



**THE SCHOOLS OF
KING EDWARD VI
IN BIRMINGHAM**

In pursuit of educational excellence for all

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2023**

The Schools of King Edward VI in Birmingham
Contents of the Financial Statements
For the year ended 31 August 2023

Chair's Statement.....	1
Mission, Principles and Objectives	2
Reference and Administrative Information	5
Governor's Report	6
Statement of Governors' Responsibilities	29
Independent Auditor's Report	30
Statement of Financial Activities	33
Balance Sheet.....	35
Statement of Cash Flows	37
Notes to the Financial Statements	38

The Schools of King Edward VI in Birmingham

Chair's Statement

For the year ended 31 August 2023

Key measures of the academic performance of our state schools are the attainment scores in the examination results published each year in August. Those published in August 2023 represented a return to 'normality' in that the grade boundaries applied would mean results are best compared with those reported in 2019. Nationally, it was to be expected that the proportion of high grades would decline. Counter to this expectation, GCSE outcomes in many of our schools exceeded the 2019 results and are significantly above national benchmarks, almost all showing an increase in grades 7-9. While results like these are what we seek in our mission of making Birmingham the best place to be educated in the United Kingdom, further work is needed to ensure that more of our lower achieving learners reach the floor standard (Grade 4) in Maths and English. No child should be left behind.

We also want more, however, as we want our schools to be places where pupils can enjoy and achieve in a wide range of activities. We do so by giving access to a wide range of sports and a rich and diverse range of cultural activities. The good fortune of a committed staff and high-quality facilities enables us to fulfil these goals.

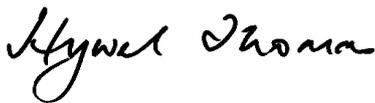
Achieving these goals is a collective effort and the Foundation is steadily building its cooperative capacity. In the last year, more than 250 staff days have been earmarked for our Foundation Leaders in Education and Subject Research Leaders to share their expertise with schools in need of greatest support. Our early career teachers have had the opportunity to meet for shared training, and next year there will be cross school training opportunities for all teaching staff.

Across all groups of staff, we have surveyed opinion on their expectations as employees and their sense of well-being. Data from these surveys are analysed to identify priority areas for action. Achieving our mission relies above all on the quality and commitment of staff and our concern is to meet their needs and aspirations as fully as possible. Fortunately, the disruption caused by Covid-19 appears to be behind us, but strike action over teachers' pay has disrupted six days in the year. As I write, there is optimism that the dispute is now settled.

The end of the year completes the first full cycle working within our new governance structure. The slimmed down membership of the Foundation Board and the Academy Trust Board meets as a Joint Strategy Advisory Group and makes recommendations to the Boards who then make their own determinations within the scope of their duties and responsibilities. The structure is working well and was complemented by our first strategy away day, where we began to consider ideas for our next Strategic Plan.

Data received by our committees and by the Boards continues to improve in range and quality. A new Director of Finance has enhanced the range and analytical quality of the financial information provided and the same can also be said following the earlier appointment of a new Director of Education.

Estate management has benefitted from our new governance structure with a committee responsible for overseeing the estate, including our sustainability strategy. The committee also liaises with the Master Planning Group working on the estate of the independent schools. Architects have been appointed to work on a Master Plan to take the schools forward to 2052. Reflecting an approach towards greater collaboration between King Edward's School and King Edward VI High School for Girls, the Foundation and its Independent Schools' Governing Body has announced the appointment of one head across both schools. Dr Katy Ricks has announced her intention to retire in September 2024 and governors have appointed Mrs. Kirsty von Malaise as Headmaster, Principal and Chief Master from that date. An historic change, it illustrates the vibrancy of the Foundation and its schools, aware of our heritage but not imprisoned by it, making changes when required in order effectively to continue serving our pupils and wider community in providing the highest quality education.



Prof. H Thomas
Chair

The Schools of King Edward VI in Birmingham

Mission, Principles and Objectives

For the year ended 31 August 2023

Charitable Objects

The objects of the Foundation are set out in the 1900 Act as amended by a scheme agreed with the Charity Commission on 7 March 2012 and relate to the advancement of education for the public benefit principally through the activities of the thirteen Schools.

Mission

The Foundation's overarching mission is to make Birmingham the best place to be educated in the UK.

The Foundation recognises that in order to do so it needs to provide access to a diverse range of schools: independent as well as academies, selective and also comprehensive. It also believes that those schools need to be accessible to all, regardless of ethnic, religious and social background. As the nature of the pupil community that the Foundation serves has changed, so has the social context within which this mission sits, and consequently so too have the resources required to deliver that mission. The Foundation's strategy sets out the objectives of the Foundation, 'the ends', along with the structures and resources required to meet them, 'the means'.

Strategy

The purpose of the strategy is to ensure that we can deliver our values to:

- Raise aspirations, providing opportunities and giving confidence alongside excellent academic standards.
- Widen access and transform lives for all young people, no matter their background.
- Encourage open-mindedness, equality for all, honesty, fairness, understanding and accepting the views of others.
- Create a love of learning, which will foster creativity, imagination and the capacity to communicate.
- Instil a sense of community and the desire to support and work with others.
- Build character and relationships, along with a sense of morality, care and respect for others.
- Ensure successful transition to the world of further study and work through strong academic outcomes.

The Foundation Strategy seeks to put education firmly at the heart of all of the decisions we make: strategic, operational and financial. It is based on the spirit that the Foundation has often been a force for change and moved with the times while retaining its core principles. To achieve our bold mission, it sets out how we can work genuinely towards an ethos of 'one organisation' in which collaboration and efficiencies lead to a better education for the children and young people whom the Foundation serves. While there is excellence in all our schools, we recognise that every school can also improve and that working together and sharing our resources and ideas is the most effective way of doing that.

Objectives

The following strategic objectives are for the whole organisation and can only be achieved by schools and the Foundation Office working closely together with shared responsibility. Each objective is underpinned by a set of key performance indicators.

Strategic Objective 1 (SO1): Learning with us

SO1.1 Academic Outcomes and Progress

Learners within the Foundation should benefit from an excellent quality of education in all of its schools and gain high quality outcomes. Learners should make excellent progress and leave the Foundation with better educational outcomes compared to other areas of the country.

SO1.2 Access and Impact

A Foundation education should be available to the widest range of learners possible. Disadvantaged learners should receive support to have a meaningful impact on their education. They should benefit from the same opportunities as their peers when they leave the Foundation's schools and achieve similar success.

SO1.3 Pathways in Birmingham and Beyond

Learners should access a range of destinations nationally and internationally in terms of further education, higher education, training and employment. At the same time, learners should contribute to the success of the Birmingham community. Wherever learners go, they should make the most of their opportunities and be successful. Foundation alumni should contribute to civic life in Birmingham through the skills, knowledge and character they have gained in the course of their experience.

