

KING EDWARD VI ACADEMY TRUST BIRMINGHAM

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

H Thomas
G Ball
E Conway
A McKerracher (Armstrong)
The Schools of King Edward VI in Birmingham

Trustees

S Roberts, Chair
D Wheeldon, Vice Chair
F Kinkhabwala
B Matthews
L Roan
H Thomas
L Williams
S Ryder
J Lennon (appointed 1 September 2022)

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 2023

Company secretary

D Canton

Executive team

J Dhesi, Chief Executive Officer and Accounting Officer

T Rowland, Director of Operations

G Langston, Director of Finance

S Cunningham, Director of HR

J Waddington, Director of Education

Senior management team

M Brady, Headteacher - King Edward VI Aston School

D McGarvey, Headteacher - King Edward VI Balaam Wood Academy

R Bowen, Headteacher - King Edward VI Camp Hill School for Boys

K Stevens, Headteacher - King Edward VI Camp Hill School for Girls

L Johnson, (Interim) Headteacher - King Edward VI Five Ways School

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

R Elcocks, Headteacher - King Edward VI Sheldon Heath Academy

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

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

N Jones, Headteacher - King Edward VI Northfield School for Girls

K Cooney, Headteacher - King Edward VI Lordswood School for Girls

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

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Academy Trust operates eleven Academies, six selective and five non-selective, for pupils aged 11 to 18 serving the City of Birmingham. Its Academies had a combined pupil capacity of 10,963 and had a roll of 11,037 in the school census in October 2022.

Structure, governance and management

a. 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.

b. 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.

c. 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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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

d. 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 ("LGBs") 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 LGBs 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.

e. 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.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

f. 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. They also receive reports from the undernoted Academy Trust Committees:

- Finance and Operations
- Audit, Risk and Compliance
- Curriculum, Standards and Welfare
- HR including separate Equality, Diversity and Inclusion and Staff Engagement Committees

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 Chief Executive Officer. The Academy Trust has an executive team that oversees day-to-day management.

All Trustees of the Board and Governors of the SGBs are unpaid in their roles.

The Trustees are responsible for the governance and supervision of the Academy Trust, its committees (including the SGBs) 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).

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 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 SGB is to:

- provide advice to the Trustees on the functioning of that Academy;
- act as a key link between the Academy Trust and the Schools;
- act as a sounding board for the Headteacher and Academy Trust Senior Leadership Team and offer challenging but positive support to the Headteacher;

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

- 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 monitor performance against budget in year;
- appoint, remove and set the remuneration of the Headteacher.

The SGB 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.

g. 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 Chief Executive Officer 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.

h. 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 a 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 Advisory Group (JSAG). The JSAG 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.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

i. Engagement with employees (including disabled persons)

A Staff Engagement Committee was formed by the Academy Trust in 2017 and invites representatives (both teaching and non-teaching) from each of the schools within the Trust. The group meets on a termly basis to consider all aspects of the Trust, but in particular those relating to HR matters, and gives all staff a voice on a range of matters.

The Equality, Diversity and Inclusion Policy for the Academy Trust sets out the aims of the Trust to ensure that no job applicant receives less favourable treatment because of a Protected Characteristic. The policy also sets out how the Trust will support as much as possible an employee who becomes disabled and to ensure that they are not treated less favourably because of something related to their disability. The Academy Trust has an Equality Diversity and Inclusion (EDI) Committee to progress an equalities agenda with governor and staff representation from across the Academy Trust. A new Equality, Diversity and Inclusion strategy has been signed off by the Academy Trust Board. The five year action plan supporting the strategy will be delivered by committed individuals from across all the schools, including dedicated EDI Leads and EDI Foundation Leaders in Education. Both the Staff Engagement and Equality, Diversity and Inclusion Committees report through the Academy Trust HR Committee.

In accordance with the Academy Trust's Equality, Diversity and Inclusion Policy, the Academy Trust has long established fair employment practices in the recruitment, selection, retention, promotion and training of disabled staff.

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

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and through the Staff Engagement Committee, staff representatives inform and canvass staff for their views and opinions on employment and people matters. Staff representatives have the opportunity to add items to the agenda for discussion. 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 addition, an experienced HR Partner is assigned to each of the schools, working closely with the head and leadership team to deliver on the school development plan, and to support through change and difficult circumstances.

The Academy Trust HR Committee focuses on strategic and operational HR matters, supporting the work and development of the department and at the same time holding it to account.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

j. Engagement with suppliers, service users 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, service users and others through the implementation of procedures to ensure that regularity, propriety and value for money is maintained for the Trust. The Academy Trust tries to achieve best value for money for all its purchases ensuring that services are delivered in the most economical, efficient and effective way, within available resources.

Wherever possible, the Academy Trust will engage with local businesses, which in turn financially supports the local communities and the families in Birmingham.

The Academy Trust also assesses in advance, where relevant the health and safety competence of contractors, taking account of the Company's policies and procedures.

Payment for supplies and services are made and within 30 days upon receipt of an invoice once it has been confirmed that goods or services have been received and are of the quality expected. Every effort is made to ensure the school benefits from early payment discounts.

Objectives and activities

a. 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

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Objectives and activities (continued)

b. 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 King Edward VI Handsworth Wood Girls' Academy joining on 1 September 2018, King Edward VI Balaam Wood Academy joining on 1 September 2019, King Edward VI Northfield School for Girls joining on 1 September 2021 and King Edward VI Lordswood School for Girls joining on 1 September 2022. The Academy Trust intends to continue with this growth in line with the new agreed strategy for the next few years.

The 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 the schools meet the challenges that face them through the provision of clear strategies, strong support, scrutiny and good governance.

The main objectives for 2022/23 were to:

1. Work towards achieving the strategic objectives set out in the Strategic Review.
2. Complete the implementation of the Foundation's selected integrated HR and payroll system.
3. Start the rebuilding of King Edward VI Handsworth Wood Girls' Academy with financial support from the Department of Education.
4. Continue to grow the Academy Trust by welcoming additional schools into the Trust.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

c. Public benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission through 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 2022/23:

1. Approved in April 2021, work continues implementing the objectives below.
 - a. Strategic objective 1 (SO1): Learning with us
 - i. SO1.1 Academic Outcomes and Progress
 - ii. SO1.2 Access and Impact
 - iii. SO1.3 Pathways in Birmingham and Beyond
 - iv. SO1.4 Well-being, Character and Learning Skills
 - v. SO1.5 Curriculum and Resources
 - vi. SO1.6 Foundation Identity
 - b. Strategic objective 2 (SO2): Working with us
 - i. SO2.1 Collaborative Working, Learning and Culture
 - ii. SO2.2 Innovation, Research and Performance
 - iii. SO2.3 Modern Strategy for People
 - iv. SO2.4 Equality, Diversity, and Inclusion
 - v. SO2.5 Efficient Systems and Data
 - vi. SO2.6 Working Environment, Resources and Sustainability
 - c. Strategic objective 3 (SO3): Partnering with us
 - i. SO3.1 Growth and Reputation
 - ii. SO3.2 Educational Partners
 - iii. SO3.3 Civic and Corporate Partners
 - iv. SO3.4 Fund-raising and Support
 - v. SO3.5 Excellence in Governance and Compliance
 - vi. SO3.6 Heritage
2. King Edward VI Camp Hill School for Boys are considering the options for additional facilities needed on site. King Edward VI Sheldon Heath Academy have a new artificial pitch and the build for the extended dining facilities is underway.
3. The Academy Trust will formally welcome Kings Norton Boys School into the Trust early in 2024.
4. Created a new Estates Advisory Group to support the Trust Estates Strategy.
5. Continued with the development of a unified digital platform for all schools with three schools migrating to the new platform in 2022-23 and a further four due to migrate in 2023-24.
6. Extensive use of the Insignis Investment Platform to make best use of surplus cash providing the Trust with additional income of c£300k in the year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

