

Charity Registration No. 310952 (England and Wales)

Charity Registration No. SC038722 (Scotland)



*Scotland's Armed Forces  
Children's Charity*

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

<b>Patron</b>	Her Majesty the Queen	
<b>Honorary Vice Presidents</b>	Brigadier R Lindsay Air Vice Marshal R Paterson CB, OBE, ADC, DL	Rear Admiral J Weale CB, OBE
<b>Vice Presidents</b>	Lt Gen Sir Alistair Irwin KCB CBE Mr I C Stewart Hunter Mr D Keith Robertson Lt Col A Middlemiss DL	Mrs J A D Anderson Mr A R Macdonald Miss M Harvey
<b>Chairman</b>	Mr M Noble	
<b>Deputy Chairman</b>	Mr C Cook	
<b>Committee Of Directors And Sole Trustees</b>	<div>Mrs D Strickland Mr J Robertson Mr M Noble Mr G Gray Mr N McLennan Ms S Wilson Mr C Cook Ms I Campbell Lupton Mrs C McGregor Ms C Grant Mrs C Sutherland-Hawes Mrs L Hadley-Stove Mr C Middleton Mr M Young Ms K Lindsay</div> <div>(Resigned September 20) (Appointed March 21) (Appointed March 21) (Appointed March 21) (Appointed April 21) (Appointed April 21) (Appointed April 21)</div>	
<b>Chief Executive</b>	<div>Mrs Laura Falconer Mr C M Flinn</div> <div>(Appointed December 20) (Retired December 20)</div>	
<b>Charity number (England and Wales)</b>	310952	
<b>Charity number (Scotland)</b>	SC038722	
<b>Principal address</b>	<div>15 Hill Street Edinburgh EH2 3JP</div>	
<b>Auditor</b>	<div>Myers Clark Egale 1 80 St Albans Road Watford Hertfordshire WD17 1DL</div>	
<b>Bankers</b>	<div>Royal Bank of Scotland 142/144 Princes Street Edinburgh EH2 4EQ</div>	

# THE ROYAL CALEDONIAN EDUCATION TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Investment advisors

Adam & Company  
25 St Andrews Square  
Edinburgh  
EH2 1AF

# THE ROYAL CALEDONIAN EDUCATION TRUST

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# THE ROYAL CALEDONIAN EDUCATION TRUST

## COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 MARCH 2021

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The committee of directors and sole trustees present their report and accounts for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the requirements of the trust's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 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)" (as amended for accounting periods commencing from 1 January 2019).

#### **Objectives and activities**

The Royal Caledonian Education Trust (RCET) is a charity established by a charter of Incorporation created by an Act of Parliament which received the Royal Assent from George 111 on 14th June 1815. Our aim today is to Support and encourage the education, training and well-being of a) the offspring of Scottish members of Her Majesty's Forces and b) the Scottish offspring of members of Her Majesty's Forces. For these purposes, a person shall be considered 'Scottish' if our Trustees, in their absolute discretion, determine that they have a sufficient connection to Scotland, or who demonstrate to the Trustees' satisfaction links with Scotland, including those who may be of Scottish formation, regardless of their place of residence.

Our vision is our desire to seek a world where Scotland's Armed Forces children are enabled to reach their full potential. We set out to realise our vision through working in partnerships with every level of government in Scotland and the United Kingdom, education professionals, the military, charities, and others committed to the education, training and well-being of Armed Forces children and young people and others.

We do this by:

- Providing direct financial assistance.
- Providing training and resources.
- Delivering direct services to institutions, local authorities and others.
- Listening to views expressed by children and young people.
- Commissioning research.
- Raising awareness through the media, elected Members of the Scottish Parliament, local Councils and others.
- Influencing public policy.

Our strategic aims are:

- To deliver high-quality services and resources which promote the education and training and well-being of Scotland's Armed Forces children and young people.
- To be a strong voice for Armed Forces children and young people, including action to promote children's rights in Scotland and the United Kingdom.
- To improve our effectiveness, ensuring that we are efficient and financially stable.

Our services are delivered through the following areas:

- The Children and Family Support Service; providing direct financial support, including grants for such as school clothing, after school activities and for assistance during periods of crisis'
- The Education Programme; delivered through an advisory service, a training programme, research, pupil participation, collaboration with institutions of further and higher education, and in partnership with National Transition Officer (NTO) for Scotland.
- Policy and Research: to achieve standards of data collection and analysis, to ensure, as far as possible, that policies and priorities in Scotland are evidence based.
- Pupil Participation; direct engagement with children and young people to ensure that their voices heard and their concerns understood and addressed.

#### **Public Benefit**

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in the planning and operations of all its current and future activities. They follow the updated governance principles adopted on 5th December 2018, this defines the RCET's charitable purpose and how this benefits **Armed Forces Children and young people**.

# THE ROYAL CALEDONIAN EDUCATION TRUST

## COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### Achievements and performance

##### **Education Programme**

###### *Training*

An eight step Professional Learning Activity has been prepared and is available on Education Scotland's National Improvement Hub and the RCET website. Young People from the RCET's Young People Participation Programme created a resource for this learning activity (YPP). This was the voice overs for Power Point slides on Deployment and Support. The activity will lead on to Thriving Lives Toolkit, for those requiring a more in depth study. Three Continuing Professional Development (CPD) resources have been produced this year. This has been done in collaboration with Highland Council.

###### *Research*

A commissioned literature review on the 'Educational Challenges of Armed Forces Children' has been prepared in partnership with the University of Strathclyde. This provides recommendations for use by practitioners.