SO1.4 Well-being, Character and Learning Skills

Learners within the Foundation should be well-rounded and resilient individuals thanks to a focus on character education and well-being. They should feel safe and happy attending school and in their everyday lives. They should have an appreciation of culture, compassion, critical thinking skills and a love of learning, being ready to embrace innovation.

SO1.5 Curriculum and Resources

Learners should follow a curriculum which is broad, balanced and diverse for both academic and vocational education and which is supported by excellent resources. At the same time, learners should have the opportunity to access specialist provision in other Foundation schools. They should access and enjoy a wide-ranging extra-curricular programme.

SO1.6 Foundation Identity

At transition points, learners should have the flexibility to move between Foundation institutions where appropriate. They should feel part of one organisation and be proud of being a member of the Foundation.

The Schools of King Edward VI in Birmingham

Mission, Principles and Objectives

For the year ended 31 August 2023

Strategic Objective 2 (SO2): Working with us

SO2.1 Collaborative Working and Learning

Colleagues within the Foundation should benefit from opportunities for collaborative learning and networking in a modern educational environment. Opportunities should exist for all those who wish to progress and to engage in work with a strong moral purpose.

SO2.2 Innovation, Research and Performance

Colleagues within the Foundation should have the opportunity and encouragement to think innovatively in their working lives. Appraisal of performance should lead to professional learning opportunities.

SO2.3 Modern Strategy for People

The Foundation should be an exceptional place to work, supported by a range of interconnected people strategies designed to attract, develop and retain talented and committed staff. Its HR function should be a credible provider of transactional, advisory and strategic service and a key contributor to the organisation's success. Colleagues should be attracted to join the Foundation because they see working in the UK's second city as a positive prospect and because the Foundation itself is a pre-eminent organisation for educational excellence.

SO2.4 Equality, Diversity and Inclusion

Colleagues within the Foundation should demonstrably understand, clearly represent and actively promote the diversity of the people of Birmingham with a strong employer commitment to equal opportunity for all. The Foundation should promote equality, inclusion and the understanding of diversity among themselves and learners.

SO2.5 Efficient Systems and Data Analytics

Colleagues within the Foundation at all levels (including leadership, teaching, school-based support and central staff), should have at their disposal highly effective, modern, secure and integrated digital systems for managing their work and communicating with each other. Digital systems should be selected and implemented to deliver maximum impact for all colleagues and learners, aggregate and make data accessible to inform central and local decisions, as well as modernise and standardise support services.

SO2.6 Work Environment, Resources and Sustainability

Colleagues should benefit from estates and procurement strategies which allow them to work in comfortable and inspiring environments supporting collaboration with the best possible resources at hand. The Foundation should have an exemplary sustainability strategy.

Strategic Objective 3 (SO3): Partnering with us

SO3.1 Growth and Reputation

The Foundation, and its Academy Trust, should be an attractive proposition for schools looking to join a Multi Academy Trust because of its excellent reputation as a unique group of schools. The Foundation's voice and expertise should be sought in the development of educational and other policy and strategy nationally.

SO3.2 Educational Partners

The Foundation should partner with the primary, other secondary, alternative provision, further education and higher education sectors and be seen as a national and international, outward-focused model for education. The Foundation should be a hub for collaboration, networking and the sharing of best practice.

SO3.3 Civic and Corporate Partners

The Foundation should engage locally and beyond on a civic and corporate level, offering specialist advice, resources and governance. Organisations should see the Foundation as a willing and beneficial partner, appreciating the quality and extent of its offer. Partners should speak of admiration for and a love of Birmingham and its heritage.

SO3.4 Fund-raising and Support

The Foundation should benefit from strong links with alumni, parents and relatives of alumni, corporate donors and a range of other partners. Donations provided by individuals, families, corporations or other organisations should have hypothecated uses for key strategic projects such as assisted places, capital builds, heritage work and co-curricular and enrichment programmes. The Foundation should benefit from pro-bono offers of support for these projects from its extensive wider community.

SO3.5 Excellence in Governance and Compliance

Governor and Trustee opportunities at the Foundation should be sought after, and the successful candidates should contribute to the success of the organisation. The views of Governors and Trustees, and the Foundation's model of governance, should be seen as examples by others. The Foundation's compliance work should be exemplary.

SO3.6 Heritage

The Foundation's historical richness and impact on the life of Birmingham, manifested in its Archive, should be a heritage resource for the City as a living and growing historical artefact, further raising the Foundation's profile and generating interest in the organisation.

The Schools of King Edward VI in Birmingham

Mission, Principles and Objectives

For the year ended 31 August 2023

Activities undertaken to deliver Objectives and Public Benefit

Under the Charities Act 2011, a charity must be established for charitable purposes only. A charitable purpose is a purpose that falls within section 3 (1) of the 2011 Act and which is for public benefit. The list in section 3 (1) includes the advancement of education.

The Governors recognise their responsibilities as charity trustees. In 2022/23, the principal activities carried out to further the charitable purposes of the Foundation for the public benefit and to meet the objectives set out above include:

- The Foundation gifting, under the terms of licences, private land and buildings to the Academy Trust. Within the Academy Trust where the Foundation is the landowner this provides schools with the land and buildings they need to provide education to their pupils.
- The Foundation continuing to support the means-tested Assisted Places scheme at the Independent Schools. Both Independent Schools have also raised funds aimed at providing further means-tested assistance to lower income families. This greatly enhances the accessibility of King Edward's School and King Edward VI High School for Girls to a range of pupils, irrespective of background;
- The Foundation providing support services to the Academy Trust in the form of donated services. These services include strategic support, finance, procurement, human resources, payroll, governance, estates, marketing and communications, educational support and, for the selective schools within the Academy Trust, an admissions service. This support enables the Academies to focus their resources and management time on the education of their pupils;
- The Foundation playing an active role as a patron of the Greater Birmingham Chamber of Commerce, providing a platform for being a voice that is listened to on key educational issues. We are already nationally recognised for our work in ensuring that our selective schools are accessible to all. We have augmented this by maintaining and enhancing the Assisted Places scheme at the Independent Schools and by redesigning the Academy Trust admissions strategy to increase the percentage of disadvantaged children attending the selective schools, further ensuring those schools are rooted in the communities they serve;
- King Edward's School (KES) and King Edward VI High School for Girls (KEHS) providing a wide range of activities and facilities for the benefit of neighbouring schools and community groups.

The Schools of King Edward VI in Birmingham

Reference and Administrative Information

For the year ended 31 August 2023

The Governors of the Schools of King Edward VI in Birmingham is a corporate body established by Royal Charter in 1552 and is regulated by the Birmingham (King Edward the Sixth) Schools Act 1900 together with subsequent Schemes of the Board of Education and Charity Commissioners. The Schools of King Edward VI in Birmingham is a registered charity, number 529051. It is VAT registered, number 487399769.

