

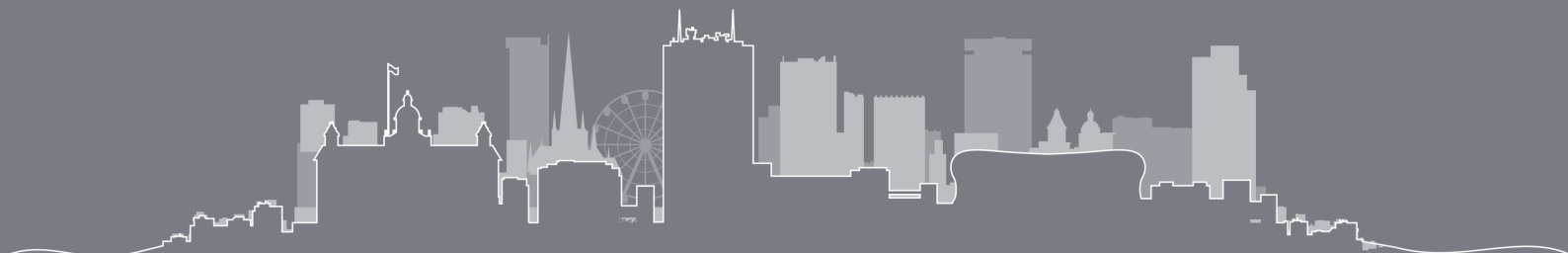


# KING EDWARD VI ACADEMY TRUST BIRMINGHAM

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*Educational excellence for our City*

## ANNUAL REPORT & FINANCIAL STATEMENTS



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# *Welcome to the King Edward VI Academy Trust*

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Welcome to the King Edward VI Academy Trust.

1 September 2017 saw the beginning of an exciting chapter in the history of our organisation when The King Edward VI Academy Trust was created, comprising the six King Edward VI Grammar schools and one comprehensive school. We welcomed the renamed King Edward VI Handsworth Grammar School for Boys into the Trust and this was followed by Handsworth Wood Girls' Academy in 2018 and Balaam Wood Academy in 2019. Turves Green Girls' School will join us in September 2021, renamed as King Edward VI Northfield School for Girls.

Our mission is to make Birmingham the best place to be educated in the UK. If we are to serve the city's children, we recognise that we need to provide a range of schools: selective and also comprehensive and we believe that those schools need to be accessible to all, regardless of ethnic, religious and social background. Our plan is that additional comprehensive schools will join us in the future enabling us to have an impact on the education of even more children across the City.

We believe that we can achieve these goals through the close partnership of the schools within our Academy Trust as well as the continued development of relationships with local primary schools through our outreach programme. This is an exciting time for the Academy Trust. Much has been achieved already and we look forward to the future.

**Sharon Roberts**

*Chair of Academy Trust Board*

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## *Our Schools*

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*Within the King Edward VI Academy Trust there are currently nine schools: six grammar school academies, that are amongst the best state schools in the country and three non-selective comprehensive academies, all of whom have added a different dimension to the Foundation and serve their local communities. Each contribute to excellence in education and, as a group, offer opportunities to the diversity of Birmingham's communities.*

## *King Edward VI Aston School*

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After finally securing a neighbouring piece of land, Aston are building a much-needed new dining hall and car park using a grant from the Foundation. The build started in 2019 and will continue into 2021.

Sadly October 2020 saw the untimely passing of Headteacher Colin Parker. Colin was appointed in 2004 and led the school with distinction and humanity with significant contributions to the Foundation's developments.

## *King Edward VI Camp Hill School For Boys*

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In November 2020 Camp Hill School for Boys was named the West Midlands State Secondary School of the Decade by Parent Power, The Sunday Times Schools Guide.

The school is currently looking at plans for a new hockey pitch on site.

## *King Edward VI Camp Hill School For Girls*

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This year the girls will benefit from a new music block on site, to further support the importance the school places on music and the arts as part of the curriculum.

## *King Edward VI Five Ways School*

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September 2020 saw the new admissions policy changes take effect across the Academy Trust. This has resulted in a higher number of girls successfully joining Five Ways School in Year 7.

## *King Edward VI Handsworth School for Girls*

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After a successful Selective Schools Expansion Fund bid, Handsworth School for Girls are embarking on a significant build to increase their Design Technology curriculum offering, as well as their published admission number.

## *King Edward VI Handsworth Grammar School for Boys*

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Over the summer holiday, Handsworth Grammar School for Boys carried out work to replace and upgrade the windows along the English corridor as well as enhancing the Playing Fields.

Extensive remedial work was also undertaken on sections of the roof across the site. The Reception area, Main Foyer and various other areas have been redecorated as well as an assortment of IT upgrades such as 120 new computers and laptops being installed and a further extension of Wi-Fi coverage to enable more students to study independently.

## *King Edward VI Sheldon Heath Academy*

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2020 saw a new Headteacher at King Edward VI Sheldon Heath Academy in Rebecca Elcocks.

The students have once again been very successful in their A-Level studies and have secured the best grades ever - 56% of A-Level results were a grade B or better, with nearly 90% at grade C or better. This has resulted in the vast majority of students being able to continue their studies in their first choice of University.

## *King Edward VI Handsworth Wood Girls' Academy*

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Brand new facilities are now available for the girls at Handsworth Wood Girls' Academy. A new Multi Use Games Area has been introduced as well as a new Sixth Form building.

## *King Edward VI Balaam Wood Academy*

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The newest member of the King Edward VI Academy Trust, Balaam Wood has a high level of disadvantaged pupils. The school has historically been undersubscribed, however in a testament to their commitment to their school improvement journey, the current year 7 is at full capacity.

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Company Registration Number: 10654935 (England & Wales)

**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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**Members**

P Burns

T Clarke (resigned 10 December 2019)

The Schools of King Edward VI in Birmingham

H Thomas (appointed 10 December 2019)

**Trustees**

H Thomas, Chair (resigned as Chair 1 September 2020)

S Roberts, Vice Chair (appointed Chair 1 September 2020)

T Clarke

G Dupree

B Matthews

L Phillips

A McKerracher

F Kinkhabwala (appointed 1 September 2019)

D Wheeldon, (appointed Vice Chair 1 September 2020)

P Burns

R Palmer

Dr C Ricks (appointed 1 September 2019)

L Roan (appointed 1 September 2019)

R Stephen

**Company registered number**

10654935

**Company name**

King Edward VI Academy Trust Birmingham

**Principal and registered office**

Foundation Office  
Edgbaston Park Road  
Birmingham  
West Midlands  
B15 2UD

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Company secretary**

L Ganderton

**Executive team**

H Monk, Executive Director (resigned in July 2020)

T Rowland, Director of Finance and Operations, Interim Executive Director (appointed July 2020)

S Cunningham, Director of HR

**Senior management team**

C Parker, Headteacher - King Edward VI Aston School (to 24 October 2020)

M Garrod, Headteacher - King Edward VI Camp Hill School for Boys

L Johnson, Headteacher - King Edward VI Camp Hill School for Girls

Y Wilkinson, Headteacher - King Edward VI Five Ways School

A Whittall, Headteacher - King Edward VI Handsworth School for Girls

J Allen, Headteacher - King Edward VI Sheldon Heath Academy (to 19 April 2020)

S Bird, Headteacher - King Edward VI Handsworth Grammar School for Boys

R Elcocks, Headteacher - King Edward VI Sheldon Heath Academy (from 20 April 2020)

Q Riaz, Headteacher – King Edward VI Handsworth Wood Girls' Academy

D McGarvey, Headteacher – King Edward VI Balaam Wood Academy

**Independent auditor**

Crowe U.K. LLP  
Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

**Bankers**

Lloyds Bank  
Solihull Business Centre – GLC  
Creynolds Lane  
Shirley  
Solihull  
B90 4ES

**Solicitors**

Stone King LLP  
Colmore Gate  
2-6 Colmore Row  
Birmingham  
B3 2QD

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Academy Trust operates nine Academies, six selective and three non-selective, for pupils aged 11 to 18 serving the City of Birmingham. Its Academies had a combined pupil capacity of 7393 and had a roll of 8995 in the school census in October 2020.

It is with enormous sadness that the Trustees have to report that the Headteacher of King Edward VI Aston School, Colin Parker, has sadly passed away. He lost his life suddenly to a heart attack on Saturday 24th October.

The news has been an incredible shock to the Trust. We have lost a well respected leader and a kind, ethical, inspirational man who always put the staff and students at the centre of all he did.

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

##### **Constitution**

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

It is governed by its Memorandum and Articles of Association.

The Trustees of the Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company operates as King Edward VI Academy Trust Birmingham.

Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details.

##### **Members' liability**

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

##### **Trustees' indemnities**

The Academy Trust, through its insurance provision, indemnifies the Trustees against claims made arising from negligent acts, errors or omissions whilst on Academy Trust business. The insurance provides cover up to £1,000,000 in any one claim.

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Method of recruitment and appointment or election of Trustees**

The number of Trustees must not be less than three but shall not be subject to any maximum. The Academy Trust shall have the following Trustees:

- between six and eight Trustees from the Local Governing Bodies appointed by the Trustees;
- up to six Trustees appointed by the Members;
- a minimum of two Parent Trustees elected or appointed in the event that no Local Governing Bodies are established; and
- any Co-opted Trustee; provided that at least eight of the Trustees must at all times also be members of the board of trustees of the Foundation.

In making appointments of Trustees, the Members and Trustees (as the case may be) shall have regard to the need to ensure an appropriate mix of skills on the board, including, but without limitation, finance, HR and school improvement.

**Policies adopted for the induction and training of Trustees**

All new Trustees are provided with an induction pack which contains essential documents including the Articles of Association, Decision Making Matrix, Scheme of Governance, Scheme of Financial Delegation and Master Funding Agreement. The new Trustee will meet with the Chair and key Academy Trust personnel.

**Organisational structure**

Meetings of the Board of Trustees usually take place seven times throughout the year with extra meetings taking place as required. The Board met seven times in the year under review. The Board receive reports from the nine Local Governing Bodies on a termly basis. They also receive reports from the undernoted Academy Trust Committees:

- Finance
- Audit
- Curriculum Standards and Welfare
- HR
- Staff Liaison
- Joint Strategy

These committees meet regularly throughout the year on a cycle to complement the board meetings. Much of the detailed work is undertaken by the committees as per their terms of reference.

The Accounting Officer of the Academy Trust is the Executive Director. The Academy Trust has an executive team that oversees day to day management.

All Trustees of the Board and Governors of the Local Governing Bodies (LGBs) are unpaid in their roles.

