 2020. All staff were asked to sign a contract variation to agree to move from TPT to AVIVA in the summer of 2020. All new staff have only been offered membership of the AVIVA scheme since 1 September 2020.

During the summer of 2020, existing staff were provided with a seminar and slides outlining the benefits of AVIVA over TPT, and given information on how to transfer their TPT funds to the new scheme; however it is unknown how many have done so. In the last year £505,983 (2021: 299,441) was contributed by the School to AVIVA as employer contributions to the scheme and there has been increased interest and take-up of employees wishing to make their own contributions to the scheme which are paid under a SMART Pensions facility (salary-sacrifice).

The AVIVA scheme has been made available to teaching staff as an alternative to the Teachers' Pension Scheme since September 2020 and currently there are 17 members of teaching staff who have opted out of TPS and into AVIVA, of which 8 joined the School during the academic year 21/22.





# **RUSSELL SCHOOL TRUST** **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 AUGUST 2022**

## **20. RECONCILIATION OF MOVEMENT OF SCHOOL FUNDS**

	At 1 September 2021 £	Net income/ (expenditure) £	At 31 August 2022 £
Unrestricted funds	19,486,858	1,367,964	20,854,822
Restricted funds	6,863	(5,735)	1,128
Total school funds	<u>19,493,721</u>	<u>1,362,229</u>	<u>20,855,950</u>

	At 1 September 2020 £	Net income/ (expenditure) £	At 31 August 2021 £
Unrestricted funds	18,451,773	1,035,085	19,486,858
Restricted funds	6,863	-	6,863
Total school funds	<u>18,458,636</u>	<u>1,035,085</u>	<u>19,493,721</u>

## **21. RELATED PARTY TRANSACTIONS**

At 31 August 2022 the School had outstanding loans from Barclays Bank totalling £5,963,750 (2020-21: £7,805,057). Mr J Penny is a Head of the UK International Private Bank and has no direct financial interest in the School's loan transactions. Mr Penny has declared a potential conflict of interest with any Barclays Bank transactions because of his role both as a School Governor and at Barclays Bank. Accordingly, Mr Penny has not participated in any of the discussions or decisions on the Barclays Bank loan contracts by the members of the Governing Body.

In 2021-2022, Russell School Enterprises Ltd charged £237,657 (2020-21: £999,109) to the School in respect of design and build services, £275,214 (2020-21: £209,569) in respect of agency commissions and made provision for Gift Aid payments to the School of £297,480 (2020-21: £38,227). The net balance owed to the School at 31st August 2022 was £296,020 (2020-21: £40,737 owed from the school).

In 2021-22, Russell School International Ltd made provision for Gift Aid payments to the School of £24,266 (2020-21: £22,669). The net balance owed to the School at 31 August 2022 was £22,824 (2020-21: £22,669).

## **22. POST BALANCE SHEET EVENT**

On 30 November 2022 the school acquired all assets and liabilities of St David's School, Purley ('the School') for £nil consideration under a deed agreement. The School's last published accounts shows income of £1,709,766, expenditure of £1,634,588, and net assets of £1,894,798.