(continued)

a. Key performance indicators

The Foundation Strategy has a range of Key Performance Indicators for each of the objectives outlined above. While a number of them are in formative stage or baseline stage due to it being the first year of the strategy, key highlights from 2022-23 were that:

SO1: Learning with us

- King Edward VI Sheldon Heath Academy was inspected by Ofsted and remained “good” under the rigorous new framework
- All schools increased their attainment 8 (A8) figure compared to 2019 examination results
- All schools saw increases in their GCSE top grades of 7-9
- Most schools saw an increase in the average A level grade
- A range of cross-Academy Trust extra-curricular activities was initiated

SO2: Working with us

- A range of opportunities for staff to work across the Academy Trust was initiated
- The engagement in and spend on apprenticeships remained significantly higher than that in 2019-20
- The gender pay gap was favourable in comparison to national average
- The new iTrent HR and Payroll system was implemented seamlessly

SO3: Partnering with us

- A new Access and Participation department was set up to focus on growth of the Academy Trust and outreach
- A range of partnerships was set up with other Academy Trusts and standalone schools

Pupil-initiated activity around the promotion of equality, diversity and inclusion continued remotely throughout the academic year, supported by staff 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.

b. 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.

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TRUSTEES' REPORT (CONTINUED)
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(continued)

c. 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 company 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 KPIs. 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 directors seek to attract and retain talented staff. The Company's policy regarding disabled persons is set out in the Trustees' Report as well as further detail regarding communication with employees.

Service Users

The trustees commit considerable time, effort and resources into understanding and responding to the needs of the service users with a view to fostering long term mutually beneficial partnerships. We act to service users' 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 of Trustees 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, service users, 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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Financial review

Review of activities

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 £74,491,568 (2022: £62,718,320) (excluding amounts transferred on conversion); expenditure against the fund was £69,324,816 (2022: £59,459,955) excluding £700,000 (2022: £2,251,000) in relation to the LGPS pension deficit. After fund transfers but excluding transfers on conversion, the restricted general fund generated an in-year surplus of £3,445,394 (2022: £2,365,503) excluding the movements in the LGPS pension deficit and Salix loan deficit.

Unrestricted Funds

Income received into the Unrestricted Fund was £3,183,619 (2022: £1,990,032) excluding transfers from existing academies/on conversion of £195,852 (2022: £565,022). Expenditure against the fund was £3,573,712 (2022: £1,903,084) for the year, giving an Unrestricted Fund in-year deficit of £194,241 (2022: surplus of £86,948) 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 £3,419,486 (2022: £2,056,841). This included £2,710,082 (2021: £2,230,872) School Capital Allocation, £242,365 (2022: £218,442) of Devolved Capital Grant Funding, capital donations raised via fundraising of £7,111 (2022: £27,527) and a (2022: payment due back to the Foundation £420,000). Expenditure from the fund equates to £6,555,470 (2022: £6,213,842) of depreciation. The total funds for the year after transfers is £6,119,356 (2022: £4,464,344) including the amounts transferred from existing academies/on conversion of £8,523,962 (2022: £19,309,207).

Summary of Financial Position

Total fund balance as at 31 August 2023 was £158,422,262 (2022: £143,869,753) comprised of a surplus of £4,381,566 (2022: £4,575,807), £16,794,996 (2022: £12,135,602) and £140,583,700 (2022: £134,464,344) in Unrestricted, Restricted and Restricted Fixed Asset Funds respectively excluding the pension fund deficit of £3,338,000 (2022: £7,306,000).

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TRUSTEES' REPORT (CONTINUED)
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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 £137,175,171 (2022: £130,443,953) as at 31 August 2023. Cash at bank at 31 August 2023 was £7,064,971 (2022: £12,331,233), which includes capital grants received, but not yet spent at the year end.

The LGPS pension liability at 31 August 2023 is £3.3 million which represents a 53% decrease compared to previous year. This is largely driven by the significant increase in the discount rate compared to previous years, at 5.20% versus 4.25% at 31 August 2022.

a. 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 £4,381,566.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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). This policy is currently being reviewed by Trustees, Key Management Personnel and Stakeholders which will continue into the coming year.

The total level of reserves held at 31 August 2023 was £157,908,262 (2022: £143,869,753) as set out in the Balance Sheet and Note 16 to the accounts. Within the total reserves figure is an amount of £140,583,700 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 2023 the available reserves of the Academy Trust were £21,176,562, representing 29 weeks of budgeted GAG income for the 2023/24 financial year. This is higher than the Trust's policy leading to the review referenced above. Some of these reserves are designated for new builds at King Edward VI Camp Hill School for Boys and King Edward VI Sheldon Heath Academy.

b. Investment policy

The Academies Trust 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
- ensure that investment decisions are in the best interests of the trust
- set investment objectives
- set the parameters that deposit counterparties need to meet
- consider the level of liquid cash required to be held within current accounts
- monitor and review the trust's investments and investment policy on a regular basis
- approve the type of produce that the Trust can invest in and seek external guidance if required
- define processes to manage and make investment decisions

Purpose

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

Objectives

To identify a level of funds that can be placed on deposit to generate additional interest income for the Trust to support its ongoing charitable objectives. Any investment decisions must be supported by a cashflow forecast in order to reduce the risk of the Trust not having the liquidity required to carry out its day-to-day activities.

The trustees delegate the day-to-day responsibility of managing and implementing the investment policy to the Head of Finance (AT) to ensure investments are managed in accordance with this policy and monitor regularly how the Trust's investments are performing.

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

A list of counterparties, their credit rating, our investment limits and duration is included within the full policy which is held at the Academy Trusts' offices.

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.

The balance deemed to be sufficient is derived from the reserves policy which sets out how much we should hold for risk purposes. This is currently c£6m (7.7% of GAG annual grant) although this will be reviewed regularly and dictated by the monthly cashflow forecasts produced as part of the management accounts cycle.
Investment Products

The Trust can invest surplus funds in a mixture of interest-bearing accounts and money market facilities (where the capital is not placed at risk) including:

- Overnight (instant access)
- Notice accounts (typically from 30 days to 100+ days)
- Fixed term deposits (typically from 1 month to 12 months)

Investments for a fixed term should not normally exceed one year 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 2023

c. Principal risks and uncertainties

The objectives of the Trust's Risk Management Policy and Strategy are to

- Integrate risk management into the culture of the Academy Trust
- **Manage risk in accordance with best practice**
- **Anticipate and respond to changing social, environmental, and legislative requirements**
- **Prevent loss, disruption, damage and injury and reduce the cost of risk, thereby maximising resources**
- **Inform policy and operational decisions by identifying risks and their likely impact**
- **Raise awareness of the need for risk management**

These objectives will be achieved by:

- **Using the control attestations and risk event logging to identify, manage and report on our risk management and compliance**
- **Establishing clear roles, responsibilities, and reporting lines within the Trust for risk management**
- **At a Trust level, termly risk reporting to the Audit, Risk and Compliance Committee**
- **At a Trust level, annual risk reporting to the Academy Trust Board**
- **At a school level, termly risk reporting to the School Governing Body**
- **Incorporating risk management considerations into the decision-making process within the Trust; this is achieved through the Head of Risk and Compliance participation in the Foundation Leadership Group and strong relationships with our schools**
- **Maintaining risk registers for all significant projects**
- **Using the risk registers to inform the School Development Plan, School strategy and budgetary considerations.**

Our risk methodology looks at threats to fifteen areas across the Trust known as 'risk categories' – each category has a pre-mitigation risk score; determined by assessing the likelihood and impact of risk in those categories if no mitigating factor was applied.