Thriving Lives is a UK wide resource the Professional Learning Activity is a Scottish resource and the Highland Council package is aimed at supporting local authority designed training, for professionals working in educational institutions and support agencies. Overall, these three packages provide a comprehensive set of training materials. The SCIP Alliance Task and Finish group has prepared a UK wide CPD Mapping Grid, listing resources available throughout the UK. The RCET was a member of this SCIP group.

##### *Advisory Service*

A Partnership Directory for onward postings has been made available on the RCET website. There were 20 plus advisory service requests for advice over the current financial year, from a variety of sources: including individuals, schools, and the military. There were many smaller requests, and some carried over from the previous year. The resource Box initiative has been continued into the present year. Nine have been distributed to Nurseries and schools in Argyll and Bute, Midlothian, Highland and Moray.

##### *Information*

Six academic Blogs have been sourced from RCET partners and made available on the website. The RCET's Education Programme Officer has submitted articles for the Early Years Scotland magazine and the Scotland's Community of Access and Participation (SCAAP) website. She continues to represent RCET at the Highland Military Liaison Group, the Scottish Funding Council and with other organisations concerned with the education and wellbeing of Armed Forces Children and Young People. A newsletter 'Education Matters – the Education Programme' was launched in January 2021. This has been aimed specifically at targeted audiences of education professionals and academics. An initiative linking with colleagues in Wales has involved sharing knowledge good practice, resources and offering mutual support.

# THE ROYAL CALEDONIAN EDUCATION TRUST

## COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### Achievements and performance (continued)

#### Communications and fundraising

#### Communications

The following analytics have been prepared to summarise website activity (April 2020 – March 2021):

#### Overview

##### Most Popular Webpages

Homepage	6,457 (20.62%)
About us	2,020 (6.45%)
Family support	1,433 (4.58%)
How we help	1,399 (4.47%)
Education	1,215 (3.88%)

##### Gender Split

Male - 54.15%	Female - 45.85%
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##### Top three age groups who visit our website

25-34 year olds	33.50%
18-24 year olds	27.50%
35-44 year olds	15.50%

##### Referral channels

Direct	3,696 (38%)
Social	2,466 (25%)
Organic search	2,401 (25%)
referral	971 (10%)
paid search	196 (2%)
email	12 (<1%)

#### Your Mind Matters (YMM)

The Royal Caledonian Education Trust successfully implemented its communications plan to launch the Your Mind Matters Project in February, which reached out to strategic audience profiles, via the press, social media, Mailchimp and LinkedIn. A Your Mind Matters landing page was created to provide information about the project as well as a location to signpost stakeholders to from social media/press/professional channels. In addition, a dedicated link was established, via Bitly, to track click throughs from various channels to the webpage.

Summary of visits to Your Mind Matters landing page up to 31 March 2021:

Visits	Unique Visits	Average visit duration
1,105	767	03:25 mins

#### Rebrand

The Royal Caledonian Education Trust has appointed Electrify Communications to develop a new brand identity for the charity, who will work directly with children and young people as well as staff, trustees, and wider stakeholders to co-produce a new name, logo and strategic narrative. The Discovery Phase of the project commenced immediately, and a series of sessions were organised for Electrify to meet our stakeholder audiences as well as collate thoughts, ideas, and opinions of all involved. In addition, a questionnaire was distributed to a wider audience of those who have supported our work via major gifts, donations, direct debits, and challenge fundraising as well as external funders as a means to encourage supporters to take the rebrand journey with us.

# THE ROYAL CALEDONIAN EDUCATION TRUST

## COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### Achievements and performance (continued)

##### **Social Media**

The Royal Caledonian Education Trust has successfully expanded its portfolio of social media and professional network channels to develop targeted communications to specific audience profiles through LinkedIn, Instagram and TikTok. The most effective channel for the charity during financial year 2020/21 has been Twitter and the following summary has been provided below.

##### **Fundraising**

The Royal Caledonian Education Trust monthly fundraising for financial year 2020/21:

Month	Total
April 2020	£139,933.00
May 2020	£60,693.38
June 2020	£27,132.62
July 2020	£12,734.30
August 2020	£990.00
September 2020	£3,975.00
October 2020	42,217.60
November 2020	£27,479.72
December 2020	£39,608.18
January 2021	£1,023.40
February 2021	£3,366.92
March 2021	£2,048.40
<b>Total</b>	<b>£361,208.52</b>



# THE ROYAL CALEDONIAN EDUCATION TRUST

## COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### Achievements and performance (continued)

#### Fundraising (continued)

Challenge/Direct Debit/Major Gift Summary for financial year 2020/21:

Month	Challenge Event Income	Direct Debit Income	Major Gift Income
April 2020	£40.00	£260.00	£1000.00
May 2020	£268.69	£298.20	£0.00
June 2020	£15.62	£280.00	£11000.00
July 2020	£0.00	£308.80	£0.00
August 2020	£0.00	£675.00	£0.00
September 2020	£330.00	£475.00	£1500.00
October 2020	£80.00	£319.40	£1000.00

November 2020	£25.00	£398.40	£0.00
December 2020	£606.00	£303.80	£1000.00
January 2021	£0.00	£494.00	£500.00
February 2021	£25.00	£289.40	£0.00
March 2021	£345.00	£239.40	£1000.00
<b>Total</b>	<b>£1755.31</b>	<b>£4332.80</b>	<b>£17000.00</b>

#### Young Peoples' participation (YPP)

This was the area most effected by the Covid-19 lockdown. Prior to the Christmas holiday in 2020, three online YPP online engagements had been held successfully. With lockdown in January, schools were closed, and it proved more difficult to arrange sessions through schools.