The Trustees are responsible for the governance and supervision of the Academy Trust, its committees (including the LGBs) and the management of the relationship with the Academy Trust Executive Team (in relation to the provision of services provided to the Academy Trust and the Academies by Foundation Office staff through the Provision of Services Agreement).

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees have a number of duties and responsibilities relating to the management of the Academy Trust and its finances. In summary, the Trustees are responsible for:

- establishing the vision, mission and values for the Academy Trust;
- carrying on the Academy Trust in accordance with the objects of the Academy Trust (as set out in the Articles) and safeguarding the assets of the Academy Trust;
- designing strategy and structure for the operation of the Academy Trust;
- oversight of the operation of the Academies and directing the education, pastoral care, financial and other policies of the Academies in accordance with the Articles and the Funding Agreements (including the ESFA's Academies Financial Handbook);
- ensuring sound management and administration of the Academy Trust, and ensuring that managers are equipped with the relevant skills and guidance;
- financial controls and the financial management of the Academy Trust in accordance with the provisions of the Handbook, which sets out in detail provisions for the financial management of each Academy including guidance on financial systems and controls and accounting and reporting requirements;
- setting standards of conduct and values, monitoring performance and the achievement of objectives, and ensuring that plans for improvement are acted upon;
- risk management, including identifying, quantifying and devising systems to minimise the major risks affecting the Academy Trust; and
- ensuring the activities of the Academy Trust and the Academies are conducted in compliance with the general law.

The role of each Academy Local Governing Body (LGB) is to:

- provide advice to the Trustees on the functioning of that Academy;
- act as a key link between the Academy Trust, parents and the Academy community;
- act as a sounding board for the Headteacher and Academy Trust Senior Leadership Team and offer challenging but positive support to the Headteacher;
- continually review the overall impact of the Academy;
- assist with and review the implementation of certain academy policies, such as student admissions and behaviour;
- set an annual budget for the Academy; and
- appoint, remove and set the remuneration of the Headteacher.

The LGB is made up of individuals who may or may not also be Trustees in accordance with the Articles. Each Academy has a leadership team in place for day to day management.

**Arrangements for setting pay and remuneration of key management personnel**

In line with the Academy Trust's Articles, the Academy Trust sponsor, the Schools of King Edward VI in Birmingham (the 'Foundation'), appoints the Executive Director and donates his Senior Leadership services to the Academy Trust. The Foundation Remuneration Committee sets the pay and remuneration of key leadership posts of the Foundation. The Chair of the Academy Trust is a member of the Remuneration Committee.

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Related parties and other connected charities and organisations**

The Academy Trust is sponsored by the Schools of King Edward VI in Birmingham (the 'Foundation') charity. The Foundation has both a governance based and contractual relationship with the Academy Trust.

For example, the Chair of the Academy Trust's Board of Trustees from time to time is an ex-officio member of the standing committee known as the Joint Strategy Committee (JSC). The JSC recommends general strategy and a plan for the Foundation and Academy Trust as a whole; recommends educational policy and strategy for the Foundation and Academy Trust as a whole; recommends the allocation and distribution of the Foundation's resources for all purposes, in relation to the above; and keeps under review the role and performance of all the Foundation's schools.

Any recharged central service/senior leadership costs, above those that are donated from the Foundation, are recharged as part of an agreed Service Level Agreement and at no more than cost.

**Engagement with employees (including disabled persons)**

A Staff Liaison Committee was formed by the Academy Trust in 2017 and includes representatives (both teaching and non-teaching) from each of the schools within the Academy Trust. The group meet on a termly basis to consider all aspects of the Academy Trust, but in particular those relating to HR matters, and gives all staff a voice on a range of matters. During 2020/21, a staff engagement survey will be rolled out across the Academy Trust.

The Equal Opportunities Policy for the Academy Trust sets out the aims of the Academy Trust to ensure that no job applicant receives less favourable treatment because of a Protected Characteristic. The policy also sets out how the Academy Trust will support an employee who becomes disabled as much as possible and to ensure that they are not treated less favourably because of something related to their disability. Recently, an Equalities, Diversity and Inclusion Committee has been set up across the Foundation to progress an equalities agenda with representation from across the Academy Trust.

Both the Staff Liaison and Equalities, Diversity and Inclusion Committees report through the Academy Trust HR Committee.

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy Trust carries out exit interviews for staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

In accordance with the Academy Trust's Equal Opportunities policy, the Academy Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust's offices.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Engagement with suppliers, customers and others in a business relationship with the Academy Trust**

The Academy Trust has had regard to the need to foster the company's business relationship with suppliers, customers and others through implementation of the following:

- Payment of suppliers within 30 days;
- Compliance with Procurement Policy Note 02/20 which sets out information and guidance for public bodies on payment of their suppliers to ensure service continuity during and after the current coronavirus (COVID-19) outbreak;
- Introduction of an Electronic tendering system to make it easier for suppliers to tender for contracts;
- The introduction of a COVID19 message for suppliers and customers on the website home page to ensure that they could continue to contact the Academy Trust during office and school closures; and
- Provision of a COVID19 safe office space for visitors to the Academy Trust.

**Objectives and activities**

**Objects and aims**

The Objects of the Academy Trust (the purposes it exists to further) are:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies"), and
- to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

**Objectives, strategies and activities**

King Edward VI Academy Trust Birmingham was established in 2017 with an overarching mission to make Birmingham the best place to be educated in the UK. The Academy Trust has grown since its inception, with Handsworth Wood Girls' Academy joining on 1 September 2018 and Balaam Wood Academy joining on 1 September 2019.

Our emergent core values are:

- Excellence and Opportunity
- Independence and Respect
- Community and Diversity

The pursuit of excellence is central to enable children to fulfil their potential. This is supported by ensuring that our schools meet the challenges that face them through the provision of clear strategies, strong support, scrutiny and good governance.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The main objectives for 2019/20 were to:

1. continue with our growth strategy focussing on reaching more disadvantaged pupils through the addition of more comprehensive schools
2. embed the new admissions policy to attract more disadvantaged pupils
3. design and implement a programme of support for King Edward VI Balaam Wood Academy
4. continue to strengthen the support services provided to the Academies within the Academy Trust
5. strengthen our programme of collaborative activities across the Academy Trust
6. maintain and improve pupil outcomes for our schools
7. develop and agree a Foundation-wide HR strategy
8. develop a framework for the regular analysis and effective use of data and management information (financial, curriculum, outcomes, progress, behaviour, attendance and persistent absence, safeguarding).
9. continue the success of the King Edward's Consortium, our School-Centred Initial Teacher Training-provision (SCITT)

#### **Public benefit**

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission throughout the objectives, strategies and activities detailed within this report and when exercising their powers or duties.

#### **Strategic report**

##### **Achievements and performance**

The Academy Trust has achieved the following in 2019/20:

1. Strengthened the support services provided to the Academies within the Academy Trust by:
  - Appointing an Associate Director of Educational Support and Growth and establishing a team that can support the Academy Trust to grow and improve.
  - Reviewing and updating Academy Trust-wide policies.
  - Implementing RPA for insurance cost savings.
  - Introducing a new Catering provider across 7 of the 9 schools, with King Edward VI Balaam Wood Academy moving to the catering provider in September 2020.
  - Supporting the growth of our existing academies with additional facilities including the SSEF funded build at Handsworth Girls School and separate dining block at King Edward VI Aston School
  - Delivering procurement savings of over £200,000 across the Academy Trust
2. Continued with our growth strategy, focussing on reaching more disadvantaged pupils through working in partnership with Turves Green Girls' School in preparation, subject to full due diligence, for them joining the Academy Trust in 2020/21 (this received Headteacher Board approval in October 2020).
3. Strengthened our programme of collaborative activities across the Academy Trust, using a combination of face to face meetings and the online Basecamp tool to establish, facilitate and develop a wide variety of 'community of interest' groups, including subject leads, designated safeguarding leads, mental health, deputy heads, data protection leads and many others. We hosted an online exhibition of student art produced during lockdown – 6 awards were granted by Birmingham's IKON gallery.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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4. Maintained pupil outcomes across our schools during a challenging year when much teaching time was lost due to the COVID19 pandemic.
5. Designed and implemented a programme of support for King Edward VI Balaam Wood Academy to ensure that pupil numbers increase, aspirations and outcomes improve, and the quality of teaching and learning provide the local community with the service they deserve.
6. Developed and agreed a Trust-wide HR strategy. The HR strategy will be implemented from 2020/21, having received approval in July 2020. The strategy sets out direction, intention and pace for the next five years and articulates our fundamental people priorities. It is through our people that excellent and life changing pupil experiences will be achieved. A key part of the strategy will be the implementation of an integrated HR and payroll system, which will provide improved insight into our people data and costs, help inform future decisions and create an efficient platform on which we can deliver our transactional work. Further development of the HR Partner model has helped foster good employer-employee relations and has ensured expert advice is delivered at the right time.
7. Embedded the new admissions policy to attract more disadvantaged pupils. The new admissions policy created catchment areas for each of the selective schools. Within these catchments:
  - children eligible for Pupil Premium funding are guaranteed an offer of a place at their local selective school if they achieve the standard qualifying score, set at 205 for the last two years. If fewer than 25% of places are filled in this way, the remainder of those 25% will be offered to PP-eligible applicants from outside the catchment area.
  - other (non-Pupil Premium) children achieving the standard "priority" score (222 for 2020 and 224 for 2021) will be strongly prioritised for a place at their local selective school. The remaining places are allocated on the basis of the score achieved in the entrance test.

The success of the policy was seen in March 2020, when 193 offers were made to children eligible for Pupil Premium: up 30% from 2019. This represents 20% of the places available (17% in 2019) and 33% of the available places at King Edward VI Camp Hill Boys.

72% of offers were made to children living within the catchment area of the school; this is an increase from just 32% in 2019. This represents far fewer children travelling long distances, with a consequent greater ability for schools to run after-school activities and clubs. The initial percentage of girls at King Edward VI Five Ways School increased from 19% to 32%.

In Category 5 (non-Pupil Premium, outside catchment, ranked score), 319 places were offered, including 220 to children living outside of the catchment area of their preferred school.

8. Developed a framework for the regular analysis and effective use of data and management information (financial, curriculum, outcomes, progress, behaviour, attendance and persistent absence, safeguarding).
9. Continued the success of the King Edward's Consortium, based at King Edward VI Camp Hill School for Girls (which acts as the 'lead school' for the Consortium). The SCITT has been recognised as the number one provider nationally for school-based teacher training. The Consortium is also rated Outstanding by Ofsted.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Key performance indicators**

Seven of our academies have been rated by Ofsted as outstanding. In 2019/20, one of our academies was subject to an Ofsted monitoring visit, at which it retained its outstanding judgement.