Risk categories are the areas of the organisation which are exposed to risk, each has a description of what impact a risk could pose in that area. Controls have been mapped against each risk category and these serve to mitigate any potential risks.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

<u>Risk</u>	<u>Description</u>	<u>Mitigation Plans</u>
Risk and Compliance	As public authorities our schools must comply with regulatory standards, failure to do so could result in a failed inspection or in serious situations legal action	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).
Safeguarding	Safeguarding is one of the main priorities of a school, failure to have appropriate safeguarding controls in place can lead to the death, injury or abuse of a student or staff member. This could result in litigation, regulatory action and Ofsted inadequate rating.	The Academy Trust has a robust governance structure in place. It has a compliance function which ensures that compliance responsibilities are understood and adhered to. The establishment of a stronger, central educational resource and undertaking regular external safeguarding audits ensure the continued focus on this risk.
Cyber Security	Without cyber protections schools are at risk of attack which could have financial, regulatory consequences and disruption to teaching.	There are 4 requirements to quality for cyber security insurance with RPA. Those schools who do not meet the requirement are being supported to ensure they are met. There is also enhanced cyber awareness training scheduled for all employees.
Data Protection	Data protection failures can lead to disruption in learning, complaints or regulatory investigation which can result in fines.	Every school has a data protection lead and access to support and training. Data mapping and audits are scheduled for all schools.
Educational Outcomes	Without appropriate measures the quality of education at the school could decline which will have an impact on rating, student numbers, staff retention and finances.	The Trust has a central Education department focussed on supporting on continued school improvement as well as supporting a team of leaders in education and subject research leads supporting school to school support and CPD.
Behaviour and Attendance	Significant loss of reputation, censure from regulators such as deemed to be requiring special measures due to failing to give its pupils an acceptable standard of education.	Data on behaviour and attendance on each school is shared via the Governance structure. Policies are reviewed regularly to support behaviour management.
SEND Delivery	Disabled pupils and/or those with special educational needs and/or those for whom the pupil premium provides support are under achieving.	The Trust has appointed of Head of Inclusive Practice from September 2023. External reviews for SEND practice across all schools will be done over the coming months.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Finance	The school does not have sufficient funds to maintain staffing and education standards, if not resolve could result in debt or bankruptcy.	Budgets and forecasts produced regularly to include new funding streams and updated expenditure rates. Regular review of large expenditure items is undertaken to ensure value for money is achieved.
Suppliers/Third Parties	The school does not have competitive contracts/good relations with third party suppliers which could result in either poor service of financial detriment.	Regular review of contracts and procurement practices and policy. Procurement manager working with schools to ensure proactive review of upcoming contract renewals.
Governance	The school does not have sufficient governance in place to ensure its effective operation or suffers from a severe governance failure	Governance structure is robust, and the Trust works to ensure that school governance is effective and providing appropriate scrutiny to schools.
HR	The school has insufficient or inadequate staffing to meet education expectations.	Recruitment and retention strategy is under constant review.
Digital and Technology	The IT arrangements in a school are not robust and expose the organisation to potential failures which could have a detriment on educational outcomes.	The Digital Transformation team are working to migrate all schools onto a Single Central Enterprise Platform to improve provision at individual schools.
Estates, Insurance and Health & Safety	The school estate is in a state of disrepair which presents a health & safety risk to staff, students and visitors. Insurance provision is not adequate to protect the organisational liability.	Regular health and safety audits with action being monitored and addressed. Production of a Trust wide Estates Strategy. All schools use RPA for insurance.
Reputation	Reputation of the school and/or its relationship with local community declines and this impacts PAN.	Schools continue to develop and review their engagement strategies with the local community and stakeholders.

d. Financial risk management objectives and policies

The objectives of the Academy Trust's Risk Management Procedure are 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.

e. 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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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined energy and carbon reporting

Greenhouse Gas (GHG) Emissions

In line with the Greenhouse Gas Protocol (GHG) Corporate Accounting and Reporting Standard, King Edward VI Academy Trust Birmingham continues to be engaged in a process aimed at reducing energy and greenhouse gas emissions.

The Academy Trust maintains scopes one (1), two (2) and three (3) emissions, which include electricity and natural gas and transport emissions from our school vehicles.

The Academy Trust previously devised a strategy to reduce our carbon footprint by:

- Purchasing energy efficient equipment where appropriate in offices,
- Replacing HVAC systems with energy-efficient equipment where possible,
- Adopting behavioural change measures where possible.

The Academy Trust has a longstanding commitment to tackling climate change. Calculated carbon footprint for the current financial year is 2,889 tCO₂e, whilst energy consumption was 14,205,337.79 kWh (14,205.34 MWh).

Methodology

The Academy Trust have reported all our emission sources under the Companies Act 2006 (Strategic Report and Director's Reports) Regulations 2013 as required. Reporting of calculated emissions is in line with the GHG Protocol Corporate Accounting and Reporting Standard and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2023.

The reporting period is the school year 2022 / 2023, the same as that covered by the Annual Report and Financial Statements. The boundaries of the GHG inventory are defined using the operational control approach. In general, the emissions reported are the same as those which would be reported based on a financial control boundary.

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

	2023	2022
Energy consumption used to calculate emissions (kWh)	14,205,338	15,461,416
Scope 1 emissions (in tonnes of CO₂ equivalent):		
Gas consumption	1,347.33	2,142.15
Total scope 1	1,347.33	2,142.15
Scope 2 emissions (in tonnes of CO₂ equivalent):		
Purchased electricity	122.76	85.81
Total gross emissions (in tonnes of CO₂ equivalent):	1,470.09	2,227.96
Intensity ratio:		
Tonnes of CO ₂ equivalent per pupil	0.13	0.20

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined energy and carbon reporting (continued)

The intensity metric is based on a total number of enrolled pupils which is 11,037. Emissions have increased by 29.67% since our previous reporting period. This has been partly because of an additional school joining our portfolio.

Measures taken to improve energy efficiency

1. Installed internal LED lighting across the estate and premises where possible.
2. Installed new windows at Handsworth Girls School on South and West facing sides.

Objectives for 2023 / 2024

1. Windows: Continue to install new windows across our building portfolio where appropriate.
2. Continual review of existing office equipment and school policies.
3. Reviewing supply contracts to determine feasibility of renewable energy,
4. Continual installation of sustainability initiatives such as LED Lighting and Solar PVs

Plans for future periods

As discussed above, the Trust has embedded the five-year strategy and is making good progress against the objectives set.

The most significant changes will be in terms of the collaborative resources and structures available to improve the quality of education that we provide. Fundamentally, more resources will be made available for cross-Trust work in developing education across all of our schools. This will include:

- Opportunity for teachers and leaders to support and learn from other schools within the Trust through a Leader of Education programme
- More collaboration between departments and subject areas across schools through enhanced subject networks with dedicated leads
- Coherent Trust-wide approaches to coaching, mentoring and career development
- An increased focus on Trust-wide educational strategy and the systems to deliver it
- A move towards a more unified digital approach in order to be able to better share educational resources and best practice
- Stronger collaboration between the Trust's sixth forms to maintain and widen the post-16 offer for learners
- Peer reviews for departments and leaders

A range of new strategies will be implemented to further the new overall direction including:

- School Improvement
- Human Resources (incl. Career Framework)
- Environmental Sustainability
- Digital
- External Relations
- Growth

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Agency arrangements

The Academy Trust acts as an agent in distributing bursary funds and grants from the ESFA and other government bodies. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the 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 note 16.

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 was approved by order of the Board of Trustees, as the company directors, on and signed on its behalf by:

Sharon Roberts

S Roberts

Chair of Trustees

Date: 13 December 2023

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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GOVERNANCE STATEMENT

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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding 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.