However, it was fortunate that virus restrictions were eased sufficiently to allow a panel of young people to meet candidates for the Trust's CEO post, on 27th. This was occasioned by the retirement of CEO Colin Flinn. In addition, continued liaison with partners in schools, local authorities and MOD Community Learning and Development teams reflected changed conditions. A new lockdown occurred in the lead to Christmas and the Forum, together with other meetings were held on Zoom or MST.

Those involved in the YPP project are supporting the delivery of the RCET'S Your Mind Matters initiative. Working with the Army Welfare Service the YPP young people have been delivering a weekly session of the Page Turner's Book Club. They have also been supporting Reading Force on the design a journal for teenage readers. Six engagement sessions have been held with young people with caring roles.

Influencing policy is central to our aims. Accordingly, two engagement sessions were held, to support the preparation of the manifesto.

# THE ROYAL CALEDONIAN EDUCATION TRUST

## COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### Achievements and performance (continued)

##### **Policy**

The RCET policy objectives relate to life experiences of Armed Forces Children and Young People. The aim is to exert influence that may lead to changes in law, policy and practices that will improve their educational experiences, life chances and wellbeing.

The lives of AFCYP have been affected by Covid-19. In particular, school closures and disruption to college courses have all had their consequences. The RCET's over-riding policy now is to influence government at every level, on the impact of the pandemic. Issues such as child poverty, mental and physical health issues, continuity of education are examples.

A key change has been the formation of a new Advisory Group run by the RCET policy officer. The idea is to attempt to secure consensus on a limited range of policy developments. This year the primary issuer has been the collection and analysis of data on AFCYP. The first stage has been achieving consensus among Advisory Group members. They include the Scottish Government, ADERS, SCIP, Carers Trust Scotland, Skills Development Trust, local authorities, military families' federations, military welfare services, CAMHS and schools.

##### **Children and Families Services**

The RCET's immediate response to the pandemic was the setting up of a Crisis Fund, to support families faced with loss of income and therefore unable to pay for basic necessities; to intervene where changes in circumstances have led to family breakdown caused by emotional stress; to intervene also where family stresses impact on children directly.

Up to March 2021, 60 families had been granted support, at a total cost of £26,373.73p. The number of children supported was 118. A total of £12,500 had been committed out of the Crisis Intervention Fund. Grants ranged from £30 to £900. A further £3,000 was committed to purchase of wellbeing boxes for AFCYP. Over 120 wellbeing boxes have been purchased for this purpose. This initiative has been supported, at no cost to the RCET, by Reading Force. They provide books and journals for inclusion in the boxes.

Over Christmas, 7 SSAFA branches were given £500 each, to give shopping vouchers to clients in need. The RCET Tertiary Fund has seen a 16% Increase in uptake this year. A total of £42,730 has been offered in grants to college and university students.

Six young carers have been supported at a total cost of. £1,482.

##### **Your Mind Matters (VMM)**

A launch of the externally funded VMM project took place as planned. A new staff appointment was made to deliver the digital element. This was done well and on time. However, the RCET's partner SAMH reported that they had not received any referrals.

##### **National Transition Officer (NTO) Scotland**

*(Report from Carolyn Macleod NTO For Scotland)*

The NTO post (seconded) was funded by the MOD Education Support Fund (ESF), through the Association of Directors of Education in Scotland (ADES) from 1st April 2020 to 31 March 2021.

The MOD-ESF is managed by AFFS – Armed Forces Families & Safeguarding, formerly DCYP. Successful funding for the NTO post (2020-2021) totalled £75,000.00. This was the same amount agreed for 2019-20. Due to the impact of Covid, the period allocated for spending has been extended to August 2021.

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Achievements and performance (continued)**

**National Transitions Officer (NTO) Scotland (continued)**

To support the NTO post, a secondment contract with RCET and a Memorandum of Understanding (MOU) with ADES are renewed yearly – this arrangement will cease on 31st March 2022. This partnership-based approach does much to strengthen the support for armed forces families in Scotland now and in the future and is of benefit to both ADES & RCET.

*"Importance of the context as to why a NTO is needed: Education is devolved, the education systems Armed Forces Children and families are exposed to are varied as a consequence of moving around, and therefore a NTO provides continuity and representation to the Devolved Administration and into the MOD via DCYP. The NTO work contributes to the Firm Base and enables military families and children to settle and progress as best they can do in the Scottish primary and secondary education system."*

*"The role is multi-layered, multi-faceted and requires significant stakeholder management. To manage expectations, outcomes and messaging, requires a careful understanding of the educational environment, the current issues and focus areas in Scotland."*

Colonel Sandy Fitzpatrick, DC HQ51X Infantry Brigade & HQ Scotland

The NTO working plan (2020-21) was developed with direction and guidance from ADES and is in keeping with the MOD-ESF funding agreement. Information in this report reflects the identified objectives, activities and indicators used by ADES and MOD-AFFS to monitor and evaluate.

Covid Recovery continues to take precedence nationally, as appropriated, and necessary. Engagement has been hampered by lack of face-to-face events and exchange, and Covid-related issues are the drivers for, and regulators of contact and interaction. A positive outcome of the Covid lockdown and restrictions has been the increase in attendance and participation at meetings of network groups.

The NTO work continues to focus on six key areas:

- Data collection
- National networks
- Development of resources & materials
- Dissemination of information
- Engagement with Armed Forces families, and
- National guidance

The Scottish Education, National Improvement Framework (NIF 2012) priority headings have been used within the NTO strategic objectives to ensure maximum impact with the education system.

**(1) Data Collection**

There was no ADES data collection undertaken this year.

Discussions with partnership groups are informing the development of an agreed approach for future data collection exercises. These groups include: the Scottish Government, ADES Executive and network groups, SEEMIS & Data Information Officers advisory group, Scottish Armed Forces Education Support Group (SAFESG), NTO network groups, and partnership groups.