The government did not publish performance outcomes for schools in 2020, however, our internal data shows that 2020 pupil outcomes were excellent, enabling pupils to progress to destinations of their choice at key stage 4 and 5, including Oxford, Cambridge and medical schools. Outcomes in our most recently sponsored academy showed improvement, particularly for high prior attainers.

2020 has been an exceptional year with schools in the country being closed from 23 March 2020 to all pupils, except those children of critical workers or considered vulnerable. Our schools rose to the challenge of remote learning and continued to provide a high level of learning for all pupils. The Academy Trust used and reallocated as many devices from classrooms and IT suites as possible to ensure those without access to a device at home were able to access online learning as per their peers. The Academy Trust also provided vouchers to FSM children within the first weeks of lockdown, until we were able to access the Birmingham City Council Scheme and then the National Scheme.

Students across the trust initiated activity in 2019/20 around the promotion of equality and diversity and are being supported to use their voice to secure change.

The Academy Trust was able to meet the vast majority of its targets in relation to the delivery of high quality support services to our academies. In particular, the delivery of procurement savings, the quality of HR advisory services and the dedicated finance support underpinning the continued healthy financial outlook for the Academy Trust were notable successes.

**Going concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**Promoting the success of the Trust**

The trustees act in good faith to make decisions, the outcome of which they consider will be most likely to promote the success of the Trust for the benefit of its members as a whole both in current periods and in the long term.

In discharging their duties above, the trustees carefully consider, amongst other matters, the impact on and interests of other stakeholders in the company and factor these into their decision-making process.

**Employees**

Trustees receive information on various staff KPI's. The trustees are committed to promoting a healthy workforce comprising both physical and mental wellbeing. The trustees keep staff informed of key issues through structured communication channels, promote inclusion in the workplace and also provide training and development opportunities where they are considered of benefit to the company and employees. Using the Company's recruitment and development strategies, the trustees seek to attract and retain talented staff. The Company's policy regarding disabled persons is set out above as well as further detail regarding communication with employees.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Customers**

The trustees commit considerable time, effort and resources into understanding and responding to the needs of our customers with a view to fostering long term mutually beneficial partnerships. We act to service our customers' needs to the highest standards and work quickly to resolve any isolated disagreements that may arise from time to time.

**Suppliers**

The trustees have established Company procedures to ensure that external suppliers are individually verified to ensure they meet with the health and safety, regulatory and financial security standards required by the Company. The Company seeks to pay all suppliers any undisputed amounts due and that conform with the Company's billing requirements within agreed terms. The Company has established procedures for dispute resolution in a timely and fair manner.

**Community and the environment**

The Company takes its role within the community very seriously and promotes and encourages community and charitable contribution. The Company also recognises the importance of its environmental responsibilities and has measures in place to monitor and control its impact on the local environment and its compliance with any regulatory environmental standards. The Company seeks to implement policies aimed at reducing any potential detrimental environmental impact of its activities.

**Standards and conduct**

The Company has a series of defined codes of practice regarding ethical standards and the conduct of business. These are clearly communicated to every staff member, adherence to which is expected and enforced.

After making appropriate enquiries, the board is assured that the trustees of the company have acted in a way most likely to promote the success of the company, and in doing so have had regards to:

- The likely consequences of any decision in the long term
- The interests of the company's employees
- The need to foster the company's business relationships with suppliers, customers, and others
- The impact of the company's operations on the community and the environment
- The desirability of the company maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the company

**Financial review**

**Principal Funding and financial performance**

The Academy Trust received income into its Unrestricted Fund, Restricted General Funds and Fixed Asset Fund during the year.

**Restricted General Fund**

The majority of the Academy Trust's income was received through Education and Skills Funding Agency (ESFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the Academy Trust's charitable activities, its educational operations. These revenue grants and the associated expenditure made against them are detailed in the SOFA. General Restricted Fund income for the year was £51,336,896 (2019: £45,241,879) (excluding amounts transferred on conversion); expenditure against the fund was £49,433,826 (2019: £44,281,452) excluding £910,000 (2019: £783,000) in relation to Actuarial movements in the LGPS pension deficit. After transfers, the restricted general fund generated an in-year surplus of £6,744,091 (2019: £6,132,076) excluding the LGPS pension deficit of £22,824,000 (£14,512,000) and Salix loan deficit of £130,255 (2019: £nil).

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Unrestricted Funds**

Income received into the Unrestricted Fund was £2,069,659 (2019: £2,103,662) excluding transfers of £nil (2019: £251,191). Expenditure against the fund was £1,832,150 (2019: £1,833,254) for the year, giving an Unrestricted Fund in-year surplus of £4,030,017 (2019: £3,792,508) after transfers.

**Restricted Fixed Asset (Capital) Fund**

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned in line with the Trust's Depreciation Policy.

Income received into the fund (excluding amounts transferred on conversion) was £5,281,762 (2019: £7,064,710). This included £2,185,388 (2019: £1,422,797) School Capital Allocation, £196,481 (2019: £182,319) of Devolved Capital Grant Funding, £2,727,652 Selective Schools Expansion Fund and capital donations raised via fundraising of £172,241 (2019: £104,504). Expenditure from the fund equates to £5,065,874 (2019: £4,741,147) of depreciation. The resultant surplus for the year after transfers is £119,989,309 (2019: £105,411,957) including the amounts transferred on conversion of £13,090,000 (2019: £12,337,512).

**Summary of Financial Position**

Total fund balance as at 31st August 2020 was £107,809,062 (2019: £100,824,541) comprised of a surplus of £4,030,017 (2019: £3,792,508), £6,613,736 (2019: £6,132,706) and £119,989,309 (2019: £105,411,957) in Unrestricted, Restricted and Restricted Fixed Asset Funds respectively excluding the pension fund deficit of £22,824,000 (2019: £14,512,000).

**Balance Sheet**

The Academy Trust's assets were predominantly used for providing education to school students within the Academy Trust.

Some assets were used by the local community, predominantly for sports, but also for working with local charities to raise funds and support the elderly and disadvantaged.

The net book value of the Academy Trust's tangible fixed assets was £110,804,139 (2019: £98,033,290) as at 31st August 2020. Cash at bank at 31st August 2020 was £8,027,011 (2019: £6,927,073), which includes capital grants received, but not yet spent at the year end.

**Reserves policy**

The Trustees review the reserve levels of the Academy Trust annually and on a regular basis through the annual budgeting and business planning process. This review encompasses the nature of the income and expenditure streams, the need to match income with financial commitments and the nature of reserves. The Trustees compare the reserve levels to the target for the Academy Trust.

Reserves are classified as either restricted or unrestricted. Restricted reserves include the restricted income fund which represents any unspent balance of General Annual Grant (GAG) from the Education and Skills Funding Agency (ESFA) and the National College for Teaching and Leadership (NCTL) plus the restricted fixed asset fund. The deficit on the pension reserve representing the FRS102 pension liability for the West Midlands Local Government Pension Scheme is included within restricted reserves.

Unrestricted reserves represent any surplus funds on activities where there is no restriction on their use. These funds can be carried forward without limit. The Academy Trust's free reserves are those income funds that are freely available for general purposes, which, under SORP 2015, are the unrestricted reserves of £4,030,017.

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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Reserves are required in order to cover the risks of an unforeseen emergency or other unexpected need for funds (e.g. unexpected repair costs or covering the cost of prolonged staff absences); to support the strategic ambitions of the Academy Trust by planning for future capital and revenue investment (e.g. new or improved school buildings); to recognise the risk that as pupil funding changes, staffing and non-staffing expenditure may not be aligned to income levels fast enough and also to hold back a contingency to cover unknown future cost increases (e.g. National Insurance and Pension Schemes).

In accordance with ESFA and Charity Commission guidance Trustees assess that the underlying viability of the Academy Trust is determined by the level of reserves within the unrestricted income funds and restricted income fund (for General Annual Grant (GAG)) less funds held in any designated fund (if applicable) and funds committed for capital projects.

For the purpose of this policy this figure is defined as "available reserves". The negative pension reserve is not deducted from available reserves. Calculating a prudent level of available reserves that the Academy Trust should hold is a matter of judgement for the Trustees. On the one hand a high level of reserves demonstrates to stakeholders that the Academy Trust is financially secure and can deal with unforeseen circumstances and events, but the counter argument is that funding may not have been directed in a timely manner to the welfare of the Academy Trust's beneficiaries – its recent, current and future pupils.

Reserves are an inherent part of the risk management process of the Academy Trust. The need for reserves will vary depending on its current and future financial position. At present given the future uncertainty around the National Funding Formula for pupil funding and the inherent risks during the early years of a new Academy Trust the Trustees have assessed that a cautious approach is required. Trustees have therefore assessed that the Academy Trust should hold a level of available reserves representing a minimum of 4 weeks of annual GAG income (i.e. 7.7% of GAG income).

The total level of reserves held at 31 August 2020 was £107,809,062 (2019: £100,824,541) as set out in the Balance Sheet and Note 16 to the accounts. Within the total reserves figure is an amount of £119,989,309 represented by the restricted fixed asset fund. This fund includes the cumulative value of the Academy Trust's capital grant and donations less depreciation and will normally equal the net book value of the Academy Trust's fixed assets, unless any amount of grant or donations have not been spent at the year-end, where in this case the net book value will be lower.

This fund cannot be spent and is therefore not a free reserve nor is it included in the calculation of the target level of available reserves.

At 31 August 2020 the available reserves of the Academy Trust were £10,643,753, representing 11.5 weeks of budgeted GAG income for the 2020/21 financial year. This was in line with Trustee's expectations. Currently the Academy Trust is holding a high level of reserves. Some of these reserves are designated for new builds at King Edward VI Handsworth Wood Girls' Academy (a MUGA and new 6th form centre that are under construction at year end), King Edward VI Handsworth School for Girls, King Edward VI Camp Hill School for Boys and King Edward VI Sheldon Heath Academy.

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Investment policy**

The Academies Financial Handbook provides the freedom to allow the Academy Trust to invest surplus funds if the investment risk is properly managed.

When considering an investment, the board of trustees must:

- act within its powers to invest as set out in its articles
- have an investment policy to manage and track its financial exposure, and ensure value for money
- exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser
- ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation
- ensure that investment decisions are in the best interests of the Academy Trust
- review the trust's investments and investment policy regularly

**Purpose**

The Academy Trust does not consider the investment of surplus funds as a primary activity, rather an opportunity to further the trust's charitable aims.