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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GOVERNANCE STATEMENT (CONTINUED)

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
S Roberts, Chair	7	7
D Wheeldon, Vice Chair	5	7
F Kinkhabwala	7	7
B Matthews	7	7
L Roan	6	7
H Thomas	7	7
L Williams	6	7
S Ryder	6	7
J Lennon	6	7

Managing conflicts of interest

All trustees recognise they have a legal duty to act only in the best interests of the Trust and that they must not put themselves in any position where their duties as trustee may conflict with any personal interest they may have.

Trustees' personal and professional connections can bring benefits to the work of a charity and they often form part of the reason why an individual has been asked to join the trustee body however there may be a situation where there is a conflict of interest where a trustee's personal interests or loyalties could, or could be seen to, prevent them from making a decision only in the best interests of the charity.

To address these rare situations, the Trust holds a full Register of Business Interests which is recorded on the Trust's website alongside the Scheme of Delegation and Guide to Governance.

Updates to the register are made as a result of information either resulting from a formal minuted committee meeting which records any Declarations of Interest in respect of agenda items or otherwise, or from the annual business interests returns which are refreshed during the year, as circumstances dictate.

If there is a conflict of interest, the committee clerk ensures that the written record of the decision shows that the Trust has acted properly and complied with their duties by recording:

- the nature of the conflict
- which trustee or trustees were affected
- whether any conflicts of interest were declared in advance
- an outline of the discussion
- whether anyone withdrew from the discussion
- how the trustees took the decision in the best interests of the charity

The Finance and Operations Committee is a sub-committee of the main Board of Trustees. Its purpose includes:

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

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
B Matthews (Chair)	6	6
S Ryder	6	6
D Wheeldon	5	6
B Grundy	2	3
S Roberts	6	6

The Audit, Risk and Compliance Committee is also a sub-committee of the main Board of Trustees. Its purpose includes:

- to review, before submission to and approval by the Board of Trustees, 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;
- to review Internal Control and Risk management;
- consider the requirement for internal auditors annually;
- recommend to the Academy Trust Board the appointment or reappointment of the external auditors;
- review the auditor's findings of their work; and
- receive and review the Academy Trust gift and hospitality register.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Lennon (Chair)	3	3
C Wood	3	3
L Roan	3	3
S Roberts	3	3
D Wheeldon	3	3
L Brookes	1	1

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the Chief Executive Officer 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:

- Reviewing our Estates Management Strategy to ensure that the Board of Trustees are confident that the estate is safe and well maintained, an Estates Advisory Group has been established to advise Committees and the Board on all matters relating to our estate.
- Evaluating ways of investing in areas of priority and need across the estates and the different approaches that could be considered for the Trust reserves. Funding condition surveys for the estate to identify areas of priority alongside issues raised by school staff.
- Ensuring budgets are sufficient for compliance with health and safety compliance and where appropriate using ESFA capital grants to support this, via investment in assets.
- Revising the Procurement Policy to support schools in ensuring value for money is continually sought. The Academy Trust appoints specialist project managers for large capital projects to ensure compliance with procurement legislation as well as other legal requirements.
- Supporting our schools to consider maximising income generation possibilities by letting facilities to the local community.
- Starting to embed a culture of integrated curriculum and financial planning by using a tool linked to our budgeting system.

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 2022 to 31 August 2023 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 2022 to 31 August 2023 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

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- 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.
- 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 Board of Trustees has decided to employ RSM Risk Assurance Services LLP as internal auditor.

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, Risk and Compliance Committee. During the year the internal auditors carried out reviews of key operational controls and followed up on reviews of HR recruitment processes 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.

Review of effectiveness

As Accounting Officer, the Chief Executive Officer 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 and signed on their behalf by:

Sharon Roberts

S Roberts

Chair of Trustees

Date: 13 December 2023

J Dhesi

J Dhesi

Accounting Officer

Date: 13/12/23

KING EDWARD VI ACADEMY TRUST BIRMINGHAM

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STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of King Edward VI Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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 Academy Trust Handbook 2022.

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.



J Dhesi

Accounting Officer

Date: 13/12/23

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023**

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 2022 to 2023;
- make judgements 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 and signed on its behalf by:

Sharon Roberts

S Roberts

Chair of Trustees

Date: 13 December 2023

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

Opinion

We have audited the financial statements of King Edward VI Academy Trust Birmingham (the 'academy trust') for the year ended 31 August 2023 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 2022 to 2023 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 2023 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 2022 to 2023 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the 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.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, 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.

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

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation, Ofsted and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and reading minutes of meetings of those charged with governance.

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

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

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

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. 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.



Matt Doyle-Healey (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: 15 December 2023

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

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

In accordance with the terms of our engagement letter dated 28 June 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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.

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

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

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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Crowe U.K. LLP

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

Date: 15 December 2023

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 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations & capital grants:	3					
Transfer from existing academies		195,852	(289,980)	8,523,962	8,429,834	-
Transfer from local authority on conversion		-	-	-	-	16,224,229
Other donations & capital grants		185,072	1,163,141	3,419,486	4,767,699	3,270,444
Other trading activities		1,348,322	120,790	-	1,469,112	956,709
Investment income		313,765	-	-	313,765	11,643
Charitable activities		1,336,460	73,207,637	-	74,544,097	62,526,307
Total income		3,379,471	74,201,588	11,943,448	89,524,507	82,989,332
Expenditure on:						
Raising funds		2,192,288	-	-	2,192,288	1,091,259
Charitable activities		1,381,424	70,024,816	6,555,470	77,961,710	68,736,622
Total expenditure		3,573,712	70,024,816	6,555,470	80,153,998	69,827,881
Net (expenditure)/income		(194,241)	4,176,772	5,387,978	9,370,509	13,161,451
Transfers between funds	18	-	(731,378)	731,378	-	-
Net movement in funds before other recognised gains		(194,241)	3,445,394	6,119,356	9,370,509	13,161,451
Actuarial gains on defined benefit pension schemes	27	-	5,182,000	-	5,182,000	24,005,000
Net movement in funds		(194,241)	8,627,394	6,119,356	14,552,509	37,166,451

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

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Reconciliation of funds:					
Total funds brought forward	4,575,807	4,829,602	134,464,344	143,869,753	106,703,302
Total funds carried forward	<u>4,381,566</u>	<u>13,456,996</u>	<u>140,583,700</u>	<u>158,422,262</u>	<u>143,869,753</u>

The notes on pages 41 to 77 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 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	137,175,171	130,443,953
Current assets			
Debtors	12	3,334,752	2,251,599
Investments	13	22,157,039	12,712,692
Cash at bank and in hand		7,064,971	12,331,233
		<u>32,556,762</u>	<u>27,295,524</u>
Creditors: amounts falling due within one year	14	(7,919,680)	(6,492,142)
Net current assets		<u>24,637,082</u>	<u>20,803,382</u>
Total assets less current liabilities		<u>161,812,253</u>	<u>151,247,335</u>
Creditors: amounts falling due after more than one year	15	(51,991)	(71,582)
Net assets excluding pension liability		<u>161,760,262</u>	<u>151,175,753</u>
Defined benefit pension scheme liability	27	(3,338,000)	(7,306,000)
Total net assets		<u><u>158,422,262</u></u>	<u><u>143,869,753</u></u>

KING EDWARD VI ACADEMY TRUST BIRMINGHAM

(A company limited by guarantee)
REGISTERED NUMBER: 10654935

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	140,583,700	134,464,344
Restricted income funds	18	16,794,996	12,135,602
Restricted funds excluding pension reserve	18	<u>157,378,696</u>	<u>146,599,946</u>
Pension reserve	18	(3,338,000)	(7,306,000)
Total restricted funds	18	154,040,696	139,293,946
Unrestricted income funds	18	4,381,566	4,575,807
Total funds		<u>158,422,262</u>	<u>143,869,753</u>

The financial statements on pages 36 to 77 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

Sharon Roberts

S Roberts

Chair of Trustees

Date: 13 December 2023

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	21	6,449,361	6,148,975
Cash flows from investing activities	23	(11,696,032)	1,799,317
Cash flows from financing activities	22	(19,591)	(19,591)
Change in cash and cash equivalents in the year		(5,266,262)	7,928,701
Cash and cash equivalents at the beginning of the year		12,331,233	4,402,532
Cash and cash equivalents at the end of the year	24, 25	7,064,971	12,331,233

The notes on pages 41 to 77 form part of these financial statements

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements 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 2020 to 2021 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 2023:

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
King Edward VI Northfield School for Girls
King Edward VI Lordswood School for Girls

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, 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 for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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%
Freehold property	- 2%

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 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 transfer on conversion within donations and capital grant income to the net assets received.