Plans are progressing for an ADES data collection in 2021.

# THE ROYAL CALEDONIAN EDUCATION TRUST

## COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### Achievements and performance (continued)

##### **National Transitions Officer (NTO) Scotland (continued)**

###### (2) National Networks

Collaboration with various key partnership groups and colleagues has been maintained, in some cases improved by use of virtual platforms for communication. Channels vary and are offered in direct response to the directives provided by each group (MS Teams, Skype, Zoom ...). Use of online platforms has promoted attendance at meetings.

Maintaining contact with ADES, NTO network groups (AFWG & Headteachers Forum), ADES network groups, Scotland-wide and UK-wide colleagues from education and the MOD has been essential to maintain a strategic understanding of the current barriers for children & families, and to support the approaches undertaken to address identified needs. NTO newsletters have successfully highlighted the key areas of focus and been used to share good practice.

###### (3) Development of resources & materials

- Funding Guide Scotland (V.1 – July 2020) V.2 – July 2021
- Notification of Deployment form (Sept 2020)
- Parentzone Scotland leaflet (links) with parent support, information & resources (Sept 2020).
- MOD-EOS form and guidance (published) to be evaluated in Scotland – delayed until 2021 academic year.
- Professional Learning Activity (on-line – Education learning Hub) – collaborative work with Education Scotland & RCET.
- PLA will be available on GLOW, RCET and NTO – Forces Children's Education (FCE) website; with webinars being created to support.

###### (4) Dissemination of Information

The Forces Children's Education website (FCE) [www.forceschildreducation.scot](http://www.forceschildreducation.scot) has had 'google optimisation' applied, and analytics indicate a significant increase in activity on site. Website development continues with further attention to key focus areas. Increase in partnership group links have been added to the site, and Resources and Materials uploaded.

Survey of feedback and recommendations has been informal this year, rather than add to expectations of LA staff & teachers. Liaison has been maintained with partnership groups who are developing surveys and analysing responses, to utilise the evidence already gathered.

FCE social media has developed with the launch of a Facebook page, along with Twitter and LinkedIn presence.

NTO newsletters have contained a wide variety of information, relevant to educators, families, local authorities, health, support services, MOD ... across the various network groups.

###### (5) Engagement with families

Maintaining regular contact with ADES, Local Authorities, Schools, MOD-ESF project educators & staff, Education Scotland, Support Professionals, Scottish Government ... and liaising to complement their work with parent groups.

# THE ROYAL CALEDONIAN EDUCATION TRUST

## COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### Financial review

*Financial Policies*  
RCET's finance and investment policies aim to provide long term stability and liquidity sufficient to finance the RCET's on-going programmes to balance the needs of current and future beneficiaries.

*Reserves Policy*  
Last year, the Trustees recognised that it was their duty to raise the level of unrestricted reserves to £300,000. In the event, pressures on our resources have led to the deficit rising to £113,667. We expect continuing demands through our Covid-19 related crisis fund and are not likely to be able to achieve our aim in the course of the year. However, we do intend to end the year in surplus and begin to move towards our stated aim.

#### Structure, governance and management

The Board of Trustees meets four times a year. They are responsible for overall strategy, financial and risk management, investments and performance management. There are nine members of the Board of Trustees. The Officer's group comprises the Chairman, Deputy Chairman and Treasurer. There is a vacancy for the Treasurer post. It is currently, under advertisement.

#### **Effect of Covid-19 on RCET Administration and Service Delivery**

The Scottish Government had introduced lockdown restrictions by the start of the current financial year. The CEO and Charman had agreed that all staff might work from home. This involved staff having access to e mails, using RCET laptops or through Office 365. Systemwise our IT provider diverted calls from the office to staff directly. Over the course of 2020 to 2021 we have been able to deliver all RCET Services and thereby avoid having to utilise furlough arrangements or make staff redundant.

#### Future Plans

#### **Governance**

An induction programme for new Trustees will be delivered in July. This will include mentoring, workings of the charity effective trusteeship. In September there will be a Board of Trustees development day. The focus will be the initial working on the next strategic plan.

#### **Your Mind Matters (YMM)**

The launch of the RCET's project YMM took place as planned but there was limited progress initially. The RCET's partner SAMH have reported that they have had no referrals. SAMH had withdrawn from the project. Accordingly, future delivery will rest solely with RCET.

#### **Education Review**

The Cunningham Report on the RCET Education programme was presented to the Board of Trustees on 2nd December 2020. The new CEO was charged with undertaking stage 2 of the Education Programme. This will involve consideration of the staffing structure and the partnership arrangements with ADES on the National Transition Officer post for Scotland.

#### **Conference**

The RCET Practitioners' Conference for 2021 will be held virtually facilitated by the Conference Care Company. There will be two keynotes: on trauma and how they relate to the military context with Dr Karen Treisman and Lisa Cherry. There will be a young peoples' forum, a case study and contributions from Laura Falconer and Air Vice Marshal Ross Paterson (RCET Vice President).

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2021***

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**Future Plans (continued)**

**Rebranding**

The Board of Trustees commissioned 'Electrify Marketing and Communications' to review all aspects of the RCET's identity, including the charity's visual brand and name. The Board will decide on whether to adopt the recommendations and, if appropriate the roll out process.

The committee of directors and sole trustees' report was approved by the Board of Committee Of Directors And Sole Trustees.

  
**Mr M Noble**  
Chairman  
Dated: 6 September 2021

# **THE ROYAL CALEDONIAN EDUCATION TRUST**

## **STATEMENT OF COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' RESPONSIBILITIES**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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The committee of directors and sole trustees are responsible for preparing the Committee Of Directors And Sole Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland and in England and Wales requires the committee of directors and sole trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources of the trust for that year.