Before any cash is invested, the trust must:

- Ensure adequate cash balances are maintained in the current account to cover day to day working capital requirements
- Ensure that there is minimal risk of loss in the capital value of any cash funds invested
- Protect the capital value of any invested funds against inflation
- Optimise returns on invested funds

**Guidelines**

Decisions on how much to invest and how long to invest for, will be based on operational requirements, and demonstrated by cash flow forecasts produced by the Head of Finance. The cash flow forecasts will take account of the annual budget and spending plans approved by the Academy Trust Finance Committee and updated on a monthly basis.

The balance held in the current account must be sufficient for the Academy Trust's financial commitments to be met without the bank account going overdrawn. The size of the balance will be determined by a forecast of future need and kept under review.

Investments for a fixed term should not normally exceed one year in order to provide flexibility for the following year's plans, unless a clear rationale is provided for exceeding one year to the benefit of the Academy Trust.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Principal risks and uncertainties**

Risks are identified, scored, reviewed and mitigated using the GRC-ONE risk management software, which has been specifically developed for academies and Academy Trusts. The Academy Trust Audit Committee reviews the risk register on a periodic basis.

Risk	Description	Mitigation Plans
The organisation suffers from a significant or prolonged governance failure	Prolonged governance failure leads to increased public and government concern over the lack of good management practice and public accountability. Good corporate governance structures encourage creation of value, provide accountability and control systems commensurate with the risks involved with the Board of Trustees being responsible for the corporate governance of their trust.	The Academy Trust has a robust governance structure in place, supported by Terms of Reference and monitoring of governor-related compliance activities (e.g. declaration of business interests). These structures and arrangements are subject to periodic review and updated to reflect any changes in the regulatory environment (e.g. GDPR).
The Trust operation is poorly managed or ineffective	Poor management can cause organisations to permanently close. Poor leadership results in high turnover of employees and low morale; the cost of recruitment and training becomes prohibitive, which can impact a business's ability to continue operations.	The Academy Trust has staff seconded to it from the Schools of King Edward VI Foundation Charity. These staff are lined managed by director-level members of the charity's senior leadership team. There is also a performance management and development system in place which links the objectives and performance of the organisation to the individual objectives and performance of leaders and members of staff.
There are insufficient funds to deliver the Trust services to the appropriate level	Poor management of finances may lead to the budget being overextended in comparison with revenues or contributions received. Without sufficient business reserves it may not be able to absorb consistent losses, and the organisation can fail.	The Academy Trust has a dedicated finance function which includes peripatetic finance managers who work closely with each academy to set and monitor budgets. There is a reserves policy in place and the actual position on reserves is monitored against this so that any remedial action required can be taken quickly and effectively.
The Trust fails to adequately protect its reputation	Risk to reputation is caused by a misalignment of values, the organisation failing in some way to meet stakeholder expectations, delivering significantly below expectation. As reputation is a relational concept this failure can manifest itself in a number of different ways.	A mission statement and set of values are in place, as is a Marketing and Communications team who monitor reputational risks.
The Trust fails in its compliance responsibilities	Failure to comply with these compliance requirements can have serious consequences for both organisations and individuals. Sanctions can include letters for improvement, fines, prosecution, imprisonment and disqualification from continuing to transact business or practice.	The Academy Trust has a robust governance structure in place. We also employ a Company Secretary who ensures that compliance responsibilities are understood and adhered to. We also use the GRC-ONE risk management system which is based on meeting the regulatory requirements of the ESFA, Ofsted and other relevant bodies.

The objectives of the Academy Trust's Risk Management Procedure is to identify the principal risks facing the Academy Trust so that existing controls may be considered and further action taken if required, including external insurances.

The Board of Trustees has compiled a comprehensive risk management process to identify and monitor the risks faced by the Academy Trust within the context of the Trust constitution.

The financial risks considered include: economic/financial uncertainty, liquidity and solvency, credit risk, the risk of fraud and non-compliance with financial statutory requirements.

**Fundraising**

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.



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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Streamlined energy and carbon reporting**

The Academy Trust's greenhouse gas emissions and energy consumption are as follows:

	<b>2020</b>
Energy consumption used to calculate emissions (kWh):	<b>13,630,459</b>
<b>Scope 1 emissions (in tonnes of CO2 equivalent):</b>	
Gas consumption	<b>1,930.72</b>
Owned transport	<b>16.86</b>
<b>Total scope 1</b>	<b>1,947.58</b>
<b>Scope 2 emissions (in tonnes of CO2 equivalent):</b>	
Purchased electricity	<b>1,006.36</b>
<b>Total gross emissions (in tonnes of CO2 equivalent)</b>	<b>2,953.94</b>
<b>Intensity ratio:</b>	
Tonnes of CO2 equivalent per pupil	<b>0.328</b>

We have reported all of emission sources under the above legislation as required. We have calculated and reported our emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2019 and 2020.

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio per pupil.

Measures taken to improve energy efficiency during the year:

- 1) Replaced ageing office equipment with energy-efficient products.
- 2) Expanded video conferencing and online meetings (as opposed to F2F meetings).
- 3) Replaced old halogen, T8 and inefficient lamps with low-energy LED's.
- 4) Upgraded to new boilers where applicable.
- 5) Replaced critical and single glazed windows with double glazed

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Plans for future periods**

Our schools reopened in September 2020 adhering to the guidance published by the Department of Education. This has created its own challenges, particularly around the provision of space at break and lunchtimes. Attendance in schools has been high although most schools have had bubbles self-isolating for periods in the first half term. These bubbles have been able to access remote learning and so minimised any detriment to their learning. A key priority in 2020/21 will be to continue to deal with the challenges posed by the COVID19 pandemic.

A new CEO will join the Academy Trust in January 2021 and we look forward to working with him to review and refresh our objectives and priorities, building on the progress that has been made since the Academy Trust was established in 2017.

A new integrated HR and Payroll system will be procured and implemented during 2020/21, along with the implementation of initial elements of the new HR strategy.

Several new capital projects will get underway, including additional facilities at King Edward VI Camp Hill Boys, King Edward VI Handsworth Wood Girls' Academy and King Edward VI Sheldon Heath.

A unified digital strategy will also be developed for the Academy Trust. Currently, each academy has its own unique individual digital infrastructure. Driven by the changes to our operations due to COVID-19 (working and leaning from home), actions raised by internal auditors and potential commercial savings, the Academy Trust will pursue opportunities for collaboration and standardization.

We will continue to look at the growth of the Academy Trust via the potential addition of new Academies

**Disclosure of information to auditor**

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 16 December 2020 and signed on its behalf by:

*Sharon Roberts*

**S Roberts**  
Chair of Trustees

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

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

The board of trustees has delegated the day-to-day responsibility to the Executive Director, as Accounting Officer, for ensuring that financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to it in the funding agreement between King Edward VI Academy Trust Birmingham and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
H Thomas, Chair (resigned as Chair 1 September 2020)	6	7
S Roberts, Vice Chair (appointed Chair 1 September 2020)	5	7
T Clarke	7	7
G Dupree	7	7
B Matthews	7	7
L Phillips	5	7
A McKerracher	4	7
F Kinkhabwala	5	7
D Wheeldon, (appointed Vice Chair 1 September 2020)	6	7
P Burns	5	7
R Palmer	2	7
Dr C Ricks	4	7
L Roan	7	7
R Stephen	5	7

The Finance Committee is a sub-committee of the main board of trustees. Its purpose includes:

- developing a financial strategy for the Academy Trust and consider policies, procedures or plans required to realise such a strategy;
- considering the Academy Trust's indicative funding, once notified by the ESFA, and to assess its implications for the Academy Trust;
- considering and recommending acceptance/non-acceptance of the Academy Trust's budget to the Trustees; and
- monitoring income and expenditure.

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
B Matthews (Chair)	7	7
H Thomas	6	7
D Wheeldon	6	7
J Trafford	4	7
A Horvath	7	7

The Audit Committee is also a sub-committee of the main board of trustees. Its purpose includes:

- reviewing, before submission to and approval by the Academy Trust Board, and before clearance by the auditors and challenge where necessary, the actions and judgements of management, in relation to the audited financial statements, operating and financial review and related formal statements;
- reviewing Internal Control and Risk management;
- considering the requirement for internal auditors annually;
- recommending to the Academy Trust Board the appointment or reappointment of the external auditors;
- reviewing the auditor's findings of their work; and
- receiving and reviewing the Academy Trust gift and hospitality register

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
G Dupree (Chair)	3	3
C Hawtin	2	3
S Yacoob	2	3
R Palmer	1	3
C Wood	2	2
L Roan	1	1
L Phillips	1	1

#### **Review of value for money**

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

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

- Further improving the central services offer providing our academies with well structured, value for money support services
- Revising our Procurement Policy, Financial Regulations and Scheme of Delegation to ensure they are fit for purpose.
- Delivering procurement savings in excess of £200,000 across the Academy Trust

The Trust made a payment in the year of approximately £19,000 under the PPN scheme in relation to its catering contract to ensure continuity of its catering service.

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in King Edward VI Academy Trust Birmingham for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

**The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Academy Trust has considered the need for a specific internal audit function and has appointed RSM Risk Assurance Services LLP to carry out reviews of the systems as determined by the Audit Committee. During the year the internal auditors carried out reviews of key operational controls and followed up on reviews of HR recruitment processes, GDPR and IT cyber security.

On a termly basis, RSM Risk Assurance Services LLP reports to the board of trustees, through the audit committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year.

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of effectiveness**

As Accounting Officer, the Interim Executive Director has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 16 December 2020 and signed on their behalf by:

**S Roberts**  
Chair of Trustees

Sharon Roberts

**T Rowland**  
Accounting Officer



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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of King Edward VI Academy Trust Birmingham I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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



**T Rowland**  
Accounting Officer  
Date:

16 December 2020

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 16 December 2020 and signed on its behalf by:

Sharon Roberts

**S Roberts**  
Chair of Trustees



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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING EDWARD VI ACADEMY TRUST BIRMINGHAM**

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**Opinion**

We have audited the financial statements of King Edward VI Academy Trust Birmingham (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING EDWARD VI ACADEMY TRUST BIRMINGHAM (CONTINUED)**

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
(A company limited by guarantee)

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING EDWARD VI ACADEMY TRUST BIRMINGHAM (CONTINUED)**

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**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy Trust 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 Academy 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 Trustees either intend to liquidate the Academy Trust 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.

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.