1.17 Transfer of existing academy into the trust

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net 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 for the transfer of an existing academy into the academy trust within donations and capital grant income to the net assets acquired.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.18 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 judgement

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

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 27, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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 asset values are reported using estimated asset allocations prepared by the scheme Actuary. The asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received and benefits paid out. During each annual reporting period between triennial valuations, asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed.

Where a scheme is in a surplus according to the accounting valuation the associated asset has not been recognised on the basis that it is not likely to be recoverable either through future reductions in contributions rates or future repayments. Further details of pension assets not recognised can be found with the pensions note to the financial statements.

The Academy Trust receives donated services from Schools of King Edward VI in Birmingham (the 'Foundation') valued at £1,156,202 (2022: £934,916) which is an approximation of the service costs provided to the Academy Trust, this has been included as both income and expenditure.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

2. Critical accounting estimates and areas of judgement (continued)

Critical areas of judgement:

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

3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Donations	185,072	1,163,141	7,111	1,355,324
Capital Grants - ESFA	-	-	3,412,375	3,412,375
Transfer from existing academies	195,852	(289,980)	8,523,962	8,429,834
	<u>380,924</u>	<u>873,161</u>	<u>11,943,448</u>	<u>13,197,533</u>
	<u>827,605</u>	<u>(2,698,980)</u>	<u>21,366,048</u>	<u>19,494,673</u>

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
Donations	262,583	951,020	27,527	1,241,130
Capital Grants - ESFA	-	-	2,449,314	2,449,314
Transfer from local authority on conversion	565,022	(3,650,000)	19,309,207	16,224,229
Capital funding repayable to the Foundation	-	-	(420,000)	(420,000)
	<u>827,605</u>	<u>(2,698,980)</u>	<u>21,366,048</u>	<u>19,494,673</u>

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FOR THE YEAR ENDED 31 AUGUST 2023

4. Funding for Academy Trust's Educational Operations

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
DfE/ESFA grants			
General Annual Grant	-	64,950,495	64,950,495
Other DfE/ESFA grants			
Others	-	1,993,516	1,993,516
Pupil Premium	-	2,826,773	2,826,773
Supplementary grant	-	1,677,436	1,677,436
	-	71,448,220	71,448,220
Other Government grants			
Other grants	-	792,771	792,771
	-	792,771	792,771
Other income from the Academy Trust's educational operations	1,336,460	199,780	1,536,240
COVID-19 additional funding (DfE/ESFA)			
Other DfE/ESFA COVID-19 funding	-	766,866	766,866
	-	766,866	766,866
Total 2023	1,336,460	73,207,637	74,544,097

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
DfE/ESFA grants			
General Annual Grant	-	55,977,698	55,977,698
Other DfE/ESFA grants			
Others	-	1,735,495	1,735,495
Pupil Premium	-	2,485,458	2,485,458
	<hr/>	<hr/>	<hr/>
	-	60,198,651	60,198,651
Other Government grants			
Other grants	-	792,864	792,864
	<hr/>	<hr/>	<hr/>
	-	792,864	792,864
Other income from the Academy Trust's educational operations	842,573	157,813	1,000,386
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	366,578	366,578
Other DfE/ESFA COVID-19 funding	-	167,828	167,828
	<hr/>	<hr/>	<hr/>
	-	534,406	534,406
Total 2022	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	842,573	61,683,734	62,526,307

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Income from other trading activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Lettings income	551,682	-	551,682
Income from other trading activities	500,966	-	500,966
Income from other ancillary activities	295,674	120,790	416,464
Total 2023	1,348,322	120,790	1,469,112
	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Lettings income	209,749	-	209,749
Income from other trading activities	495,496	-	495,496
Income from other ancillary activities	167,988	83,476	251,464
<i>Total 2022</i>	873,233	83,476	956,709

6. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £
Expenditure on fundraising trading activities:				
Direct costs	1,510,156	-	682,132	2,192,288
Charitable activities:				
Direct costs	45,889,178	6,555,470	4,260,727	56,705,375
Support costs	11,114,362	4,673,703	5,468,270	21,256,335
	58,513,696	11,229,173	10,411,129	80,153,998

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FOR THE YEAR ENDED 31 AUGUST 2023**

6. Expenditure (continued)

	<i>Staff Costs</i> 2022 £	<i>Premises</i> 2022 £	<i>Other</i> 2022 £	<i>Total</i> 2022 £
Expenditure on fundraising trading activities:				
Direct costs	946,115	-	145,144	1,091,259
Charitable Activities				
Direct costs	38,581,672	6,213,842	4,344,444	49,139,958
Support costs	12,127,317	3,606,996	3,862,351	19,596,664
	<u>51,791,337</u>	<u>9,820,838</u>	<u>8,351,939</u>	<u>69,964,114</u>

7. Support costs

	2023 £	2022 £
Staff costs	11,114,362	12,127,317
Technology costs	749,807	695,590
Legal costs	112,858	128,037
Governance costs	65,758	71,227
Premises costs	4,673,703	3,606,996
Other support costs	2,602,890	1,857,231
	<u>19,319,378</u>	<u>18,486,398</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

8. Net (income)/expenditure

Net (expenditure)/income for the year includes:

	2023	2022
	£	£
Operating lease rentals	28,227	31,652
Depreciation of tangible fixed assets	6,555,470	6,213,842
Transfer from other academies (see note 32)	8,429,834	-
Transfer in on conversion	-	16,224,229
Fees paid to auditor for:		
- audit	45,000	41,950
- other services	4,650	10,060
	<u>45,000</u>	<u>41,950</u>
	<u>4,650</u>	<u>10,060</u>

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	2022
	£	£
Wages and salaries	42,978,059	36,605,377
Social security costs	4,341,319	3,734,138
Pension costs	9,760,221	10,363,818
	<u>57,079,599</u>	<u>50,703,333</u>
Agency staff costs	1,278,167	984,610
Staff restructuring costs	155,930	103,394
	<u>58,513,696</u>	<u>51,791,337</u>

Staff restructuring costs comprise:

Severance payments	155,930	103,394
	<u>155,930</u>	<u>103,394</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Staff (continued)

b. Severance payments

The Academy Trust paid 9 severance payments in the year (2022 - 9), disclosed in the following bands:

	2023	<i>2022</i>
	No.	<i>No.</i>
£0 - £25,000	8	<i>8</i>
£25,001 - £50,000	1	<i>1</i>
	=====	<i>=====</i>

c. Special staff severance payments

There were nine non-statutory/non-contractual severance payments during the year amounting to £155,930 (2022: *nine amounting to £103,395*). Individually the payments were £44,085, £21,804, £18,964, £15,829, £15,816, £15,000, £11,152, £9,422 and £3,858 (2022: *£30,000, £17,577, £12,634, £11,156, £8,963, £6,320, £6,152 and £4,400*).

d. Staff numbers

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

	2023	<i>2022</i>
	No.	<i>No.</i>
Management	86	<i>71</i>
Teachers	625	<i>566</i>
Support	499	<i>503</i>
	=====	<i>=====</i>
	1,210	<i>1,140</i>
	=====	<i>=====</i>

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Staff (continued)

e. Higher paid staff

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	25	26
In the band £70,001 - £80,000	14	10
In the band £80,001 - £90,000	8	6
In the band £90,001 - £100,000	3	-
In the band £100,001 - £110,000	2	3
In the band £110,001 - £120,000	2	2

f. 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 £1,433,421 (2022 - £1,298,168).