**Registered Office and
Principle Address of Charity:**

Foundation Office
Edgbaston Park Road
BIRMINGHAM
B15 2UD

The Foundation is comprised of:

Independent Schools:

King Edward's School
King Edward VI High School for Girls

The Foundation also sponsors the King Edward VI Academy Trust Birmingham. Although this is a separate legal entity with its own accounts, the Academy Trust schools are all required to be formally designated as part of the Foundation in line with the provisions of the Birmingham (King Edward VI Schools) Act 1900, as amended. These schools are considered, therefore, to be part of the Foundation and may be referred to as such in the Governors' Report. The Academy Trust financial statements are available on our website: www.schoolsofkingedwardvi.co.uk/

Academies:

King Edward VI Aston School
King Edward VI Balaam Wood Academy
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 for Girls
King Edward VI Handsworth Grammar School for Boys
King Edward VI Handsworth Wood Girls' Academy
King Edward VI Sheldon Heath Academy
King Edward VI Northfield School for Girls
King Edward VI Lordswood School for Girls

**The Schools of King Edward VI in Birmingham
Governor's Report
For the year ended 31 August 2023**

The Governors, who are also trustees of the charity, who were in office at the date of approval of the accounts and served on the Board throughout the period are set out below, together with their membership of Committees:

Membership of Committees								
	ES	IC	FO	GN	HR	ARC	R	ISGB
Professor H Thomas BA, Med, PhD (Chair)		•		•			•	•
Ms L Williams BA, MSc				•			•	•
Mr J Crawford MRICS		•						
Professor B Lenon CBE, MA	•							•
Mr D J Wheeldon BA, MSc, AdDip EdMan, FRSA (Bailiff)	•		•		•	•		
Ms E Conway BA, FCA (Deputy Chair) (University of Birmingham)				•		•	•	
Mr F Kinkhabwala BEM	•				•	•		
Mr I Metcalfe OBE (Chamber of Commerce & Industry)								•
Mr G Chahal BSc, PGDip (Pharm)		•	•					
Mrs S Roberts BSc, FCA, FCIS (Deputy Bailiff) (Grammar Schools' Parents)		•	•	•		•	•	•
Mr B J Matthews BSc, FCA		•	•					
Mr M Lee BSc, FCA - July 2023		•						
Mr G Marsh MBE, TD, DL, FICE - resigned 5 Jul 23				•			•	•

The following Governors resigned in September 2022; Mrs G Ball, Mr R Alden, Mr N Shastri-Hurst and Mrs C Hosty.

In addition to the above, the Independent Schools' Governing Body has appointed several Non-Board Governors who are not Trustees of the Foundation. They are – Professor S West; Ms G Sehdev; Mrs A Smith; Mr N Shastri-Hurst; Ms P Eddie, Mr Q Riaz and Mrs C Hosty.

Committee Key:	
Education & Safeguarding	ES
Investment Committee	IC
Finance & Operations	FO
Governance & Nominations	GN
Human Resources	HR
Audit, Risk & Compliance	ARC
Remuneration	R
Independent Schools' Governing Body	ISGB

**The Schools of King Edward VI in Birmingham
Governor's Report – Officers and Advisers
For the year ended 31 August 2023**

Officers and Advisers

Chief Executive Officer:	Mr Jodh Dhesi
Director of Operations:	Mr Thomas Rowland
Director of Finance:	Mr Greg Langston
Principal Address:	The Schools of King Edward VI in Birmingham Foundation Office Edgbaston Park Road BIRMINGHAM B15 2UD www.schoolsofkingedwardvi.co.uk
Banker	Lloyds Bank plc PO Box 908 125 Colmore Row BIRMINGHAM B3 2SD
Legal Adviser	Veale Warborough Vizards LLP 3 Brindley Place BIRMINGHAM B1 2JB
Auditors	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG
Property Adviser	Avison Young 3 Brindley Place BIRMINGHAM B1 2JB
Investment Manager	Barclays Wealth 1 Churchill Place London E14 5HP

Key Management Personnel

Chief Master:	Dr Katy Ricks MA, DPhil
Principal:	Mrs Kirsty Von Malaise MA (Cantab), PGCE
Chief Executive Officer:	Mr Jodh Dhesi MA (Cantab), NPQEL, PGCE
Director of Operations:	Mr Thomas Rowland BA, MA
Director of Finance:	Mr Greg Langston
School Bursar:	Mrs Zoe Robinson BSc, ACA

The Schools of King Edward VI in Birmingham

Governor's Report – Structure, Governance and Management

For the year ended 31 August 2023

Procedure for Recruitment, Induction and Training of Trustees

The Foundation Board comprises ten Governors appointed by the Foundation (the maximum is 12) Regard is given to the skills mix of the Governors to ensure that the Foundation Board has all the necessary skills required to contribute to the objects of the Charity. The Governance and Nominations Committee oversees recruitment.

The term of office for any Governor is five years. Subject to remaining eligible to be a particular type of Governor, any Governor may be reappointed or re-elected. The Governors who were in office at the date of approval of the accounts and served throughout the period, except where shown, are listed on page 5. During the period under review the Foundation Board held 6 meetings.

The induction and training of Governors is important to the Foundation. Specific steps are taken as follows:

1. Advice is offered on appointments for Governors who are appointed by external bodies. Appointments of co-opted Governors are guided by the fullest possible consideration of a Governance and Nominations Committee which meets regularly to consider the skills, attributes, and balance of Members. All appointment procedures are formal, rigorous, and transparent.
2. All Governors receive a welcome pack and personal briefing.
3. Documents relating to current developments are circulated to Governors together with DfE guidance and Charity Commission documents. At meetings Governors have the benefit of specialist advice.
4. Periodic conferences and focussed training sessions are organised.

Subscriptions are made to appropriate organisations and publications.

Organisation

The Governors, guided by the reports of various Committees, determine the general policy of the Foundation and are responsible for the governance of the two Independent Schools. The Foundation, as a Member of the Academy Trust, appoints a number of Trustees to the Academy Trust Board. The management of the Independent Schools is delegated to the Chief Master and Principal, and management of the Foundation to the Chief Executive Officer.

Prof H Thomas was the Chair of the Board and Ms E Conway was the Deputy Chair of the Board until 31 August 2023. In the current year this remains unchanged.