**Use of our report**

This report is made solely to the Academy Trust'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 Academy Trust'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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

  
Helen Drew (Senior statutory auditor)

for and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor  
Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

Date: 16 December 2020

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KING EDWARD VI ACADEMY TRUST BIRMINGHAM AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 12 June 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by King Edward VI Academy Trust Birmingham during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of King Edward VI Academy Trust Birmingham's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of King Edward VI Academy Trust Birmingham's funding agreement with the Secretary of State for Education dated 30 August 2017 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KING  
EDWARD VI ACADEMY TRUST BIRMINGHAM AND THE EDUCATION & SKILLS FUNDING AGENCY  
(CONTINUED)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

  
Crowe U.K. LLP

Reporting Accountant

Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

Date: 16 December 2020

**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations & capital grants:	3					
Transfer from other academies		-	(149,946)	-	(149,946)	11,269,148
Transfer from local authority on conversion		-	(1,616,000)	13,090,000	11,474,000	-
Other donations & capital grants		77,035	1,018,061	5,281,762	6,376,858	8,083,206
Charitable activities	4	1,325,939	50,038,239	-	51,364,178	45,179,783
Teaching schools	32	-	205,900	-	205,900	285,050
Other trading activities	5	590,385	74,696	-	665,081	846,132
Investment income		76,300	-	-	76,300	16,080
<b>Total income</b>		<b>2,069,659</b>	<b>49,570,950</b>	<b>18,371,762</b>	<b>70,012,371</b>	<b>65,679,399</b>
<b>Expenditure on:</b>						
Raising funds		693,022	-	-	693,022	689,404
Charitable activities		1,139,128	50,132,492	5,065,874	56,337,494	50,735,746
Teaching schools	32	-	211,334	-	211,334	213,703
<b>Total expenditure</b>	6	<b>1,832,150</b>	<b>50,343,826</b>	<b>5,065,874</b>	<b>57,241,850</b>	<b>51,638,853</b>
<b>Net income/(expenditure)</b>		<b>237,509</b>	<b>(772,876)</b>	<b>13,305,888</b>	<b>12,770,521</b>	<b>14,040,546</b>
Transfers between funds	18	-	(1,271,464)	1,271,464	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>237,509</b>	<b>(2,044,340)</b>	<b>14,577,352</b>	<b>12,770,521</b>	<b>14,040,546</b>
Actuarial losses on defined benefit pension schemes	28	-	(5,786,000)	-	(5,786,000)	(2,251,000)
<b>Net movement in funds</b>		<b>237,509</b>	<b>(7,830,340)</b>	<b>14,577,352</b>	<b>6,984,521</b>	<b>11,789,546</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		3,792,508	(8,379,924)	105,411,957	100,824,541	89,034,995
<b>Total funds carried forward</b>		<b>4,030,017</b>	<b>(16,210,264)</b>	<b>119,989,309</b>	<b>107,809,062</b>	<b>100,824,541</b>

The notes on pages 33 to 71 form part of these financial statements.

**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 10654935**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	11	110,804,139	98,033,290
<b>Current assets</b>			
Debtors	12	7,961,077	7,135,345
Investments	13	8,949,323	7,437,143
Cash at bank and in hand		8,027,011	6,927,073
		<u>24,937,411</u>	<u>21,499,561</u>
Creditors: amounts falling due within one year	14	(4,996,876)	(4,196,310)
<b>Net current assets</b>		<b>19,940,535</b>	<b>17,303,251</b>
<b>Total assets less current liabilities</b>		<b>130,744,674</b>	<b>115,336,541</b>
Creditors: amounts falling due after more than one year	15	(111,612)	-
<b>Net assets excluding pension liability</b>		<b>130,633,062</b>	<b>115,336,541</b>
Defined benefit pension scheme liability	28	(22,824,000)	(14,512,000)
<b>Total net assets</b>		<b>107,809,062</b>	<b>100,824,541</b>

**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 10654935**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	119,989,309	105,411,957
Restricted income funds	18	6,613,736	6,132,076
Restricted funds excluding pension reserve	18	<u>126,603,045</u>	<u>111,544,033</u>
Pension reserve	18	<u>(22,824,000)</u>	<u>(14,512,000)</u>
<b>Total restricted funds</b>	18	<b>103,779,045</b>	<b>97,032,033</b>
<b>Unrestricted income funds</b>	18	<b>4,030,017</b>	<b>3,792,508</b>
<b>Total funds</b>		<b><u>107,809,062</u></b>	<b><u>100,824,541</u></b>

The financial statements on pages 29 to 71 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

16 December 2020  
Sharon Roberts

**S Roberts**  
Chair of Trustees



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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
**(A company limited by guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	21	1,601,849	(4,286,136)
<b>Cash flows from investing activities</b>	23	(482,320)	1,316,407
<b>Cash flows from financing activities</b>	22	(19,591)	809,239
<b>Change in cash and cash equivalents in the year</b>		<b>1,099,938</b>	<b>(2,160,490)</b>
Cash and cash equivalents at the beginning of the year		6,927,073	9,087,563
<b>Cash and cash equivalents at the end of the year</b>	24, 25	<u><b>8,027,011</b></u>	<u><b>6,927,073</b></u>

The notes on pages 33 to 71 form part of these financial statements

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements represent the financial results and financial position of King Edward VI Academy Trust Birmingham ("the Academy Trust"), which comprised the following member academies at the 31 August 2020:

King Edward VI Aston School  
King Edward VI Camp Hill School for Boys  
King Edward VI Camp Hill School for Girls  
King Edward VI Five Ways School  
King Edward VI Handsworth School  
King Edward VI Handsworth Grammar School for Boys  
King Edward VI Sheldon Heath Academy  
King Edward VI Handsworth Wood Girls' Academy  
King Edward VI Balaam Wood Academy (From 1 September 2019, previously Balaam Wood School)

King Edward VI Balaam Wood Academy converted to Academy status on 1 September 2019 and all the operations and assets and liabilities were transferred to the Academy Trust on this date. Further details can be found in note 26.

**1.2 Company status**

The Academy Trust is a company limited by guarantee and was incorporated in England and Wales (registered number 10654935). The address of the registered office is Foundation Office, Edgbaston Park Road, Birmingham, B15 2UD. The members of the company are named in the reference and administration pages. In the event of the Academy Trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy Trust.

**1.3 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, therefore they continue to adopt the going concern basis of accounting in preparing the financial statements.

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.4 Income**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

**Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

**Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

**Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

**Donated goods, facilities and services**

Goods and services that are received as donations in kind are recognised in the SOFA as incoming resources. A corresponding expenditure of the same amount is also recognised.

**Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

**Expenditure on raising funds**

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

**Charitable activities**

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

**1.6 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

**1.7 Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.8 Operating leases**

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

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.9 Tangible fixed assets**

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following bases:

Licence to occupy	- 2% - 10%
Long leasehold property	- 0.8% - 2%
Long leasehold improvements	- 5%
Furniture and fixtures	- 10%
Motor vehicles	- 20%
Computer equipment	- 33.33%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

**1.10 Current asset investments**

Short term investments comprise funds held on Money Market and Call Notice deposit accounts and are not readily accessible within 3 months or 32 days respectively.

**1.11 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.12 Liabilities and provisions**

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.13 Financial instruments**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.14 Agency arrangements**

The Academy Trust acts as an agent in distributing bursary funds and grants from ESFA, other government bodies and King Edward VI Sheldon Heath Charitable Fund. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the Academy Trust does not have control over the charitable application of the funds. In some instances the trust can use a percentage of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in the notes to the financial statements.

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.15 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**1.16 Conversion to an academy trust**

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from King Edward VI Balaam Wood Academy to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 26.

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**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.17 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

**2. Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Academy Trust receives donated services from Schools of King Edward VI in Birmingham (the 'Foundation') valued at £1,017,248 (2019: £827,584) which is an approximation of the service costs provided to the Academy Trust, this has been included as both income and expenditure.

Critical areas of judgment:

There are no further critical judgments which would have a material impact on the financial statements.



**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
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FOR THE YEAR ENDED 31 AUGUST 2020**

**3. Income from donations and capital grants**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
<b>Transfers</b>				
Transfer from other academies	-	(149,946)	-	(149,946)
Transfer from local authority on conversion	-	(1,616,000)	13,090,000	11,474,000
<b>Total transfers</b>	<b>-</b>	<b>(1,765,946)</b>	<b>13,090,000</b>	<b>11,324,054</b>
Donations	77,035	1,018,061	172,241	1,267,337
Capital grants - ESFA	-	-	2,381,869	2,381,869
Selective Schools Expansion Fund Grant	-	-	2,727,652	2,727,652
<b>Other donations &amp; capital grants</b>	<b>77,035</b>	<b>1,018,061</b>	<b>5,281,762</b>	<b>6,376,858</b>
<b>Total 2020</b>	<b>77,035</b>	<b>(747,885)</b>	<b>18,371,762</b>	<b>17,700,912</b>
	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
<b>Transfers</b>				
Transfer from other academies	251,191	(1,319,555)	12,337,512	11,269,148
<b>Total transfers</b>	<b>251,191</b>	<b>(1,319,555)</b>	<b>12,337,512</b>	<b>11,269,148</b>
Donations	107,436	911,060	104,503	1,122,999
Capital grants - ESFA	-	-	2,048,757	2,048,757
Capital donations - Foundation	-	-	4,911,450	4,911,450
<b>Other donations &amp; capital grants</b>	<b>107,436</b>	<b>911,060</b>	<b>7,064,710</b>	<b>8,083,206</b>
<b>Total 2019</b>	<b>358,627</b>	<b>(408,495)</b>	<b>19,402,222</b>	<b>19,352,354</b>

**KING EDWARD VI ACADEMY TRUST BIRMINGHAM**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**4. Funding for Academy Trust's Educational Operations**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
<b>DfE/ESFA grants</b>			
General Annual Grant	-	44,934,118	44,934,118
Other Dfe/ESFA Grants	-	4,702,508	4,702,508
	<u>-</u>	<u>49,636,626</u>	<u>49,636,626</u>
<b>Other government grants</b>			
Local authority grants	-	147,285	147,285
	<u>-</u>	<u>147,285</u>	<u>147,285</u>
<b>Other funding</b>			
Revenue grants - Foundation	-	7,066	7,066
Other grants	-	177,200	177,200
Catering income	343,375	-	343,375
Trips income	982,564	-	982,564
	<u>1,325,939</u>	<u>184,266</u>	<u>1,510,205</u>
<b>Exceptional government funding</b>			
Coronavirus Job Retention Scheme grant	-	62,327	62,327
Coronavirus exceptional support	-	7,735	7,735
	<u>-</u>	<u>70,062</u>	<u>70,062</u>
<b>Total 2020</b>	<u><u>1,325,939</u></u>	<u><u>50,038,239</u></u>	<u><u>51,364,178</u></u>

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "Exceptional government funding".