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 £458,508 (2022: £325,464) of the donated services.

Included in staff costs is £2,239,025 (2022: £1,767,739) relating to off payroll arrangements for the cost of staff employed by the Foundation providing services to the Academy Trust.

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 August 2023, Trustees received reimbursement of expenses for £NIL (2022 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

11. Tangible fixed assets

	Freehold property £	Licence to occupy properties £	Long Leasehold property £	Long leasehold improvements £	Furniture and fixtures £	Motor vehicles £	Computer equipment £	Assets under construction £	Total £
Cost or valuation									
At 1 September 2022	19,035,000	65,143,223	63,393,234	4,492,166	1,433,396	102,401	2,408,434	118,221	156,126,075
Additions	-	1,847,464	1,140,611	286,980	102,164	-	494,645	1,242,687	5,114,551
Acquired on conversion	-	-	7,705,555	24,833	56,434	-	47,727	337,588	8,172,137
Transfers between classes	-	-	376,991	22,090	-	-	-	(399,081)	-
At 31 August 2023	<u>19,035,000</u>	<u>66,990,687</u>	<u>72,616,391</u>	<u>4,826,069</u>	<u>1,591,994</u>	<u>102,401</u>	<u>2,950,806</u>	<u>1,299,415</u>	<u>169,412,763</u>
Depreciation									
At 1 September 2022	353,400	17,169,595	5,411,307	688,406	545,487	95,970	1,417,957	-	25,682,122
Charge for the year	353,400	3,656,037	1,542,696	197,561	173,220	5,334	627,222	-	6,555,470
At 31 August 2023	<u>706,800</u>	<u>20,825,632</u>	<u>6,954,003</u>	<u>885,967</u>	<u>718,707</u>	<u>101,304</u>	<u>2,045,179</u>	<u>-</u>	<u>32,237,592</u>
Net book value									
At 31 August 2023	<u><u>18,328,200</u></u>	<u><u>46,165,055</u></u>	<u><u>65,662,388</u></u>	<u><u>3,940,102</u></u>	<u><u>873,287</u></u>	<u><u>1,097</u></u>	<u><u>905,627</u></u>	<u><u>1,299,415</u></u>	<u><u>137,175,171</u></u>
At 31 August 2022	<u><u>18,681,600</u></u>	<u><u>47,973,628</u></u>	<u><u>57,981,927</u></u>	<u><u>3,803,760</u></u>	<u><u>887,909</u></u>	<u><u>6,431</u></u>	<u><u>990,477</u></u>	<u><u>118,221</u></u>	<u><u>130,443,953</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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11. Tangible fixed assets (continued)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 was signed in January 2021.

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.

The long-leasehold land and buildings for King Edward VI Lordswood School for Girls were transferred to the Academy on a peppercorn lease of 125 years. The legal owners of the leasehold properties are Calthorpe Estates.

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.

Freehold

Included in freehold property is land of £1,365,000 which is not depreciated.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

12. Debtors

	2023 £	2022 £
Trade debtors	159,327	91,415
Other debtors	1,930,391	805,151
Prepayments and accrued income	1,099,272	1,218,650
Accrued capital grants	145,762	136,383
	3,334,752	2,251,599

13. Current asset investments

	2023 £	2022 £
Short term deposits	22,157,039	12,712,692
	22,157,039	12,712,692

14. Creditors: Amounts falling due within one year

	2023 £	2022 £
Salix loans	19,591	19,591
Trade creditors	2,264,935	960,072
Other taxation and social security	1,023,621	890,003
Amounts repayable to the Foundation	-	420,000
Other creditors	2,475,140	2,161,988
Accruals and deferred income	2,136,393	2,040,488
	7,919,680	6,492,142

	2023 £	2022 £
Deferred income at 1 September 2022	435,597	336,607
Resources deferred during the year	715,800	435,597
Amounts released from previous periods	(435,597)	(336,607)
	715,800	435,597

Included in deferred income are grants and other trip income received in advance of entitlement for the 23/24 academic year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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

	2023 £	2022 £
Bank loans	<u>51,991</u>	<u>71,582</u>
Salix loans		

The loans amounting to £71,582 are interest free Salix loans which were agreed as part of the CIF applications before the contuent schools joined the Trust. The loans are due for repayment by instalments of which none is due for repayment after more than 5 years.

16. Agency arrangements

The Academy Trust distributes bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2023 the Academy Trust received £445,131 (2022: £309,123), disbursed £232,871 (2022: £237,784) and £36,028 (2022: £nil) was transferred in on conversion in relation to this fund. An amount of £622,770 (2022: £410,510) 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 2023 the academy received £362,400 (2022: £336,000) and disbursed £362,400 (2022: £139,000) from the fund. An amount of £Nil (2022: £197,000) 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 2023 the academy received £37,914 (2022: £nil) and disbursed £73,391 (2022: £38,669) from the fund. An amount of £226 is included in other debtors (2022: £38,073) relating to amounts due from the Charitable Fund.

17. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy 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 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 2023**

18. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds	579,637	3,183,619	(3,573,712)	-	-	189,544
Transfer on conversion	3,996,170	195,852	-	-	-	4,192,022
	<u>4,575,807</u>	<u>3,379,471</u>	<u>(3,573,712)</u>	<u>-</u>	<u>-</u>	<u>4,381,566</u>
Restricted general funds						
General Annual Grant (GAG)	6,930,071	64,950,495	(59,784,350)	(750,969)	-	11,345,247
Other DfE/ESFA grants	-	7,264,591	(7,264,591)	-	-	-
LA grants	-	526,512	(526,512)	-	-	-
Funds inherited on conversion	5,125,815	224,020	-	-	-	5,349,835
King Edward Consortium	170,889	199,780	(199,173)	-	-	171,496
Donations	-	1,163,141	(1,163,141)	-	-	-
Other funds	-	387,049	(387,049)	-	-	-
SALIX loans	(91,173)	-	-	19,591	-	(71,582)
Pension reserve	(7,306,000)	(514,000)	(700,000)	-	5,182,000	(3,338,000)
	<u>4,829,602</u>	<u>74,201,588</u>	<u>(70,024,816)</u>	<u>(731,378)</u>	<u>5,182,000</u>	<u>13,456,996</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

18. Statement of funds (continued)

Restricted fixed asset funds

ESFA Capital grants	4,020,391	3,412,375	-	(4,024,237)	-	3,408,529
Tangible fixed assets	130,443,953	-	(6,555,470)	13,286,688	-	137,175,171
Other donations	-	7,111	-	(7,111)	-	-
Transfer on conversion	-	8,523,962	-	(8,523,962)	-	-
	<u>134,464,344</u>	<u>11,943,448</u>	<u>(6,555,470)</u>	<u>731,378</u>	<u>-</u>	<u>140,583,700</u>
Total Restricted funds	<u>139,293,946</u>	<u>86,145,036</u>	<u>(76,580,286)</u>	<u>-</u>	<u>5,182,000</u>	<u>154,040,696</u>
Total funds	<u><u>143,869,753</u></u>	<u><u>89,524,507</u></u>	<u><u>(80,153,998)</u></u>	<u><u>-</u></u>	<u><u>5,182,000</u></u>	<u><u>158,422,262</u></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.