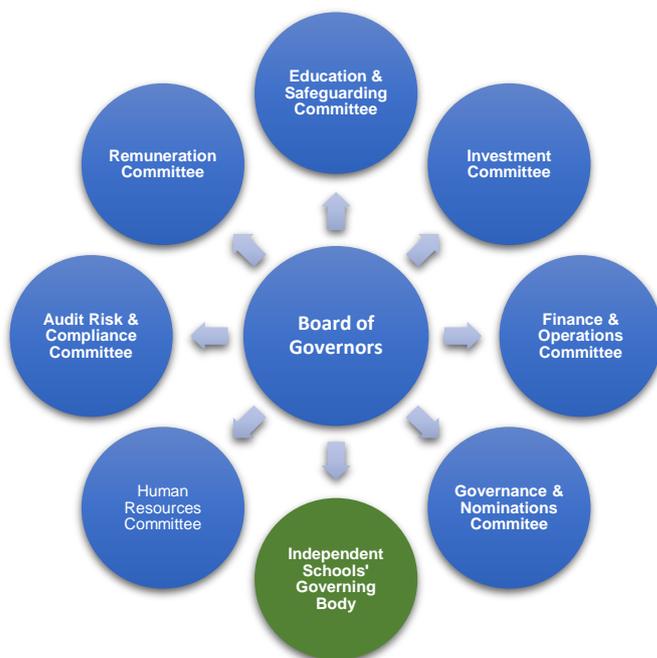
Mr D Wheeldon held office as Bailiff and Mrs S Roberts Deputy Bailiff for the year to 31 August 2023. In the current year Mr F K Kinkhabwala as Bailiff and Mr B Matthews Deputy Bailiff.

The Schools of King Edward VI in Birmingham

Governor's Report – Structure, Governance and Management

For the year ended 31 August 2023

The Board of Governors meets at least six times per year and receives reports from the following Committees, membership of which is determined annually by the Governors.



All of the above committees are Foundation wide apart from the Independent Schools' Governing Body which relates to the two Independent Schools.

The Chair and Deputy Chair of Committees during the year were as follows.

Committee	Chair	Deputy Chair
Education & Safeguarding	Mr D J Wheeldon	Mr F Kinkhabwala
Investment	Mr G Marsh	Mr M Lee
Finance & Operations	Mr B J Matthews	None appointed
Governance & Nominations	Ms E Conway	Prof H Thomas
Human Resources	Mr F Kinkhabwala	Mr D J Wheeldon
Audit Risk & Compliance	Ms E Conway	Mr D J Wheeldon
Remuneration	Ms E Conway	Prof H Thomas
Independent Schools' Governing Body	Ms L Williams	Mrs A Smith

All Governors give of their time freely and there is no remuneration policy for Governors. Governors can claim travel expenses. No Governor or person connected with a Governor received any benefit from either means-tested Assisted Places or scholarships awarded to our pupils.

Education & Safeguarding Committee

is focused on ensuring high standards of provision educationally in all the schools. This includes interrogating data, ratifying plans and processes and holding the central education team to account. In addition, safeguarding data is reviewed with any trends or anomalies discussed and planned for as part of the cyclical meetings.

Investment Committee oversees the management of the endowment and investments of the Foundation (including stocks and shares, investment property, lands, and hereditaments of the Foundation).

Finance & Operations Committee advise upon how financial resources will be allocated and aligned with strategic priorities and charitable objects, including the allocation of endowment funds made available on the recommendation of the Investment Committee.

Governance & Nominations Committee makes recommendations about the membership of the Foundation Board and its Standing Committees.

Human Resources Committee ensure there is a relevant HR strategy in place and approves all policies that support the employee lifecycle.

Audit Risk & Compliance Committee deals with internal control, risk management and internal and external audit.

Remuneration Committee reviews the Foundation Executive Team performance and remuneration.

Independent Schools' Governing Body (ISGB) deals with matters relating to the two Independent Schools, known as King Edward's School (KES) and King Edward VI High School for Girls (KEHS). The ISGB has several sub-committees which report into it, including those relating to Finance & Estates, Risk and Compliance, Education and a Chairs Committee.

The Schools of King Edward VI in Birmingham

Governor's Report – Structure, Governance and Management

For the year ended 31 August 2023

Foundation

The Foundation provides a central support services function supplying executive leadership, financial, human resources and various other operational and administrative services to the Independent Schools and the Academy Trust. This enables the Schools to reduce their cost base and concentrate more resources and management time on teaching and learning. It also enables the Independent Schools to keep fees as low as possible.

The Foundation is an equal opportunities employer and is committed to regular communication with all staff. Staff promotions are based on merit.

Arrangements for setting pay and remuneration of Key Management Personnel

Salaries of Executive personnel in the Independent Schools and the Foundation Office are reviewed by the Foundation's Remuneration Committee. Salaries are based on a review of annual performance and with reference to affordability and the local employment market.

Grants

The Foundation allocates annual grants from the expected income of the Endowment – Income Fund to the Independent Schools, in order to widen accessibility to the Schools by funding means-tested assisted places, merit-based scholarships and a staff remission scheme. The grant for Assisted Places is paid from the Foundation to the Independent Schools, who in turn then award the grants to individuals.

Fundraising

The Foundation in its own right does not carry out fundraising activities. As stated in note 18 the cost of fundraising activities is charged to the School's Fund but the activities are carried out on behalf of King Edward's School Birmingham Trust (the KES Trust, RCN 1129776) and The King Edward VI High School for Girls Birmingham Trust (the KEHS Trust, RCN 1159413). The KES Trust and The KEHS Trust exist separately to the Foundation and to support the advancement of education at each school, and particularly to raise funds actively for Assisted Places to widen access to the Schools for all those with the talent to make the most of a King Edward's education.

The Development Director reports to each group of Trustees on a termly basis, to ensure activities are properly monitored. Each Trust is a verified member of the Fundraising Regulator. Only one suppression request has been received to date, which was handled immediately. Neither Trust has received complaints regarding their activities.

Around 77% of the support to Pupils is funded by the Foundation, with the balance coming from the King Edward VI Birmingham Trusts.

A further 212 pupils received scholarships, 12 pupils received a sibling discount (for being the third child) and 36 pupils benefited from the staff concession scheme; the cost of which was £1,298,934 to the schools.

Therefore, the full benefit provided by the Governors' means-tested Assisted Places, hardship payments, scholarships, sibling discounts and staff concession for both schools, as shown in Note 3, for the year was £3,643,592 representing 15% of gross fees. Further information on fees assistance is provided by each school in their respective reports.

In comparison with other independent schools (both locally and nationally), fees are relatively low.

Further details of the activities and educational achievements of the schools can be found on pages 22 to 28.

The Schools of King Edward VI in Birmingham

Governor's Report – Structure, Governance and Management

For the year ended 31 August 2023

Assisted Places (AP) – means-tested bursaries

The Independent Schools offer assistance to a significant number of pupils, in the form of means-tested assisted places and scholarships which are funded primarily by the income from the Foundation's capital endowment fund.

Both means-tested assisted places and scholarships are awarded on the basis of academic ability, assessed as part of the admissions process at 11+ and 16+. The funding for assistance is made by the Governors on the recommendations of the Chief Master and Principal of the Schools.