- The funding received for coronavirus exceptional support covers £7,735 of reclaimed costs. These costs are included in notes 6 and 7 below as appropriate.
- The academy furloughed some of its ancillary staff under the government's CJRS. The funding received of £62,327 relates to staff costs which are included within note 9 below as appropriate.

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**4. Funding for Academy Trust's Educational Operations (continued)**

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
<b>DfE/ESFA grants</b>			
General Annual Grant	-	41,207,149	41,207,149
Start Up Grant	-	80,000	80,000
Other Dfe/ESFA Grants	-	2,317,238	2,317,238
	<u>-</u>	<u>43,604,387</u>	<u>43,604,387</u>
<b>Other government grants</b>			
Local authority grants	-	130,685	130,685
	<u>-</u>	<u>130,685</u>	<u>130,685</u>
<b>Other funding</b>			
Revenue grants - Foundation	-	105,000	105,000
Other grants	-	119,298	119,298
Catering income	231,153	-	231,153
Trips income	989,260	-	989,260
	<u>1,220,413</u>	<u>224,298</u>	<u>1,444,711</u>
<b>Total 2019</b>	<u><u>1,220,413</u></u>	<u><u>43,959,370</u></u>	<u><u>45,179,783</u></u>

**5. Income from other trading activities**

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Lettings income	96,129	-	96,129
Income from other trading activities	402,370	-	402,370
Income from other ancillary activities	91,886	74,696	166,582
<b>Total 2020</b>	<u><u>590,385</u></u>	<u><u>74,696</u></u>	<u><u>665,081</u></u>

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**5. Income from other trading activities (continued)**

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Lettings income	148,480	-	148,480
Income from other trading activities	445,812	-	445,812
Income from other ancillary activities	165,441	86,399	251,840
<b>Total 2019</b>	<b>759,733</b>	<b>86,399</b>	<b>846,132</b>

**6. Expenditure**

	<b>Staff Costs 2020 £</b>	<b>Premises 2020 £</b>	<b>Other 2020 £</b>	<b>Total 2020 £</b>
Expenditure on fundraising trading activities:				
Direct costs	432,325	-	260,697	693,022
Charitable Activities:				
Direct costs	33,708,267	5,065,874	3,428,599	42,202,740
Support costs	8,396,469	3,101,617	2,636,668	14,134,754
Teaching school	143,559	-	67,775	211,334
<b>Total 2020</b>	<b>42,680,620</b>	<b>8,167,491</b>	<b>6,393,739</b>	<b>57,241,850</b>

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**6. Expenditure (continued)**

	<i>Staff Costs</i> 2019 £	<i>As restated Premises</i> 2019 £	<i>As restated Other</i> 2019 £	<i>Total</i> 2019 £
<b>Expenditure on fundraising trading activities:</b>				
Direct costs	494,366	-	195,038	689,404
<b>Charitable Activities:</b>				
Direct costs	29,221,519	4,741,147	3,772,677	37,735,343
Support costs	7,610,183	2,676,311	2,713,909	13,000,403
Teaching school	138,728	-	74,975	213,703
<b>Total 2019</b>	<b>37,464,796</b>	<b>7,417,458</b>	<b>6,756,599</b>	<b>51,638,853</b>

**7. Support costs**

	2020 £	2019 £
Staff costs	8,396,469	7,610,183
Technology costs	551,126	551,255
School trip expenditure	1,106,463	1,061,584
Legal costs	123,149	224,517
Governance costs	69,190	67,169
Recruitment and support	148,430	120,367
Premises costs	3,101,617	2,676,311
Other support costs	638,310	689,017
	<b>14,134,754</b>	<b>13,000,403</b>

During the year the trust incurred governance costs in relation to statutory audit fees and professional fees.

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**8. Net (income)/expenditure**

Net (income)/expenditure for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	5,065,874	4,741,147
Operating lease rentals	44,970	77,575
Fees paid to auditor for:		
- audit	33,970	31,570
- other services	11,560	10,880
	42,103,952	36,865,890

**9. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	31,275,978	28,508,049
Social security costs	3,121,277	2,818,358
Pension costs	7,706,697	5,539,483
	42,103,952	36,865,890
Agency staff costs	510,912	580,214
Staff restructuring costs	65,756	18,692
	42,680,620	37,464,796

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

There were 4 non-statutory/non-contractual severance payments during the year amounting to £65,756. Individually the payments were £16,500, £25,919, £8,622 and £14,715 (2019: one for £8,082).

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**9. Staff (continued)**

**c. Staff numbers**

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

	2020 No.	2019 No.
Management	60	50
Teachers	516	490
Support	414	368
	<u>990</u>	<u>908</u>

**d. Higher paid staff**

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	21	19
In the band £70,001 - £80,000	8	3
In the band £80,001 - £90,000	3	1
In the band £90,001 - £100,000	3	4
In the band £100,001 - £110,000	3	2
In the band £110,001 - £120,000	-	1
	<u>-</u>	<u>1</u>

**e. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,169,406 (2019 £1,024,394).

In addition to the above is the Foundation donation for the provision of Key Management Personnel (listed on page 1) to the Trust, this year it amounted to £247,023 (2019: £188,296) of the donated services.

**10. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, Trustees received reimbursement of expenses for £268 (2019 - £162).

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**11. Tangible fixed assets**

	Licence to occupy properties £	Long Leasehold property £	Long leasehold improvements £	Furniture and fixtures £	Motor vehicles £	Computer equipment £
<b>Cost or valuation</b>						
At 1 September 2019	52,345,552	49,372,805	3,057,345	796,650	102,401	578,262
Additions	2,245,140	-	177,340	119,179	-	394,790
Transferred on conversion	-	13,090,000	-	-	-	-
Transfers between classes	138,660	-	-	-	-	-
At 31 August 2020	<u>54,729,352</u>	<u>62,462,805</u>	<u>3,234,685</u>	<u>915,829</u>	<u>102,401</u>	<u>973,052</u>
<b>Depreciation</b>						
At 1 September 2019	6,624,745	1,708,475	173,364	166,349	46,181	254,200
Charge for the year	3,373,207	1,223,556	158,907	123,709	25,707	160,788
At 31 August 2020	<u>9,997,952</u>	<u>2,932,031</u>	<u>332,271</u>	<u>290,058</u>	<u>71,888</u>	<u>414,988</u>
<b>Net book value</b>						
At 31 August 2020	<u><u>44,731,400</u></u>	<u><u>59,530,774</u></u>	<u><u>2,902,414</u></u>	<u><u>625,771</u></u>	<u><u>30,513</u></u>	<u><u>558,064</u></u>
At 31 August 2019	<u><u>45,720,807</u></u>	<u><u>47,664,330</u></u>	<u><u>2,883,981</u></u>	<u><u>630,301</u></u>	<u><u>56,220</u></u>	<u><u>324,062</u></u>



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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<b>Assets under construction</b>	<b>Total</b>
<b>£</b>	<b>£</b>
<b>753,589</b>	<b>107,006,604</b>
<b>1,810,274</b>	<b>4,746,723</b>
<b>-</b>	<b>13,090,000</b>
<b>(138,660)</b>	<b>-</b>
<b>2,425,203</b>	<b>124,843,327</b>
<b>-</b>	<b>8,973,314</b>
<b>-</b>	<b>5,065,874</b>
<b>-</b>	<b>14,039,188</b>
<b>2,425,203</b>	<b>110,804,139</b>
<b>753,589</b>	<b>98,033,290</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**11. Tangible fixed assets (continued)**

**Leasehold**

The long-leasehold land and buildings for King Edward VI Sheldon Heath Academy, built under the Buildings Schools for the Future programme, were transferred to the Academy on a peppercorn lease of 125 years. The lease is not yet signed due to snagging works still to be resolved but it is the intention of the Trustees that the lease will be signed upon satisfactory completion of the snagging works.

The long-leasehold land and buildings for King Edward VI Handsworth Grammar School for Boys were transferred to the Academy on a peppercorn lease of 125 years. The legal owners of the leasehold properties are The Trustees of the Charity called Handsworth Grammar School.

The long-leasehold land and buildings for King Edward VI Handsworth Wood Girls' Academy and King Edward VI Balaam Wood Academy were transferred to the Academy on a peppercorn lease of 125 years. The legal owners of the leasehold properties are Birmingham City Council.

**Licence to occupy**

The licence to occupy properties represent the value of the land and buildings that were transferred to the schools from the registered charity The Schools of King Edward VI in Birmingham and which each school has use of on a 21 year licence to occupy that commenced 1 September 2017. The value of the land and buildings was independently valued in 2012 by GVA Grimley Ltd, Birmingham using the depreciated replacement cost method of valuation and the net book value was transferred in on conversion at 1 September 2017.

**12. Debtors**

	2020	2019
	£	£
Trade debtors	247,689	80,654
Accrued capital grants	5,917,359	4,900,000
Other debtors	882,542	674,738
Prepayments and accrued income	913,487	1,479,953
	<u>7,961,077</u>	<u>7,135,345</u>

**13. Current asset investments**

	2020	2019
	£	£
Short term deposits	<u>8,949,323</u>	<u>7,437,143</u>

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

	2020	2019
	£	£
Salix loans	18,743	-
Trade creditors	785,301	917,324
Other taxation and social security	764,490	668,075
Other creditors	1,396,172	1,154,185
Accruals and deferred income	2,032,170	1,456,726
	4,996,876	4,196,310
	2020	2019
	£	£
Deferred income at 1 September 2019	865,010	309,740
Resources deferred during the year	482,106	865,010
Amounts released from previous periods	(865,010)	(309,740)
	482,106	865,010

Included in deferred income are grants and other trip income received in advance of entitlement for the 20/21 academic year.

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

	2020	2019
	£	£
Salix loans	111,612	-
	111,612	-

**Salix loans**

The loans amounting to £130,355 are interest free Salix loans which were agreed as part of the CIF applications before the constituent schools joined the Trust. The loans are due for repayment by instalments of which £33,000 is due for repayment after more than 5 years.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. Agency arrangements**

The Academy Trust distributes bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2020 the Academy Trust received £222,548 (2019: £210,536), disbursed £214,874 (2019: £182,495) and £nil (2019: £nil) was transferred in on conversion in relation to this fund. An amount of £324,140 (2019: £310,508) is included in other creditors relating to undistributed funds.

The Academy Trust distributes PGCE training bursaries to students as an agent for the NCTL. In the accounting period ending 31 August 2020 the academy received £411,000 (2019: £606,800) and disbursed £411,000 (2019: £694,200) from the fund. An amount of £nil (2019: £nil) is included in other creditors relating to amounts due to the NCTL.