In preparing these accounts, the committee of directors and sole trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The committee of directors and sole trustees is responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the trust and enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# THE ROYAL CALEDONIAN EDUCATION TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL CALEDONIAN EDUCATION TRUST

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#### **Opinion**

We have audited the financial statements of The Royal Caledonian Education Trust (the 'trust') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet and the 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 FRS 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 charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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 Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

#### **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 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 committee of directors and sole trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 committee of directors and sole 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 auditor's report thereon. The committee of directors and sole trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# THE ROYAL CALEDONIAN EDUCATION TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL CALEDONIAN EDUCATION TRUST

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

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the committee of directors and sole trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of committee of directors and sole trustees**

As explained more fully in the statement of committee of directors and sole trustees' responsibilities, the committee of directors and sole trustees 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 committee of directors and sole 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 committee of directors and sole trustees are responsible for assessing the 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 committee of directors and sole trustees either intend to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

# THE ROYAL CALEDONIAN EDUCATION TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL CALEDONIAN EDUCATION TRUST

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#### **The extent to which the audit was considered capable of detecting irregularities including fraud**

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance including the design of the remuneration policies, key drivers for trustee remuneration, bonus levels and performance targets;
- results of our enquiries of Management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and review the charitable company's documentation of their policies and procedures relating to;
- identifying, evaluating and complying with laws and regulation and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We also obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

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 may be fundamental to the company's ability to operate or to avoid a material penalty. These included Employment law.

#### **Audit response to risks identified**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL**  
**CALEDONIAN EDUCATION TRUST**

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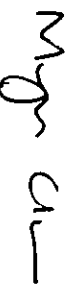
**Other matters**

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

**Use of our report**

This report is made solely to the and to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, the charity's trustees as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

  
Myers Clark

30 September 2021

**Chartered Accountants**  
**Statutory Auditor**

Egale 1  
80 St Albans Road  
Watford  
Hertfordshire  
WD17 1DL

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
<b><u>Income and endowments from:</u></b>						
Donations and legacies	2	76,651	274,845	-	351,496	150,793
Investments	3	1,605	-	107,756	109,361	140,328
Other income	4	251,496	-	(200,000)	51,496	51,496
<b>Total income</b>		<b>329,752</b>	<b>274,845</b>	<b>(92,244)</b>	<b>512,353</b>	<b>342,617</b>
<b><u>Expenditure on:</u></b>						
Raising funds	5	153,285	-	-	153,285	139,760
Charitable activities	6	267,269	182,011	-	449,280	444,494
<b>Total resources expended</b>		<b>420,554</b>	<b>182,011</b>	<b>-</b>	<b>602,565</b>	<b>584,254</b>
Net gain/(loss) on investments	11	17,600	-	718,906	736,506	(548,117)
<b>Net movement in funds</b>		<b>(73,202)</b>	<b>92,834</b>	<b>626,662</b>	<b>646,294</b>	<b>(789,754)</b>
Fund balances at 1 April 2020		(40,465)	54,503	3,789,003	3,803,041	4,592,795
<b>Fund balances at 31 March 2021</b>		<b>(113,667)</b>	<b>147,337</b>	<b>4,415,665</b>	<b>4,449,335</b>	<b>3,803,041</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

Prior Year Comparative Detail	Unrestricted funds				Restricted funds				Endowment funds				Total 2020	
	£		£		£		£		£		£		£	
<b><u>Income and endowments from:</u></b>														
Donations and legacies	37,380		113,413		-		-		150,793					
Investments	140,328		-		-		-		140,328					
Other income	51,496		-		-		-		51,496					
<b>Total income</b>	229,204		113,413		-		-		342,617					
<b><u>Expenditure on:</u></b>														
Raising funds	139,760		-		-		-		139,760					
Charitable activities	341,177		103,317		-		-		444,494					
<b>Total resources expended</b>	480,937		103,317		-		-		584,254					
Net gain/(loss) on investments	(16,397)		-		(531,720)		(548,117)							
<b>Net (outgoing)/incoming resources before transfers</b>	(268,130)		10,096		(531,720)		(789,754)							
<b>Net movement in funds</b>	(268,130)		10,096		(531,720)		(789,754)							
Fund balances at 1 April 2019	227,665		44,407		4,320,723		4,592,795							
<b>Fund balances at 31 March 2020</b>	(40,465)		54,503		3,789,003		3,803,041							

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Investments	13		4,414,791		3,881,765
<b>Current assets</b>					
Debtors	14	5,947		5,528	
Cash at bank and in hand		119,254		7,667	
<b>Creditors: amounts falling due within one year</b>	15	125,201		13,195	
		(90,657)		(91,919)	
Net current assets/(liabilities)			34,544		(78,724)
<b>Total assets less current liabilities</b>			<u>4,449,335</u>		<u>3,803,041</u>
<b>Capital funds</b>					
<b>Endowment funds</b>					
Permanent endowment		4,124,922		3,544,627	
Expendable endowment		<u>290,743</u>		<u>244,376</u>	
<b>Income funds</b>	16		4,415,665		3,789,003
Restricted funds	17		147,337		54,503
Unrestricted funds			<u>(113,667)</u>		<u>(40,465)</u>
			<u>4,449,335</u>		<u>3,803,041</u>

The accounts were approved by the Committee Of Directors And Sole Trustees on 6 September 2021

Mr M Noble  
Chairman

# THE ROYAL CALEDONIAN EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

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#### **1 Accounting policies**

##### **1.1 Accounting convention**

The accounts have been prepared in accordance with the trust's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved applying 'Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019' rather than the version of the Statement of Recommended Practice referred to in the regulation but has since been withdrawn.