Independent Schools	2023	2022
Number of AP holders	230	232
Number of pupils in receipt of assistance	225	227
As a % of total pupils at the Schools	14%	15%
% of AP pupils receiving an AP covering 90% of the fees	63%	71%
Pupils receiving a 90% or over AP	141	161
Pupils receiving a 100% AP	94	116
Annual cost of AP/Benefit to Parent	£3.0m	£3.4m
Annual cost to the Schools (Note 3)	£2.3m	£2.2m
Grant to the Schools from the Foundation	£2.4m	£2.3m
Contribution from King Edward VI Birmingham Trust	£425,832	£509,520
Contribution from King Edward 's High School for Girls Trust	£280,116	£309,981

“Opening Doors” for bright, disadvantaged children

The King Edward VI Foundation is open to pupils from all backgrounds. Most Foundation schools are free to attend, and our two independent schools offer fully and partially funded places for the most able pupils.

The Access and Participation Department is focused on widening access to the Foundation in terms of schools, partnerships, and pupil applications, particularly from disadvantaged backgrounds.

Working with target primary schools across the city of Birmingham, the team delivers and facilitates a range of activities across three strands: pupil recruitment, enrichment activity, and strategic partnerships development. All these activities are designed to encourage greater take-up of the entrance test by disadvantaged pupils and to secure high levels of local demand for all our comprehensive academies.

Impact measurement is an important part of our work, and we utilise national benchmarks to monitor progress against traditionally less quantifiable measures such as motivation, grit, resilience, and goal orientation, amongst others.

To encourage greater representation of children from lower income families in our grammar schools, the Foundation provides a free programme of online resources designed to help children become familiar with the topics on the entrance test. This programme is open to children who are eligible for the Pupil Premium. This provision is being relaunched this year with more advanced technology to support learners.

The Schools of King Edward VI in Birmingham
Governor's Report – Financial Review
For the year ended 31 August 2023

Financial Results

After two years of disruption caused by Covid-19, the 2022/23 academic and financial year was characterised by changed but much more familiar school and working environments. Caution and care with respect to health-related issues remained more salient, but classrooms, laboratories, offices and playgrounds all had a greater degree of normality with pupils and staff adjusting again to working more closely together.

Statement of Financial Activities (SoFA) Summary

	2023	2022	Variance
	£m	£m	£m
Total Income	28.2	24.6	3.5
Total Expenditure	(30.2)	(27.3)	(2.9)
Net Inc/Exp	(2.0)	(2.6)	0.6
Net gains/(losses) on Investments	1.9	(7.1)	9.0
Net gains/(losses) on Investment Properties	(0.2)	3.3	(3.5)
Gains on Defined Benefit Scheme	0.1	3.4	(3.4)
Net Movement in Funds	(0.3)	(3.0)	2.8

The Foundation had funds at 31 August 2023 of £175,987,700 (2022: £176,241,361) representing a 0.14% reduction of £253,661. The funds comprise £5,115,547 (2022:£5,669,962) of Unrestricted Funds, a Permanent and Expendable Endowment Fund of £10,388,211 (2022: £10,389,574), Restricted Funds of £2,235,603 (2022: £2,207,846) and the Fund – Capital of £158,248,339 (2022: £157,973,979).

The total net income (before transfers) and other recognised gains and losses of all funds of the Foundation amounted to a deficit of £253,661 (2022 £3,048,490).

Overall, total income across all Funds increased by £3,527,590 to £28,159,544. Total expenditure increased during the year by £2,921,465 to £30,192,193. Net gain on the listed investment portfolio was £1,919,171 in 2023; net loss of £7,107,903 in 2022. Net loss on the investment property portfolio was £218,183 in 2023 and a net gain of £3,251,184 in 2022.

Independent Schools' Fund – School fee income (net of assisted places and scholarships) increased by £1,679,642 (9.0%) and is in line with our plans.

Income in the **Fund - Income** increased by 22% to £4,794,716 during the year.

The **Endowment Fund - Capital** received the proceeds from the sale of freehold properties owned by the Foundation and realised a gain of £60,109. Following the valuation there was an unrealised net loss of £218,183 from the investment property portfolio and £1,822,094 net gain in the listed investment portfolio.

**The Schools of King Edward VI in Birmingham
Governor's Report – Financial Review
For the year ended 31 August 2023**

The gains were offset by investments costs, depreciation charged to the Fund and the FRS 102 pension deficit.

The transactions during the year in the Fund Capital were as shown below:

	2023	2022
	£	£
Balance at 1 September	157,973,979	162,539,622
Net gains/(losses) on Investments	1,822,094	3,420,899
Net gains/(losses) on Investment Properties	(278,292)	(6,686,402)
Expenditure (investment costs and depreciation)	(1,120,016)	(920,890)
Transfers from Other Funds:		
- Transfer to Endowment Income Funds	-	-
- Amortisation of Sale of Interest in land	(209,536)	(209,536)
- Net gains/(losses) on sale of Investment Properties	60,109	(169,715)
Balance at 31 August	158,248,338	157,973,979

Pensions

The teaching staff of the Independent Schools are eligible to join the Teachers' Pension Scheme (TPS) to which the Governors contributed 23.68% of salaries. This is an unfunded scheme open to the teaching profession. It is not managed by the Governors.

Non-teaching staff of the Independent Schools and the Foundation Office have previously been eligible to join a pension scheme operated by the Governors. This is known as the Schools of King Edward VI in Birmingham Retirement Benefits Scheme (the Defined Benefit Scheme). As detailed in Note 21 to the accounts, this Defined Benefit Scheme was closed to new members from April 2010, and a new defined contribution scheme became operational.

The last triennial actuarial valuation of the Retired Benefit Scheme liability was as at 31 March 2021 and has been considered by Governors. Since 2012 Governors have made additional contributions as part of a pension recovery plan in 2018/19. During 2022/23 this amounted to £413,609 (2021/22: £395,870).

Governors received the FRS 102 pension report on the Governors' Defined Benefit Pension Scheme which showed a reduction in the pension liability from £2,773,000 to £2,354,000. This reduction is largely driven by a reduction in the value of scheme liabilities due to significant increases in corporate bond yields over the period, which is partially offset by an increase in long term inflation expectations.

The Schools of King Edward VI in Birmingham

Governor's Report – Structure, Governance and Management

For the year ended 31 August 2023

Charity Governance Code

The Charities Governance Code explains the minimum standards you should meet to effectively manage and control your Charity. Good governance involves putting in place systems and processes to ensure that your Charity achieves its charitable objectives with integrity and is managed in an effective, efficient, accountable and transparent way. The below sets out the way the Foundation has adopted the six core principles of this code:

Principle 1. Advancing charitable purpose

The Board is clear about the Charity's aims and ensures that these are being delivered effectively and sustainably. This was enhanced in 2021 by the creation of a new Foundation Strategy. During the 2021/22 financial year, a series of key performance indicators were developed to drive and monitor progress against the strategic priorities and objectives set out in the Foundation Strategy. The Board receives regular progress reports in relation to these objectives.