The Academy Trust distributes funds on behalf of King Edward VI Sheldon Heath Charitable Fund. The Charitable Fund reimburses the Academy Trust on a regular basis. In the accounting period ending 31 August 2020 the academy received £5,768 (2019: £nil) and disbursed £13,328 (2019: £4,286) from the fund. An amount of £4,286 (2019: £11,846) is included in other debtors relating to amounts due from the Charitable Fund.

**17. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2020 was £18,417 (2019 - £26,319). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**18. Statement of funds**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
General Funds	361,360	2,069,659	(1,832,150)	-	-	598,869
Transfer on conversion	3,431,148	-	-	-	-	3,431,148
	<u>3,792,508</u>	<u>2,069,659</u>	<u>(1,832,150)</u>	<u>-</u>	<u>-</u>	<u>4,030,017</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	844,580	44,934,118	(43,025,614)	(1,291,055)	-	1,462,029
Other DfE/ESFA grants	-	4,702,508	(4,702,508)	-	-	-
LA grants	-	147,285	(147,285)	-	-	-
Other grants	-	184,266	(184,266)	-	-	-
Funds inherited on conversion	5,125,815	-	-	-	-	5,125,815
Government funding	-	70,062	(70,062)	-	-	-
Teaching school	161,681	205,900	(211,334)	-	-	156,247
Donations	-	1,018,061	(1,018,061)	-	-	-
Other funds	-	74,696	(74,696)	-	-	-
SALIX loans	-	(149,946)	-	19,591	-	(130,355)
Pension reserve	(14,512,000)	(1,616,000)	(910,000)	-	(5,786,000)	(22,824,000)
	<u>(8,379,924)</u>	<u>49,570,950</u>	<u>(50,343,826)</u>	<u>(1,271,464)</u>	<u>(5,786,000)</u>	<u>(16,210,264)</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Statement of funds (continued)**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Restricted fixed asset funds</b>						
ESFA Capital grants	2,478,667	2,381,869	-	(1,886,729)	-	2,973,807
Tangible fixed assets	98,033,290	13,090,000	(5,065,874)	4,746,723	-	110,804,139
Foundation donation	4,900,000	-	-	(1,416,289)	-	3,483,711
Other donations	-	172,241	-	(172,241)	-	-
Selective Schools Expansion Fund Grant	-	2,727,652	-	-	-	2,727,652
	<u>105,411,957</u>	<u>18,371,762</u>	<u>(5,065,874)</u>	<u>1,271,464</u>	<u>-</u>	<u>119,989,309</u>
<b>Total Restricted funds</b>	<u>97,032,033</u>	<u>67,942,712</u>	<u>(55,409,700)</u>	<u>-</u>	<u>(5,786,000)</u>	<u>103,779,045</u>
<b>Total funds</b>	<u>100,824,541</u>	<u>70,012,371</u>	<u>(57,241,850)</u>	<u>-</u>	<u>(5,786,000)</u>	<u>107,809,062</u>

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

**Unrestricted funds**

These funds represent those resources which may be used towards meeting any of the charitable objects of the charitable company at the discretion of the Trustees.

**Restricted funds**

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education and the Local Authority(ies).

**Restricted fixed asset funds**

These funds represents the carrying value of fixed assets that have either been received upon conversion of constituent Academies of the Trust or have been purchased from grants received from the ESFA or from The Schools of King Edward VI in Birmingham. It also includes grants from the ESFA plus other amounts received which have yet to be spent on future capital assets.

**Transfers between funds**

Transfers between funds represent capital items purchased from GAG and other capital funds and offset by capital grants spent on revenue expenditure along with other expenditure transfers.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Statement of funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	As restated 2019 £
King Edward VI Aston School	(203,950)	(190,886)
King Edward VI Camp Hill School for Boys	1,212,380	980,249
King Edward VI Camp Hill School for Girls	867,795	1,217,713
King Edward VI Five Ways School	1,127,184	1,287,490
King Edward VI Handsworth School	2,328,369	2,170,121
King Edward VI Handsworth Grammar School for Boys	1,016,277	848,965
King Edward VI Sheldon Heath Academy	2,555,529	2,126,423
Central Services	178,128	141,197
King Edward Consortium	156,702	161,680
King Edward VI Handsworth Wood Girls' Academy	1,358,082	1,181,632
King Edward VI Balaam Wood Academy	47,257	-
<b>Total before fixed asset funds and pension reserve</b>	<b>10,643,753</b>	<b>9,924,584</b>
Restricted fixed asset fund	119,989,309	105,411,957
Pension reserve	(22,824,000)	(14,512,000)
<b>Total</b>	<b>107,809,062</b>	<b>100,824,541</b>

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
King Edward VI Aston School	(203,950)

King Edward VI Aston School is in deficit due to temporarily funding capital works in advance of receipt of the capital funding. This will be resolved on future receipt of the accrued capital grant.

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**18. Statement of funds (continued)**

**Total cost analysis by academy**

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £
King Edward VI Aston School	3,529,875	774,223	76,945	903,066	5,284,109
King Edward VI Camp Hill School for Boys	3,152,248	654,322	100,593	842,948	4,750,111
King Edward VI Camp Hill School for Girls	3,682,673	616,143	75,645	1,005,847	5,380,308
King Edward VI Five Ways School	4,512,331	860,592	112,066	1,292,113	6,777,102
King Edward VI Handsworth School	3,911,158	724,288	84,867	836,743	5,557,056
King Edward VI Handsworth Grammar School for Boys	3,856,111	768,274	140,366	1,005,686	5,770,437
King Edward VI Sheldon Heath Academy	5,349,287	1,183,799	181,278	900,014	7,614,378
Central Services	2,000	1,443,788	19,270	545,654	2,010,712
King Edward Consortium Teaching school	-	143,559	-	67,775	211,334
King Edward VI Handsworth Wood Girls' Academy	4,171,426	854,531	85,158	760,737	5,871,852
King Edward VI Balaam Wood Academy	1,973,483	516,509	27,622	430,963	2,948,577
<b>Academy Trust</b>	<b>34,140,592</b>	<b>8,540,028</b>	<b>903,810</b>	<b>8,591,546</b>	<b>52,175,976</b>



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**18. Statement of funds (continued)**

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

	<i>Teaching and educational support staff costs</i> £	<i>Other support staff costs</i> £	<i>Educational supplies</i> £	<i>Other costs excluding depreciation</i> £	<i>Total 2019</i> £
King Edward VI Aston School	3,310,154	675,027	111,939	952,451	5,049,571
King Edward VI Camp Hill School for Boys	2,926,394	540,782	104,660	996,073	4,567,909
King Edward VI Camp Hill School for Girls	3,379,959	582,505	108,047	1,114,103	5,184,614
King Edward VI Five Ways School	4,012,142	750,849	118,364	1,128,281	6,009,636
King Edward VI Handsworth School	3,536,407	722,651	101,712	1,007,905	5,368,675
King Edward VI Handsworth Grammar School for Boys	3,636,103	685,842	122,429	936,429	5,380,803
King Edward VI Sheldon Heath Academy	4,910,406	1,146,512	242,717	1,078,492	7,378,127
King Edward Consortium	98,717	40,011	-	77,019	215,747
King Edward VI Handsworth Wood Girls' Academy	3,854,193	749,132	62,497	768,873	5,434,695
Central services	-	1,907,010	25,050	375,869	2,307,929
<b>Academy Trust</b>	<b>29,664,475</b>	<b>7,800,321</b>	<b>997,415</b>	<b>8,435,495</b>	<b>46,897,706</b>

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**18. Statement of funds (continued)**

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

	<i>Balance at 1 September 2018</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers in/out</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 August 2019</i> £
<b>Unrestricted funds</b>						
General Funds	90,952	2,103,662	(1,833,254)	-	-	361,360
Transfer on conversion	3,179,957	251,191	-	-	-	3,431,148
	<u>3,270,909</u>	<u>2,354,853</u>	<u>(1,833,254)</u>	<u>-</u>	<u>-</u>	<u>3,792,508</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	41,207,149	(40,318,069)	(44,500)	-	844,580
Other DfE/ESFA grants	-	2,317,238	(2,317,238)	-	-	-
LA grants	-	235,685	(235,685)	-	-	-
Other grants	-	119,298	(119,298)	-	-	-
Funds inherited on conversion	4,542,370	583,445	-	-	-	5,125,815
Government funding	-	86,399	(86,399)	-	-	-
Teaching school	90,334	285,050	(213,703)	-	-	161,681
Donations	-	911,060	(911,060)	-	-	-
Other funds	-	80,000	(80,000)	-	-	-
Pension reserve	(9,575,000)	(1,903,000)	(783,000)	-	(2,251,000)	(14,512,000)
	<u>(4,942,296)</u>	<u>43,922,324</u>	<u>(45,064,452)</u>	<u>(44,500)</u>	<u>(2,251,000)</u>	<u>(8,379,924)</u>

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**18. Statement of funds (continued)**

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
<b>Restricted fixed asset funds</b>						
ESFA Capital grants	1,517,760	2,164,710	-	(1,203,803)	-	2,478,667
Tangible fixed assets	89,188,622	12,337,512	(4,741,147)	1,248,303	-	98,033,290
Foundation donation	-	4,900,000	-	-	-	4,900,000
	<u>90,706,382</u>	<u>19,402,222</u>	<u>(4,741,147)</u>	<u>44,500</u>	<u>-</u>	<u>105,411,957</u>
<b>Total Restricted funds</b>	<u>85,764,086</u>	<u>63,324,546</u>	<u>(49,805,599)</u>	<u>-</u>	<u>(2,251,000)</u>	<u>97,032,033</u>
<b>Total funds</b>	<u>89,034,995</u>	<u>65,679,399</u>	<u>(51,638,853)</u>	<u>-</u>	<u>(2,251,000)</u>	<u>100,824,541</u>

**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	<b>Unrestricted funds 2020</b>	<b>Restricted funds 2020</b>	<b>Restricted fixed asset funds 2020</b>	<b>Total funds 2020</b>
	£	£	£	£
Tangible fixed assets	-	-	110,804,139	110,804,139
Current assets	4,030,017	10,866,712	10,040,682	24,937,411
Creditors due within one year	-	(4,141,364)	(855,512)	(4,996,876)
Creditors due after one year	-	(111,612)	-	(111,612)
Provisions for liabilities and charges	-	(22,824,000)	-	(22,824,000)
<b>Total</b>	<u>4,030,017</u>	<u>(16,210,264)</u>	<u>119,989,309</u>	<u>107,809,062</u>

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**19. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior period**

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	98,033,290	98,033,290
Current assets	3,792,508	10,328,386	7,378,667	21,499,561
Creditors due within one year	-	(4,196,310)	-	(4,196,310)
Provisions for liabilities and charges	-	(14,512,000)	-	(14,512,000)
<b>Total</b>	<u>3,792,508</u>	<u>(8,379,924)</u>	<u>105,411,957</u>	<u>100,824,541</u>

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**20. Central services**

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

- strategic support;
- governance, including the provision of a Company Secretary and Clerks;
- finance support, including dedicated Finance Managers;
- human resources and payroll, including dedicated HR Business Partners;
- estates, including support for capital projects, health and safety and the co-ordination of central contracts (e.g. insurance)
- marketing and communications; and
- admissions (where applicable).