The trust constitutes a Public Benefit Entity.

The trust has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The Trust comprises a public benefit entity as defined by FRS 102.

##### **1.2 Going concern**

At the time of approving the financial statements, the committee of directors and sole trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the committee of directors and sole trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **1.3 Charitable funds**

Unrestricted funds are donations and other income received or generated for the objects of the charity without further specified purpose and are available as general funds. Designated funds are unrestricted funds earmarked by the Directors for particular applications.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overheads and support costs.

Permanent endowment funds are funds which have been given to the charity to be held as capital with no power to convert the funds to income.

Expendable endowment funds are funds given to the charity to be held as capital. The Trustees may convert the funds to income if no other income funds are available.

##### **1.4 Incoming resources**

Income is recognised when the trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1 Accounting policies**

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that income will be received and the amount can be measured and is not deferred.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by investment managers of the receipt of the dividend.

Income received in advance of recognition criteria being met is deferred until the criteria for recognition are met.

**1.5 Resources expended**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the trust. Single or multi-year grants are accounted for when the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the trust.

Allocation of costs  
Expenditure is allocated to a particular activity where the costs relate directly to that activity. Direct expenditure has been allocated on the basis indicated below:

Cost of generating funds: These include all expenditure spent in generating the voluntary income.

Charitable activities: These include all expenditure directly related to the objects of the charity.

Support costs comprise costs incurred in support of the above activities. Included in support costs are costs incurred in the governance of the charity which are primarily associated with the constitutional and statutory requirements. Support costs are allocated to activities based on an estimate of staff time spend on each activity during the financial period.

Irrecoverable value added tax  
Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Grants  
Grants payable made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant. Grants awarded that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to the grant is outside the control of the charity.

Pension contributions  
The charity makes payments to a defined contribution pension scheme for its employees. Contributions are charged to the Statement of Financial Activities in the period they are payable.



**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1 Accounting policies**

**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. All items of capital expenditure over £500 are capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	over 5 years
Computers	over 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

**1.7 Fixed asset investments**

Listed investments are a form of basic financial interest and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the mid - market value.

**1.8 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.9 Financial instruments**

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**1 Accounting policies**

**1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.11 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

**2 Donations and legacies**

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
Donations and gifts	£ 76,651	£ 274,845	£ 351,496	£ 150,793
<b>For the year ended 31 March 2020</b>	<b>37,380</b>	<b>113,413</b>		<b>150,793</b>

**3 Investments**

	Unrestricted funds 2021	Endowment funds 2021	Total Unrestricted funds 2021	Total Unrestricted funds 2020
Income from listed investments	£ -	£ -	£ -	£ 136,219
Income from listed investments	-	107,756	107,756	-
Interest receivable	1,605	-	1,605	4,109
	<u>1,605</u>	<u>107,756</u>	<u>109,361</u>	<u>140,328</u>

**4 Other income**

	Unrestricted funds 2021	Endowment funds 2021	Total Unrestricted funds 2021	Total Unrestricted funds 2020
Released from endowment funds	£ 200,000	£ (200,000)	£ -	£ -
Fees	51,496	-	51,496	51,496
	<u>251,496</u>	<u>(200,000)</u>	<u>51,496</u>	<u>51,496</u>

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

5    Raising funds	2021	2020
	£	£
<u>Costs of generating voluntary income</u>		
Direct costs	114,090	78,670
Support & governance costs	<u>15,821</u>	<u>36,497</u>
Costs of generating voluntary income	129,911	115,167
<u>Costs of generating investment income</u>		
Investment management fees	<u>23,374</u>	<u>24,593</u>
	<u>153,285</u>	<u>139,760</u>

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**6 Charitable activities**

	Family Support	Education programme (Scotland)	Participation	National Transition	Mental Health & Wellbeing	Total 2021	Total 2020
	£	£	£	£	£	£	£
Direct costs	39,762	65,400	112,445	55,767	45,654	319,028	245,237
Grant funding of activities (see note 7)	58,175	-	-	-	-	58,175	66,598
Share of support & governance costs (see note 8)	20,217	9,669	15,821	13,185	13,185	72,077	132,659
	<u>118,154</u>	<u>75,069</u>	<u>128,266</u>	<u>68,952</u>	<u>58,839</u>	<u>449,280</u>	<u>444,494</u>

	Family Support	Education programme (Scotland)	Participation	National Transition	Mental Health & Wellbeing	Total 2020
	£	£	£	£	£	£
Direct costs	98,800	69,870	26,734	49,833	-	245,237
Grant funding of activities (see note 7)	66,598	-	-	-	-	66,598
Share of support & governance costs (see note 8)	46,710	35,530	37,520	12,899	-	132,659
	<u>212,108</u>	<u>105,400</u>	<u>64,254</u>	<u>62,732</u>	<u>-</u>	<u>444,494</u>

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

<b>7 Grants payable</b>		
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Grants to individuals	58,175	66,598
	<u>58,175</u>	<u>66,598</u>
<b>8 Support &amp; governance costs</b>		
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
SUPPORT COSTS		
Staff costs	44,026	58,532
Recruitment and staff development	5,258	3,933
Premises expenses	16,553	34,682
PR, marketing and Annual Review	2,098	5,353
Printing, stationery, postage and phone	1,704	4,341
Travelling	373	6,178
Other	912	9,664
Accountancy	1,928	16,470
Computer & office equipment costs	4,117	7,616
GOVERNANCE COSTS	10,929	22,387
	<u>87,898</u>	<u>169,156</u>
Analysed between		
Fundraising	15,821	36,497
Charitable activities	72,077	132,659
	<u>87,898</u>	<u>169,156</u>

Governance costs includes payments to the auditors of £10,800 (2020 - £10,620) for audit fees.