Principle 2. Acting with integrity

The Board acts with integrity, adopting values and creating a culture which help achieve the organisation's charitable purposes. The Board is aware of the importance of the public's confidence and trust in charities, and trustees undertake their duties accordingly. The Board ensures that appropriate risk management processes are in place, ensures that appropriate safeguarding training and procedures are in place, is cognisant of the Foundation's Equality, Diversity and Inclusion policy and is working with the senior executive team to develop an action plan for delivering the Foundation's sustainability strategy.

Principle 3. Leading people

The Charity is led by an effective Board that provides strategic leadership in line with the Charity's aims and values. This will be further enhanced by a revised set of governance arrangements which the Charity has introduced in September 2022. The Foundation Strategy clearly sets out a range of strategic priorities and objectives that are in line with the Charity's aims and values and against which the Board can hold the senior executive team to account.

Principle 4. Exercising control

The Board makes sure that its decision-making processes are informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are set up and monitored. This is further enhanced by work from our third-party internal audit provider. The Board describes the Charity's approach to risk in its annual report and in line with regulatory requirements. The Board and all its committees have clear terms of reference which are reviewed and signed off on a periodic basis. The Foundation's Scheme of Financial Delegation clearly sets out the specific resourcing decisions which can be taken at committee level and reported to Board.

Principle 5. Working effectively

The Board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions. This has been further enhanced by a revised set of governance arrangements which the Charity introduced in September 2022. The Board has a Nominations Committee, regularly considers whether the appropriate mix of knowledge and skills are in place, ensures that Governor induction processes and training and development opportunities are in place and arranges an annual Governor Conference where issues relating to Board effectiveness can be discussed.

Principle 7. Being accountable and transparent

The Board leads the organisation in being transparent and accountable. The Charity is open in its work, unless there is good reason for it not to be. The Foundation has developed a high-level external relations strategy and will be working over the coming months to increase capacity and focus in this area, including the production of a detailed action plan. The Board maintains a register of interests for Governors and senior staff to ensure that any potential conflicts of interest are identified and appropriately managed.

In addition to the above the Foundation recognises the importance and value in equality, diversity and inclusion. The following sets out the Foundation's approach.

Equality, diversity and inclusion - The Board's approach to diversity supports its effectiveness, leadership and decision-making. This was enhanced by the establishment of an Equality, Diversity and Inclusion Committee in October 2020. The Committee has established a clear set of objectives and associated key performance indicators and has undertaken both staff and governor surveys. This has provided a baseline for perceptions of equality, diversity and inclusion issues across the organisation and will support decision making moving forward. Training has also been a key area of focus for the committee to ensure that staff and governors are aware of equality, diversity and inclusion issues.

The Schools of King Edward VI in Birmingham

Governor's Report – Structure, Governance and Management

For the year ended 31 August 2023

Risk Management Policy and Systems

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

- Integrate risk management into the culture of the Foundation.
- 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 Foundation 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 Foundation and Academy Trust Boards.
- At a school level; termly risk reporting to the School Governing Body.
- Incorporating risk management considerations into the decision-making process within the Foundation; this is achieved through the Head of Risk and Compliance participation in the Foundation Leadership Group.
- Maintaining Risk Registers for all significant projects.
- Using the Risk Registers to inform the School Development Plan, School strategies, and budgetary considerations.

Our risk methodology looks at threats to fifteen areas across the Foundation known as 'risk categories' – each category has a pre-mitigation risk score; determined by assessing the likelihood and impact of risks 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.

Below is the list of risk categories and their mapped controls:

**The Schools of King Edward VI in Birmingham
Governor's Report – Structure, Governance and Management
For the year ended 31 August 2023**

Risk category	Description	Controls
<i>Areas of the organisation that could be exposed to a risk</i>	<i>What risks could occur in this area?</i>	<i>What internal controls you have in place to mitigate this risk</i>
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.	Policy Management Risk Register Website compliance
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.	Access Safer recruitment KCSIE Training DSL Training Single Central Record Safeguarding audits Safeguarding governor
Data Protection	Data protection failures can lead to disruption in learning, complaints or regulatory investigation which can result in fines.	Data Protection Policies and Privacy Notices up to date and on website. GDPR training Breach/SAR/FOI reporting Data Mapping Internal Data Audit
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.	Lesson observations Internal Quality Assurance External Quality Assurance
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.	Behaviour Monitoring Attendance Monitoring
SEND Delivery	Disabled pupils and/or those with special educational needs and/or those for whom the pupil premium provides support, are under achieving.	EHCP Mid-term reviews Qualified SENDCO SEND Local Offer on Website SENDCO Governor Accessibility Plans
HR	The school has insufficient or inadequate staffing to meet education expectations.	Performance Management Recruitment Planning
Reputation	Reputation of school and/or its relationship with local community declines and this impacts PAN.	Student recruitment Communication with parents/local community

The Schools of King Edward VI in Birmingham
Governor's Report – Structure, Governance and Management
For the year ended 31 August 2023

Risk category	Description	Controls
<i>Areas of the organisation that could be exposed to a risk</i>	<i>What risks could occur in this area?</i>	<i>What internal controls you have in place to mitigate this risk</i>
Admissions	Our schools should have appropriate admission arrangements that comply with regulatory responsibilities and align with our charity's mission statement.	Compliance with the School Admissions Code and School Admission Appeals Code
		Entrance test contract
		Appeals panel arrangements (grammar schools)
		Invigilation
		Special arrangements panel
		Appeals presenting service contract (comprehensive schools)
Growth	Without new comprehensive schools in the pipeline, we will not meet our strategic objectives and fulfil our charity mission statement.	Due diligence
		Project plan
		Pipeline of potential joiner schools
Estates and Sustainability	The school estate is in a state of disrepair which presents a health + safety risk to the staff, students and visitors. Insurance provision is not adequate to protect the organisational liability.	Health and Safety Contract
		LBCT Return
		Health and Safety Audit
		Catering Contract
Governance	The school either does not have sufficient governance in place to ensure its effective operation or suffers from a severe governance failure.	Recruitment
		Training/ Knowledge/ Skills
		Engagement & Commitment
		Succession Planning
		Conflicts of Interest
		Clerks Recruitment
		Clerks Training/ Knowledge/ Skills
Cyber Security	Without cyber protections schools are at risk of attack with could have financial, regulatory consequences and disruption to teaching.	Have Offline Back-Ups
		Undertake NCSC Cyber Security Training
		Register with Police Cyber Alarm
		Cyber Response Plan

The Schools of King Edward VI in Birmingham
Governor's Report – Structure, Governance and Management
For the year ended 31 August 2023