The Academy Trust charges for these services on the following basis:

Each academy pays a contribution to central services. For 2019/20 this was based on a standard figure of £70,000 which was then adjusted downwards for some Academies to reflect the fact that some (new joiners) still had their own legacy payroll arrangements and some (non-selective) received an admissions service from the local authority.

The actual amounts charged during the year were as follows:

	2020	2019
	£	£
King Edward VI Aston School	70,000	62,500
King Edward VI Camp Hill School for Boys	70,000	62,500
King Edward VI Camp Hill School for Girls	70,000	65,000
King Edward VI Five Ways School	70,000	67,500
King Edward VI Handsworth School	70,000	65,000
King Edward VI Handsworth Grammar School for Boys	67,000	62,000
King Edward VI Sheldon Heath	61,668	59,166
King Edward VI Handsworth Wood Girls Academy	63,500	21,540
King Edward VI Balaam Wood Academy	65,000	-
<b>Total</b>	<b>607,168</b>	<b>465,206</b>

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**21. Reconciliation of net income to net cash flow from operating activities**

	2020 £	2019 £
Net income for the period (as per Statement of financial activities)	<b>12,770,521</b>	<b>14,040,546</b>
<b>Adjustments for:</b>		
Depreciation	5,065,874	4,741,147
Capital grants from DfE and other capital income	(5,281,762)	(7,064,710)
Pension scheme liabilities assumed on conversion	1,616,000	1,903,000
Defined benefit pension scheme service cost	313,000	290,000
LGPS pension scheme adjustment - finance cost	597,000	493,000
Decrease in debtors	191,627	98,398
Increase in creditors	781,823	794,500
Fixed assets transferred on conversion	(13,090,000)	(12,337,512)
Cash transferred on conversion/from existing academies	-	(809,239)
Current asset investment gains	(1,512,180)	(6,435,266)
Loan transferred on conversion/from existing academies	149,946	-
<b>Net cash provided by/(used in) operating activities</b>	<b>1,601,849</b>	<b>(4,286,136)</b>

**22. Cash flows from financing activities**

	2020 £	2019 £
Cash transferred on conversion/from existing academies	-	809,239
Repayments of borrowing	(19,591)	-
<b>Net cash (used in)/provided by financing activities</b>	<b>(19,591)</b>	<b>809,239</b>

**23. Cash flows from investing activities**

	2020 £	2019 £
Purchase of tangible fixed assets	(4,746,723)	(1,248,303)
Capital funding received from sponsors and others	4,264,403	2,564,710
<b>Net cash (used in)/provided by investing activities</b>	<b>(482,320)</b>	<b>1,316,407</b>

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**24. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	8,027,011	6,927,073
<b>Total cash and cash equivalents</b>	<b>8,027,011</b>	<b>6,927,073</b>

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

	At 1 September 2019 £	Cash flows £	Transferred in on conversion £	At 31 August 2020 £
Cash at bank and in hand	6,927,073	1,099,938	-	8,027,011
Debt due within 1 year	-	-	(18,743)	(18,743)
Debt due after 1 year	-	19,591	(131,203)	(111,612)
Liquid investments	7,437,143	1,512,180	-	8,949,323
	<b>14,364,216</b>	<b>2,631,709</b>	<b>(149,946)</b>	<b>16,845,979</b>

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**26. Conversion to an academy trust**

On 1 September 2019 King Edward VI Balaam Wood Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to King Edward VI Academy Trust Birmingham from Birmingham City Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Restricted funds £	Restricted fixed asset funds £	Total funds £
<b>Tangible fixed assets</b>			
Leasehold land and buildings	-	13,090,000	13,090,000
<b>Non-current liabilities</b>			
LGPS pension deficit	(1,616,000)	-	(1,616,000)
<b>Net (liabilities)/assets</b>	<u>(1,616,000)</u>	<u>13,090,000</u>	<u>11,474,000</u>

**27. Capital commitments**

	2020 £	2019 £
Contracted for but not provided in these financial statements	<u>2,432,466</u>	<u>444,719</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**28. Pension commitments**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

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**28. Pension commitments (continued)**

The employer's pension costs paid to TPS in the year amounted to £5,216,509 (2019 - £3,356,263).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,740,000 (2019 - £1,736,000), of which employer's contributions totalled £1,444,000 (2019 - £1,454,000) and employees' contributions totalled £ 296,000 (2019 - £282,000). The agreed contribution rates for future years are 21.7% per cent for employers and between 5.5% and 12.5% per cent for employees.

As described in note 26 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

The trust has entered into an agreement to make contributions in addition to normal funding levels due to the scheme being in deficit. It is anticipated that the additional contributions will be paid over the following year as follows:

2020/21: **£476,614**  
2021/22: **£493,986**  
2022/23: **£511,989**

**Principal actuarial assumptions**

	2020	2019
	%	%
Rate of increase in salaries	3.30	3.75
Rate of increase for pensions in payment/inflation	2.30	2.25
Discount rate for scheme liabilities	1.60	1.85

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

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**28. Pension commitments (continued)**

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.9	20.9
Females	24.1	23.2
<i>Retiring in 20 years</i>		
Males	23.8	22.6
Females	26.0	25.1

**Sensitivity analysis**

	2020 £000	2019 £000
Discount rate +0.1%	42,004,000	30,247,000
Discount rate -0.1%	44,035,000	31,520,000
Mortality assumption - 1 year increase	44,793,000	32,108,000
Mortality assumption - 1 year decrease	41,294,000	29,695,000
CPI rate +0.1%	43,915,000	31,440,000
CPI rate -0.1%	42,121,000	30,326,000

The Academy Trust's share of the assets in the scheme was:

	2020 £	2019 £
Equities	11,338,000	9,839,000
Gilts	2,190,000	1,550,000
Corporate bonds	783,000	619,000
Property	1,521,000	1,336,000
Cash and other liquid assets	1,339,000	591,000
Other	3,012,000	2,430,000
<b>Total market value of assets</b>	<b>20,183,000</b>	<b>16,365,000</b>

The actual return on scheme assets was £1,723,000 (2019 - £958,000).

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**28. Pension commitments (continued)**

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	2019 £
Current and past service cost	2,041,000	1,947,000
Net interest on defined liability	303,000	284,000
Administrative expenses	10,000	6,000
Transfer on conversion	1,616,000	1,903,000
<b>Total amount recognised in the Statement of financial activities</b>	<b>3,970,000</b>	<b>4,140,000</b>

Changes in the present value of the defined benefit obligations were as follows:

	2020 £	2019 £
<b>At 1 September</b>	<b>30,877,000</b>	<b>21,298,000</b>
Transferred in on existing academies joining the trust	2,565,000	4,085,000
Interest cost	619,000	673,000
Employee contributions	296,000	282,000
Actuarial losses	6,886,000	2,820,000
Benefits paid	(277,000)	(228,000)
Past service costs	3,000	299,000
Current service cost	2,038,000	1,648,000
<b>At 31 August</b>	<b>43,007,000</b>	<b>30,877,000</b>

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2020 £	2019 £
<b>At 1 September</b>	<b>16,365,000</b>	<b>11,723,000</b>
Transferred in on existing academies joining the trust	949,000	2,182,000
Interest income	316,000	389,000
Actuarial gains	1,100,000	569,000
Employer contributions	1,444,000	1,454,000
Employee contributions	296,000	282,000
Benefits paid	(277,000)	(228,000)
Administration expenses	(10,000)	(6,000)
<b>At 31 August</b>	<b>20,183,000</b>	<b>16,365,000</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**29. Operating lease commitments**

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	37,952	17,631
Later than 1 year and not later than 5 years	32,238	58,649
	<u>70,190</u>	<u>76,280</u>

**30. Members' liability**

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

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**31. Related party transactions**

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

	2020 £	2019 £
<b>Income</b>		
Grants from the Foundation to the Academy Trust	10,200	5,016,450
Fees received for KES Teacher training at KEC	1,000	6,000
Costs incurred by the Academy Trust and reimbursed by the Foundation	30,936	13,810
Payments made from Foundation Restricted Funds to the Academy Trust	8,300	54,807
Other income received by Foundation and passed over to the Academy Trust	1,000	56,387
	51,436	5,147,454
	51,436	5,147,454
<b>Expenditure</b>		
Costs incurred by the Foundation and recharged to the Academy Trust	31,629	138,190
Contribution to the Foundation for services	-	-
Secondment of Staff to the Academy Trust	416,490	325,543
	448,119	463,733
	448,119	463,733

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	2020 £	2019 £
<b>Balance Sheet</b>		
Amounts owed by the Foundation at 31 August 2020 (Funds held by the Foundation on behalf of the Academy Trust):		
Grants due to the Academy Trust but not yet received from the Foundation	3,049,356	4,900,000
Other income paid to the Academy Trust after the year-end	6,686	8,362
Recharge amounts due to the Foundation at 31 August 2020	1,161	76,699
	<u>3,057,203</u>	<u>4,985,061</u>

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**32. Teaching school trading account**

	2020 £	2020 £	2019 £	2019 £
<b>Income</b>				
<b>Direct income</b>				
Tuition fees	181,700		285,050	
<b>Other income</b>				
Grant income	24,200		-	
<b>Total income</b>		<b>205,900</b>		<b>285,050</b>
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	104,579		98,717	
Other direct costs	30,700		23,276	
<b>Total direct expenditure</b>	<b>135,279</b>		<b>121,993</b>	
<b>Other expenditure</b>				
Other staff costs	38,980		40,011	
Other costs	37,075		51,699	
<b>Total other expenditure</b>	<b>76,055</b>		<b>91,710</b>	
<b>Total expenditure</b>		<b>211,334</b>		<b>213,703</b>
<b>(Deficit)/surplus from all sources</b>		<b>(5,434)</b>		<b>71,347</b>
<b>Teaching school balances at 1 September 2019</b>		<b>161,681</b>		<b>90,334</b>
<b>Teaching school balances at 31 August 2020</b>		<b>156,247</b>		<b>161,681</b>







# KING EDWARD VI ACADEMY TRUST BIRMINGHAM

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*Educational excellence for our City*