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 2023.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

18. Statement of funds (continued)

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds						
General Funds	492,689	1,990,032	(1,903,084)	-	-	579,637
Transfer on conversion	3,431,148	565,022	-	-	-	3,996,170
	<u>3,923,837</u>	<u>2,555,054</u>	<u>(1,903,084)</u>	<u>-</u>	<u>-</u>	<u>4,575,807</u>
Restricted general funds						
General Annual Grant (GAG)	4,545,329	55,977,698	(52,684,802)	(908,154)	-	6,930,071
Other DfE/ESFA grants	-	4,755,359	(4,755,359)	-	-	-
LA grants	-	509,689	(509,689)	-	-	-
Funds inherited on conversion	5,125,815	-	-	-	-	5,125,815
King Edward Consortium	205,510	157,813	(192,434)	-	-	170,889
Donations	-	951,020	(951,020)	-	-	-
Other funds	-	366,651	(366,651)	-	-	-
SALIX loans	(110,764)	-	-	19,591	-	(91,173)
Pension reserve	(25,410,000)	(3,650,000)	(2,251,000)	-	24,005,000	(7,306,000)
	<u>(15,644,110)</u>	<u>59,068,230</u>	<u>(61,710,955)</u>	<u>(888,563)</u>	<u>24,005,000</u>	<u>4,829,602</u>

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

**Restricted fixed
asset funds**

ESFA Capital grants	3,074,498	2,449,314	-	(1,503,421)	-	4,020,391
Tangible fixed assets	114,504,688	-	(6,213,842)	22,153,107	-	130,443,953
Foundation donation	819,128	-	-	(819,128)	-	-
Other donations	25,261	27,527	-	(52,788)	-	-
Transfer on conversion	-	19,309,207	-	(19,309,207)	-	-
Capital funding repayable to the Foundation	-	(420,000)	-	420,000	-	-
	<u>118,423,575</u>	<u>21,366,048</u>	<u>(6,213,842)</u>	<u>888,563</u>	<u>-</u>	<u>134,464,344</u>
Total Restricted funds	<u>102,779,465</u>	<u>80,434,278</u>	<u>(67,924,797)</u>	<u>-</u>	<u>24,005,000</u>	<u>139,293,946</u>
Total funds	<u><u>106,703,302</u></u>	<u><u>82,989,332</u></u>	<u><u>(69,827,881)</u></u>	<u><u>-</u></u>	<u><u>24,005,000</u></u>	<u><u>143,869,753</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
King Edward VI Aston School	1,801,969	1,306,856
King Edward VI Camp Hill School for Boys	2,443,475	2,069,386
King Edward VI Camp Hill School for Girls	1,843,229	1,484,038
King Edward VI Five Ways School	2,045,631	1,743,290
King Edward VI Handsworth School	2,636,511	1,878,626
King Edward VI Handsworth Grammar School for Boys	1,932,174	1,721,400
King Edward VI Sheldon Heath Academy	2,875,481	3,146,009
Central Services	1,628,181	843,066
King Edward Consortium	171,450	171,343
King Edward VI Handsworth Wood Girls' Academy	1,725,842	1,513,516
King Edward VI Balaam Wood Academy	203,410	67,103
King Edward VI Northfield School for Girls	1,340,519	766,776
King Edward VI Lordswood School for Girls	528,690	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	21,176,562	16,711,409
Restricted fixed asset fund	140,583,700	134,464,344
Pension reserve	(3,338,000)	(7,306,000)
	<hr/>	<hr/>
Total	158,422,262	143,869,753
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

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 2023 £
King Edward VI Aston School	4,137,611	756,209	89,390	1,393,364	6,376,574
King Edward VI Camp Hill School for Boys	3,679,663	711,904	101,656	1,455,662	5,948,885
King Edward VI Camp Hill School for Girls	4,176,925	566,639	87,618	1,503,026	6,334,208
King Edward VI Five Ways School	5,077,505	784,021	94,053	1,819,557	7,775,136
King Edward VI Handsworth School	4,677,551	806,059	73,590	1,470,257	7,027,457
King Edward VI Handsworth Grammar School for Boys	4,072,990	805,044	145,591	1,380,686	6,404,311
King Edward VI Sheldon Heath Academy	5,484,907	981,034	287,057	1,335,796	8,088,794
Central Services	-	2,901,079	2,350	598,185	3,501,614
King Edward Consortium Teaching school	-	113,239	-	85,934	199,173
King Edward VI Handsworth Wood Girls' Academy	4,822,871	813,156	242,043	1,330,283	7,208,353
King Edward VI Balaam Wood Academy	2,108,239	427,052	85,534	636,128	3,256,953
King Edward VI Northfield School for Girls	3,276,541	695,447	183,185	961,686	5,116,859
King Edward VI Lordswood School for Girls	4,374,373	724,479	71,100	1,190,259	6,360,211
Academy Trust	45,889,176	11,085,362	1,463,167	15,160,823	73,598,528

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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 2022</i> £
King Edward VI Aston School	3,911,708	1,116,390	98,818	1,063,636	6,190,552
King Edward VI Camp Hill School for Boys	3,433,764	968,633	132,869	1,151,504	5,686,770
King Edward VI Camp Hill School for Girls	4,030,932	857,586	56,610	1,059,755	6,004,883
King Edward VI Five Ways School	4,743,347	1,154,951	137,643	1,363,119	7,399,060
King Edward VI Handsworth School	4,340,992	1,057,394	103,649	1,198,923	6,700,958
King Edward VI Handsworth Grammar School for Boys	3,882,068	1,034,556	143,052	1,079,925	6,139,601
King Edward VI Sheldon Heath Academy	5,415,981	1,265,053	214,968	993,412	7,889,414
Central Services	38,312	1,756,672	1,790	530,797	2,327,571
King Edward Consortium	-	136,233	-	56,201	192,434
King Edward VI Handsworth Wood Girls' Academy	4,335,769	1,031,856	176,895	979,018	6,523,538
King Edward VI Balaam Wood Academy	2,285,831	741,052	48,993	496,523	3,572,399
King Edward VI Northfield School for Girls	3,109,083	1,143,174	93,996	640,606	4,986,859
Academy Trust	39,527,787	12,263,550	1,209,283	10,613,419	63,614,039

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	137,175,171	137,175,171
Current assets	4,381,566	24,766,667	3,408,529	32,556,762
Creditors due within one year	-	(7,919,680)	-	(7,919,680)
Creditors due after one year	-	(51,991)	-	(51,991)
Provisions for liabilities and charges	-	(3,338,000)	-	(3,338,000)
Total	4,381,566	13,456,996	140,583,700	158,422,262

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	-	130,443,953	130,443,953
Current assets	4,575,807	18,279,326	4,440,391	27,295,524
Creditors due within one year	-	(6,072,142)	(420,000)	(6,492,142)
Creditors due in more than one year	-	(71,582)	-	(71,582)
Provisions for liabilities and charges	-	(7,306,000)	-	(7,306,000)
Total	4,575,807	4,829,602	134,464,344	143,869,753

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 2022/23 this was based on a standard figure of £115,000.