Risk category	Description	Controls
<i>Areas of the organisation that could be exposed to a risk</i>	<i>What risks could occur in this area?</i>	<i>What internal controls you have in place to mitigate this risk</i>
Finance	The school does not have sufficient funds to maintain staffing and education standards, if not resolved could result in debt and bankruptcy.	Segregation of duties
		Access controls
		Approval and authorisation
		Physical Controls
		Record Keeping
		Reconciliation
		Independent audits
		Compliance
		Treasury and Endowment Management
		Financial Reporting
		Budgeting
		Asset Management
Procurement controls		
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.	Daily Back-ups
		Disaster Recovery Plan
		Physical Network
		Wi-Fi & Servers
		Third Party System Support
		Governor IT Provision

The Schools of King Edward VI in Birmingham

Governor's Report – Structure, Governance and Management

For the year ended 31 August 2023

Reserves Policy

Governors recognise that the Foundation's endowment cannot be regarded as entirely free funds given the degree of dependence upon the income from it. Governors seek to maximise the return from this endowment within the context of acceptable risk to capital and apply a total return approach in the strategic management of the investment portfolio.

The Governors will endeavour to generate a sufficient level of total return from the Endowment to enable its capital value to be maintained in real terms in perpetuity and a growing level of annual expenditure to be distributed to support the charitable objectives in the year of receipt or subsequently. For the purposes of assessing whether the Foundation is meeting its objectives, performance over the six year period of the existing strategic plan (2021/22 to 2026/27) is the primary focus. When the investment objective is exceeded, Governors balance the desirability and value of immediate expenditure with the alternative of increasing the Endowment Fund and future long-term sustainable income. Where the investment objective is not met, Governors will seek to reduce expenditure. However, they seldom envisage spending the capital endowment fund and will do so only in exceptional circumstances.

As stated above, the Foundation policy is to generate sufficient income to provide support for the Foundation and its constituent schools in accordance with the Foundation strategic plan whilst maintaining the real value of the capital endowment fund for the long term. Governors recognise that over the short to medium term, as the Foundation delivers its strategic objectives on widening accessibility and continues to focus on reducing the defined benefit pension scheme deficit, additional financial resources will be required. Hence until the end of the financial year 2025/26 the spend rate has been set at a level above the best estimate of the long term sustainable spend rate.

The Foundation has set a target for annual expenditure to be no more than 3.5% of the value of the endowment with the current level of expenditure hitting this target. The Board has agreed to exceed this over the next few years in order to support the delivery of the Foundation Strategy and the five-year financial forecast shows a positive direction of travel, with the 3.5% target being achieved by the end of the five-year forecasting period.

The Governors calculate that the free reserves available to the Foundation, comprising the Unrestricted Funds and the Endowment Fund – Capital, amount to £163,363,885 (2022: £163,643,941), although in practice the Endowment Fund - Capital is managed as if it is a Permanently Endowed Fund with all spending from the Fund carefully considered. The amount of funding that could be realised by disposing of tangible fixed assets is £28,633,764 (2022: £28,125,872).

It is possible that in the short term, as withdrawals are made from capital, the value of the property and listed investment portfolio will not keep pace with inflation.

Within the total of free reserves is a Designated Fund of £1,082,526 (2022: £1,032,526). This represents funds that have been set aside in previous accounting periods. Within this balance, only the funds set aside within the Widening Access Fund (£259,083) will be committed over the next year. The timing of when commitments will be required in relation to other elements of the Designated Fund is to be determined.

The amount of funds that are held by the Foundation which are restricted and not available for the general purposes of the charity are those funds held within the Permanent and Expendable Endowment Fund and the Restricted Fund of £12,623,815 (2022: £12,597,420).

The Schools of King Edward VI in Birmingham

Governor's Report – Structure, Governance and Management

For the year ended 31 August 2023

Going Concern

The Governors assess whether the use of the going concern basis for preparing the financial statements is appropriate and whether there are any material uncertainties relating to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

The Governors have considered the principal risks and uncertainties facing the Charity (for example, whether the economic climate particularly during the current cost of living crisis, has affected the ability of some parents to pay School fees which, alongside the value of the Foundation's endowment and the income derived from it, is an important factor in long term financial planning). The management team also carefully monitor the level of scholarships and bursaries to ensure that the grant commitments are maintained at a sustainable level.

The Governors believe that the preparation of these accounts under the going concern basis remains appropriate, and they have made this assessment in respect of a period of one year from the date of approval of the financial statements.

Investment Powers and Policy

Investment Powers are governed by the 1900 Act as amended by the Scheme of 2012 and the Trustee Act 2000. The investments comprise the property portfolio and narrow and wide range quoted investments.

The policy of the Foundation is to manage the Foundation assets in accordance with statutory constraints, with a view to achieving an income that will allow it to further its educational objectives immediately, whilst at the same time bearing in mind that the assets must be invested in such a manner that they produce appropriate future income. The Foundation has delegated the day-to-day management of the listed investment portfolio to Barclays Wealth.

The investments have continued to be managed in line with the Governors' policy and instructions. Portfolio performance is measured regularly against a custom benchmark, comprising an appropriate market index selected for each asset class as agreed between the Investment Managers and the Governors. The overall total return performance achieved on the main portfolio for the year to 31 August 2023 was 3.11% (2022: - 6.19%) net of fees, against a composite benchmark of 2.18%.

Ethical Investment Policy

The Foundation's overarching responsibility is to maximise its returns on investments in order to pursue its charitable objectives. Specific investments are made in properties and listed investments in accordance with an overall strategic investment asset allocation policy approved by the Investment Committee. This Committee regularly reviews the investments and engages in pragmatic dialogue with the Foundation's Investment Manager and Property Advisor about any areas of ethical concern which they have identified.

The Foundation will, after a full evaluation of the known facts, consider disinvesting or refraining from investing in specific securities, assets or businesses that are associated with activities perceived to be unethical. The Foundation believes that this ethical investment policy will not result in any significant financial detriment, with the balance of all impartial research indicating that an ethical investment policy neither adds to nor detracts from investment performance.

Auditors

Crowe U.K. LLP are the external auditors for the 2022/23 financial year.

The Governors are not aware of any relevant audit information of which the auditors are unaware. The Governors have taken all steps they consider necessary to make themselves aware of any relevant information and to establish that the auditors are aware of that information.