**9 Committee Of Directors And Sole Trustees**

Trustee remuneration and expenses  
None of the committee of directors and sole trustees (or any persons connected with them) received any remuneration or benefits from the trust during the year.

1 Trustee (2020: 1) was reimbursed travel expenses totalling £15 (2020: £53).

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**10 Employees**

**Number of employees**

The average monthly number of employees (head count based on number of staff employed) during the year was:

	2021 Number	2020 Number
Raising funds	2	2
Charitable activities	4	3
Support and Governance	3	3
	<u>9</u>	<u>8</u>

**Employment costs**

	2021 £	2020 £
Wages and salaries	261,963	224,513
Social security costs	21,256	18,777
Other pension costs	10,094	8,207
	<u>293,313</u>	<u>251,497</u>

There were no employees whose annual emoluments were £60,000 or more. One full time employee was on secondment in both periods in furtherance of the education programme.

**11 Net gains/(losses) on investments**

	Unrestricted funds	Endowment funds general	Total 2021	Total 2020
	£	£	£	£
Revaluation of investments	17,600	718,906	736,506	(548,117)
	<u>(16,397)</u>	<u>(531,720)</u>		<u>(548,117)</u>
<b>For the year ended 31 March 2020</b>				

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

<b>12 Tangible fixed assets</b>		<b>Fixtures and fittings</b>	<b>Computers</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 April 2020		869	2,976	3,845
At 31 March 2021		869	2,976	3,845
<b>Depreciation and impairment</b>				
At 1 April 2020		869	2,976	3,845
At 31 March 2021		869	2,976	3,845
<b>Carrying amount</b>				
At 31 March 2021		-	-	-
At 31 March 2020		-	-	-
<b>13 Fixed asset investments</b>				
	<b>2021</b>	<b>2020</b>		
	<b>£</b>	<b>£</b>		
<b>Cost or valuation</b>				
At 31 March 2020	3,881,765	4,453,967		
Withdrawn	(203,480)	(24,085)		
Valuation changes	736,506	(548,117)		
At 31 March 2021	4,414,791	3,881,765		
<b>Impairment</b>				
At 31 March 2020	-	-		
At 31 March 2021	-	-		
<b>Carrying amount</b>				
At 31 March 2021	4,414,791	3,881,765		
At 31 March 2020	3,881,765	4,453,967		
Investments at fair value comprise:				
Investment assets held in the UK	2021	2020		
	<b>£</b>	<b>£</b>		
Investment assets held outside the UK	3,436,460	3,046,020		
	978,331	835,745		
	<u>4,414,791</u>	<u>3,881,765</u>		

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**13 Fixed asset investments**

	2021	2020
	£	£
Investments representing over 5% by value of portfolio comprise:		
JPMorgan Fund ICVC Shares Class C (less than 5% in 2021)	-	363,473
FP WHEB Asset Management Funds Accum.Ptg. Shares Class B	281,161	198,131
Aberdeen Asian Income Fund Shares (less than 5% in 2020)	253,786	-
Cash (less than 5% in 2021)	-	209,950
	<u>534,947</u>	<u>771,554</u>

**Fixed asset investments revalued**

Fixed asset investment are valued at market value at the year end.  
The historical cost of the fixed asset investments is £3,193,352 (2020: £3,129,925).  
Fixed asset investments include cash held awaiting investment of £209,334 (2020: £209,950).

**14 Debtors**

	2021	2020
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	<u>5,947</u>	<u>5,528</u>

**15 Creditors: amounts falling due within one year**

	2021	2020
	£	£
Other taxation and social security	6,197	5,692
Accruals and deferred income	<u>84,460</u>	<u>86,227</u>
	<u>90,657</u>	<u>91,919</u>



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## 16 Endowment funds

Endowment funds represent assets which must be held permanently by the trust. Income arising on the endowment funds can be used in accordance with the objects of the trust and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Balance at 1 April 2020	Incoming resources	Movement in funds  Resources expended	Revaluations gains and losses	Release from unapplied total return fund	Balance at 31 March 2021
	£	£	£	£	£	£
<b>Permanent endowments</b>						
Sale of the school	3,544,627	107,756	-	672,539	(200,000)	4,124,922
<b>Expendable endowments</b>						
Legacy	<u>244,376</u>	-	-	46,367	-	<u>290,743</u>
	<u>3,789,003</u>	<u>107,756</u>	<u>-</u>	<u>718,906</u>	<u>(200,000)</u>	<u>4,415,665</u>
	<b>Balance at 1 April 2019</b>		<b>Movement in funds prior period</b>		<b>Release from unapplied total return fund</b>	<b>Balance at 31 March 2020</b>
	£	£	£	£	£	£
<b>Permanent endowments</b>						
Sale of the school	4,042,053	-	-	(497,426)	-	3,544,627
<b>Expendable endowments</b>						
Legacy	<u>278,670</u>	-	-	(34,294)	-	<u>244,376</u>
	<u>4,320,723</u>	<u>-</u>	<u>-</u>	<u>(531,720)</u>	<u>-</u>	<u>3,789,003</u>