The actual amounts charged during the year were as follows:

	2023	<i>2022</i>
	£	£
King Edward VI Aston School	115,000	<i>100,000</i>
King Edward VI Camp Hill School for Boys	115,000	<i>100,000</i>
King Edward VI Camp Hill School for Girls	115,000	<i>100,000</i>
King Edward VI Five Ways School	115,000	<i>100,000</i>
King Edward VI Handsworth School	115,000	<i>100,000</i>
King Edward VI Handsworth Grammar School for Boys	115,000	<i>100,000</i>
King Edward VI Sheldon Heath	115,000	<i>100,000</i>
King Edward VI Handsworth Wood Girls Academy	115,000	<i>100,000</i>
King Edward VI Balaam Wood Academy	115,000	<i>100,000</i>
King Edward VI Northfield School for Girls	115,000	<i>100,000</i>
King Edward VI Lordswood School for Girls	115,000	<i>-</i>
Total	1,265,000	<i>1,000,000</i>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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

	2023	2022
	£	£
Net income for the year (as per Statement of financial activities)	9,370,509	13,161,451
Adjustments for:		
Depreciation	6,555,470	6,213,842
Capital grants from DfE and other capital income	(3,412,375)	(2,056,841)
Pension scheme liabilities assumed from existing academies/on conversion	514,000	3,650,000
Defined benefit pension scheme finance cost	319,000	494,000
Defined benefit pension scheme service cost	381,000	1,757,000
(Increase)/decrease in debtors	(1,219,536)	380,552
Increase in creditors	2,113,430	1,858,178
Fixed assets transferred from existing academies/on conversion	(8,172,137)	(19,309,207)
Net cash provided by operating activities	6,449,361	6,148,975

22. Cash flows from financing activities

	2023	2022
	£	£
Repayments of borrowing	(19,591)	(19,591)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

23. Cash flows from investing activities

	2023 £	2022 £
Purchase of tangible fixed assets	(5,800,443)	(4,208,981)
Capital funding received from sponsors and others	3,548,758	2,768,280
Cash (invested in)/transferred out of current asset investment	(9,444,347)	3,240,018
Net cash (used in)/provided by investing activities	(11,696,032)	1,799,317

24. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	7,064,971	12,331,233

25. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	Other non- cash changes £	At 31 August 2023 £
Cash at bank and in hand	12,331,233	(5,266,262)	-	7,064,971
Debt due within 1 year	(19,591)	19,591	(19,591)	(19,591)
Debt due after 1 year	(71,582)	-	19,591	(51,991)
Liquid investments	12,712,692	9,444,347	-	22,157,039
	24,952,752	4,197,676	-	29,150,428

26. Capital commitments

	2023 £	2022 £
Contracted for but not provided in these financial statements	1,861,792	822,348

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NOTES TO THE FINANCIAL STATEMENTS
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27. 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 2022.

Contributions amounting to £818,526 were payable to the schemes at 31 August 2023 (2022 - £861,916) and are included within creditors.

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 result of the 31 March 2022 valuation is due to be implemented from 1 April 2024 which confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6%. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

27. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £6,737,838 (2022 - £5,654,376).

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 2023 was £2,439,000 (2022 - £2,565,000), of which employer's contributions totalled £1,931,000 (2022 - £2,168,000) and employees' contributions totalled £ 508,000 (2022 - £397,000). 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 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.

Principal actuarial assumptions

	2023	<i>2022</i>
	%	%
Rate of increase in salaries	4.00	<i>4.05</i>
Rate of increase for pensions in payment/inflation	3.00	<i>3.05</i>
Discount rate for scheme liabilities	5.20	<i>4.25</i>

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

	2023	<i>2022</i>
	Years	Years
<i>Retiring today</i>		
Males	19.7	<i>21.2</i>
Females	22.9	<i>23.6</i>
<i>Retiring in 20 years</i>		
Males	20.5	<i>22.9</i>
Females	24.9	<i>25.4</i>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

27. Pension commitments (continued)

Sensitivity analysis - impact on net obligation

	2023	<i>2022</i>
	£000	<i>£000</i>
Discount rate +0.1%	36,335	<i>6,546</i>
Discount rate -0.1%	34,819	<i>8,066</i>
Mortality assumption - 1 year increase	37,000	<i>8,708</i>
Mortality assumption - 1 year decrease	34,154	<i>5,904</i>
CPI rate +0.1%	36,270	<i>7,968</i>
CPI rate -0.1%	34,884	<i>6,644</i>

Share of scheme assets

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

	At 31 August 2023	<i>At 31 August 2022</i>
	£	<i>£</i>
Equities	21,922,520	<i>16,643,400</i>
Corporate bonds	6,770,190	<i>7,489,530</i>
Property	2,256,730	<i>3,051,290</i>
Cash and other liquid assets	1,289,560	<i>554,780</i>
Total market value of assets	32,239,000	<i>27,739,000</i>

The actual loss on scheme assets was £1,543,000 (2022 - £832,170).

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

	2023	<i>2022</i>
	£	<i>£</i>
Current and past service cost	2,312,000	<i>3,925,000</i>
Net interest on defined liability	319,000	<i>494,000</i>
Total amount recognised in the Statement of financial activities	2,631,000	<i>4,419,000</i>

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27. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	35,045,000	51,013,000
Conversion/transfer of academy trusts	(3,604,000)	4,592,000
Current service cost	2,272,000	3,908,000
Past service cost	40,000	17,000
Interest cost	1,532,000	948,000
Employee contributions	508,000	397,000
Benefits paid	(766,000)	(532,000)
Actuarial gains	550,000	(25,298,000)
	<u>35,577,000</u>	<u>35,045,000</u>

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

	2023 £	2022 £
At 1 September	27,739,000	25,603,000
Conversion of academy trusts	(4,118,000)	942,000
Interest income	1,213,000	454,000
Employer contributions	1,931,000	2,168,000
Employee contributions	508,000	397,000
Benefits paid	(766,000)	(532,000)
Actuarial gain	5,732,000	(1,293,000)
	<u>32,239,000</u>	<u>27,739,000</u>

28. Operating lease commitments

At 31 August 2023 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	56,076	49,598
Later than 1 year and not later than 5 years	74,139	69,277
	<u>130,215</u>	<u>118,875</u>

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FOR THE YEAR ENDED 31 AUGUST 2023**

29. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

30. 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 Academy Trust 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.

	2023	<i>2022</i>
	£	£
Grants from the Foundation to the Academy Trust	5,613	<i>58,850</i>
Fees received for KES Teacher training at KEC	1,200	<i>7,000</i>
Costs incurred by the Academy Trust and reimbursed by the Foundation	83,818	<i>39,900</i>
Payments made from Foundation Restricted Funds to the Academy Trust	2,391	<i>5,664</i>
	=====	=====
	2023	<i>2022</i>
	£	£
Expenditure		
Costs incurred by the Foundation and recharged to the Academy Trust	10,196	<i>18,918</i>
Secondment of Staff to the Academy Trust	1,074,744	<i>832,823</i>
	=====	=====
	1,084,940	<i>851,741</i>
	=====	=====

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

	2023 £	2022 £
Balance Sheet		
Amounts owed to/from the Foundation at 31 August 2022:	(253,071)	
Capital project under-spend due to the Foundation in relation to donation in prior years	-	(420,000)
Other income paid to the Academy Trust	45,717	-
Recharge amounts due to the Foundation at 31 August 2022	-	(7,268)
	<u>(207,354)</u>	<u>(427,268)</u>
31. Post balance sheet events		
Kings Norton Boys School will join the Trust early 2024.		
32. Transfer of existing academies into the academy trust		
KING EDWARD VI LORDSWOOD SCHOOL FOR GIRLS		
	Value reported by transferring trust	Transfer in recognised
	£	£
Tangible fixed assets		
Long-term leasehold property	7,690,984	7,690,984
Assets under construction	376,991	376,991
Furniture and equipment	56,425	56,425
Computer equipment	47,727	47,727
Current assets		
Debtors due within one year	970,543	970,543
Cash at bank and in hand	653,972	653,972
Liabilities		
Creditors due within one year	(852,808)	(852,808)
Pensions		
Pensions - pension scheme liabilities	(514,000)	(514,000)
Net assets	<u>8,429,834</u>	<u>8,429,834</u>