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**17 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds current year			
	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 31 March 2021
	£	£	£	£
ABF The Soldiers Charity	-	29,247	(4,274)	24,973
Cash For Kids	2,220	-	(400)	1,820
Scottish Children's Lottery	7,493	-	(5,322)	2,171
BFBS	8,000	-	(8,000)	-
Awards For All	6,790	-	(1,054)	5,736
Paul Hamlyn	30,000	30,000	(30,000)	30,000
First Port	-	34,478	(34,478)	-
Coffee Morning	-	108	(108)	-
Board Game	-	18,696	-	18,696
Foundation Scotland	-	5,000	(5,000)	-
The Veterans Foundation Grant	-	15,000	(7,500)	7,500
Bonnet-makers & Dyers of Glasgow	-	5,000	(5,000)	-
Veterans Scotland	-	14,681	(8,721)	5,960
Ciene & Tait (Tillyloss)	-	2,000	(998)	1,002
Ground Work	-	1,000	-	1,000
Brit + FGN	-	20,000	(13,376)	6,624
The National Lottery Community Fund - Young Start	-	25,400	(25,400)	-
Armed Forces Covenant Fund Trust Funding - YMM	-	74,235	(32,380)	41,855
	<u>54,503</u>	<u>274,845</u>	<u>(182,011)</u>	<u>147,337</u>

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17 Restricted funds	Movement in funds prior period			
	Balance at 1 August 2019	Incoming resources	Resources expended	Balance at 31 March 2020
	£	£	£	£
Queen Mother Memorial Fund	325	29,247	(325)	-
MOD Armed Forces Covenant	7,187	-	(1,082)	-
Officers Association Scotland	14,000	-	(14,000)	-
ABF The Soldiers Charity	29,000	34,200	(63,200)	-
Mark McKee Trust	-	1,000	(1,000)	-
James Weir Foundation	-	3,000	(3,000)	41,855
JTH Trust	-	250	(250)	-
WH Mann	-	1,000	(1,000)	-
Pump House	-	2,000	(2,000)	-
New Park	-	3,000	(3,000)	-
Pleasance Trust	-	650	(650)	-
Olav Kerr	-	5,000	(5,000)	-
Cash For Kids	-	3,419	(1,199)	2,220
Scottish Children's Lottery	-	10,000	(2,507)	7,493
BFBs	-	10,000	(2,000)	8,000
Awards For All	-	9,894	(3,104)	6,790
Paul Hamlyn	-	30,000	-	30,000
	<u>44,407</u>	<u>113,413</u>	<u>(103,317)</u>	<u>54,503</u>

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
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**18 Unrestricted funds**

	Movement in funds current year					
	Balance at 1 April 2020	Incoming resources	Resources expended	Revaluations, gains and losses	Released from unapplied total return fund	Balance at 31 March 2021
	£	£	£	£	£	£
<b>General Unrestricted Funds</b>	(40,465)	129,752	(420,554)	17,600	200,000	(113,667)
<b>Total unrestricted funds</b>	<u>(40,465)</u>	<u>129,752</u>	<u>(420,554)</u>	<u>17,600</u>	<u>200,000</u>	<u>(113,667)</u>

	Movement in funds prior year					
	Balance at 1 April 2019	Incoming resources	Resources expended	Revaluations, gains and losses	Released from unapplied total return fund	Balance at 31 March 2020
	£	£	£	£	£	£
<b>General Unrestricted Funds</b>	227,665	229,204	(480,937)	(16,397)	-	(40,465)
<b>Total unrestricted funds</b>	<u>227,665</u>	<u>229,204</u>	<u>(480,937)</u>	<u>(16,397)</u>	<u>-</u>	<u>(40,465)</u>

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
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<b>19 Analysis of net assets between funds</b>				
	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Endowment funds</b>	<b>Total</b>
	£	£	£	£
Fund balances at 31 March 2021 are represented by:				
Investments	(874)	-	4,415,665	4,414,791
Current assets/(liabilities)	(112,793)	147,337	-	34,544
	<u>(113,667)</u>	<u>147,337</u>	<u>4,415,665</u>	<u>4,449,335</u>
	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Endowment funds</b>	<b>Total</b>
	£	£	£	£
Fund balances at 31 March 2020 are represented by:				
Investments	92,762	-	3,789,003	3,881,765
Current assets/(liabilities)	(133,227)	54,503	-	(78,724)
	<u>(40,465)</u>	<u>54,503</u>	<u>3,789,003</u>	<u>3,803,041</u>
	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Endowment funds</b>	<b>Total</b>
	£	£	£	£
<b>20 Permanent Endowment</b>				
		<b>Endowment Fund</b>	<b>Unapplied Total Return</b>	<b>Total Endowment Fund</b>
		£	£	£
<b>At 1 April 2020</b>				
Sale of school	2,600,000	-	-	2,600,000
Unapplied total return	-	-	944,627	944,627
<b>Total</b>	<b>2,600,000</b>	<b>2,600,000</b>	<b>944,627</b>	<b>3,544,627</b>
<b>Movements to 31 March 2021</b>				
Investment return - dividends	-	-	107,756	107,756
Investment return - realised & unrealised gains	-	-	672,539	672,539
	-	-	780,295	780,295
Unapplied total return allocated to income in the year	-	-	(200,000)	(200,000)
<b>Net movements in the year</b>	<b>-</b>	<b>-</b>	<b>580,295</b>	<b>580,295</b>
<b>At 31 March 2021</b>				
Sale of school	2,600,000	-	-	2,600,000
Unapplied total return	-	-	1,524,922	1,524,922
<b>Total</b>	<b>2,600,000</b>	<b>2,600,000</b>	<b>1,524,922</b>	<b>4,124,922</b>

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
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**21 Operating lease commitments**

At the reporting end date the trust had outstanding commitments for future minimum lease payments under non-cancellable operating leases for the rental of office space, which fall due as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Within one year	20,803	20,803
Between two and five years	45,073	65,876
	<u>65,876</u>	<u>86,679</u>

**22 Related party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel, including redundancy payments, employers NI and employers pension contributions is as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Aggregate compensation	74,647	67,299

**Transactions with related parties**

During the year the trust entered into the following transactions with related parties:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Donations made by Trustees	100	625
	<u>200</u>	<u>625</u>