The Schools of King Edward VI in Birmingham

Governor's Report - Future Plans

For the year ended 31 August 2023

In order to meet their aims and objectives, Governors have planned the following activities:

- Governors will continue to keep a close watch on the financial and property markets and wider economic climate to ensure that they maximise opportunities for growth of the current portfolios and income, whilst being aware of the potential long-term headwinds which may result from the volatility of the external environment, including the global recovery from the pandemic, the war in Ukraine and the impact of continued levels of high inflation.
- Exciting plans to develop the Edgbaston campus are progressing with architects currently developing an estate masterplan for the site in support of the educational vision for the two independent schools towards the KES 500-year anniversary in 2052. The masterplan is expected to be complete by early 2024 with the initial campus development decisions planned for later in 2024.
- Governors will continue to work with the Trustees of the Academy Trust to increase the number of children in Birmingham that can benefit from an education supported by the Foundation. An overarching principle will be that such growth is manageable and targeted at more disadvantaged areas of the city. King Edward VI Kings Norton School for Boys formally joins the Academy Trust, and the Foundation in early 2024 and conversations are ongoing with the Heads of other comprehensive schools that have expressed an initial interest in joining the Academy Trust and Foundation.
- There will be further development and implementation of an approach to school improvement that can harness the best talent already working in our schools, as well as partnering with other schools, Multi Academy Trusts, Charities, and stakeholders. To enable this, we created an Educational Support and Growth team in 2019/20 and developed a Foundation strategy in 2021 centred around learning with us, working with us and partnering with us. In April 2022 a new Director of Education took up post and has continued to extend our programme of school improvement and collaborative activities to benefit staff and students across and beyond the Foundation's schools. A particular focus will continue to be placed on remote and blended learning utilising technology, supporting disadvantaged pupils, and engaging in meaningful 'catch up' initiatives to counteract the impacts of lost learning during the Covid 19 pandemic.
- Continued implementation of an HR strategy will improve the recruitment, development, deployment, and retention of staff across our schools. This will be supported by a new integrated HR and Payroll system that will reduce the level of manual processing and enhance efficiency as new schools join.
- Having effective governance structures has been identified as a priority. The creation of the Academy Trust led to a proliferation of committees and meetings, with many Governors expected to serve on multiple overlapping committees. In September 2022 we adopted a new structure that streamlines our governance whilst simultaneously providing more strategic oversight of our legal entities and schools. This has been enormously successful and will continue to be evaluated and evolved where necessary.
- In order to continue to develop and improve our support services, we will focus in particular on developing and implementing a unified digital strategy, creating an enhanced estates function, increasing our external relations capacity and capability and further developing and implementing our sustainability strategy and approaches to equality, diversity and inclusion.

The Schools of King Edward VI in Birmingham

Governor's Report

For the year ended 31 August 2023

King Edward's School, Birmingham

King Edward's School, Birmingham was founded in 1552 by King Edward VI and is one of the leading independent schools in the UK. Based in Edgbaston, the school shares a 50-acre campus with King Edward VI High School for Girls, which provides extensive space and facilities matched by few day schools in the country.

King Edward's School is a boys' day school having around 900 pupils aged from 11 to 18 in 2022/23. The majority of our pupils join at age 11 and continue through until they are 18 but some join us at other stages, including entering our Sixth Form.

1. School aims

We aim to educate and inspire the cleverest boys in the region to take on the challenges the world presents, to make a significant contribution to that world and, most of all, to enjoy doing so. We seek to achieve this through the three main areas of school life:

Academic

We develop the things that matter most: liveliness of mind, critical thinking, and humanity. These qualities manifest themselves in our pupils' curiosity, their open-mindedness, their focus on interconnectivity, transfer of knowledge and understanding, and their boldness in the pursuit of discovery. We provide them with the means, freedom and opportunities to feed these instincts.

Co-curriculum

We understand that the most important lessons are not only learned in the classroom. It is through the complementary co-curricular life of the school that we seek to enable our pupils to become well-rounded, exceptional, thoughtful and caring young men who are ready both to make the most of the modern world and to make it better for us all. It is about building an awareness and appreciation of the world beyond ourselves.

Pastoral

The lived experience of boys at King Edward's should provide them with a pastoral education that develops the attributes and attitudes to empower them to live balanced lives with meaning and purpose. We aim to shape boys of sound character and strong personal resource, allowing them to approach life's uncertainties with forethought and determination. We want boys to be prepared to learn the value of looking outwards, providing them with opportunities to serve their school and local communities. The breadth of our pastoral education enables pupils to balance the intellectual, physical and emotional aspects of life to achieve a holistic wellness.

The Schools of King Edward VI in Birmingham

Governor's Report

For the year ended 31 August 2023

2. Review of activities

a. Academic results

We introduced School for Thought, a groundbreaking initiative that reimagines the role of Religion and Philosophy in our curriculum. It serves as the intellectual core of our Lower School curriculum, fostering critical, integrative thinking, and equips students with the skills to think critically, imaginatively, and ethically about our complex world.

International Baccalaureate (IB) Diploma results 2023

With an average IB Diploma score of 35.6 points, surpassing the global average of 30.24 points, our students demonstrated solid academic performance.

One in five (20%) of our IB Diploma cohort achieved 40 points or above, which is higher than the UK national average of 16%.

Several pupils achieved exceptional scores, including eight boys who attained either 44 or 43 points.

	Average score	40+ points
2023	35.6	20%
2022	39.6	60%
2021	40.3	62%
2020	39.1	49%

GCSE results 2023

The top grades achieved by Fifth Form pupils in 2023 were all above those recorded in 2019 (the year before COVID-related special arrangements for GCSE grading were in place).

Grade	2023	2019
9	44%	40%
9/8	69%	68%
9/8/7	88%	85%

Of the cohort of 132 pupils:

- 114 (86%) took at least 10 GCSEs
- 13 pupils achieved 10 straight grade 9s.
- 33 pupils achieved all 9/8s across their 10 GCSEs.

In addition to taking 10 GCSEs, 54 pupils also took a Further Maths qualification, and nine of these pupils achieved 11 grade 9s across their GCSE subjects and Further Maths.

The Schools of King Edward VI in Birmingham

Governor's Report

For the year ended 31 August 2023

b. Assisted Places

King Edward's School aims to provide education for able boys, regardless of the financial circumstances of their families. Funding for Assisted Places is provided thanks to a substantial grant from the Governors of the King Edward VI Foundation and generous donations from Old Edwardians.

An Assisted Place is awarded on academic merit based on the school's own entrance examination at 11+ and academic interview at 16+. Assisted Places are means-tested, based on family income and assets.

c. Co-curricular activities

Part of what gives King Edward's School its unique character is the exciting and diverse range of co-curricular opportunities on offer. We strive to have the widest range of activities so that every pupil can find at least one thing that enlivens and enriches his life.

Sport

Among our sporting accolades for 2022/23, we were awarded the School Games Gold Mark, were included in School Sport Magazine's top 30 UK schools for sport and were named in The Cricketer's top 100 senior schools for cricket. We were also delighted that our facilities were used to host cricket and powerlifting during the International Blind Sports Federation World Games in the summer of 2023.

Performing Arts

We delivered a full programme of concerts, recitals, performances, and large-scale productions in conjunction with KEHS, including the Junior Production (Goodnight Mister Tom), and Senior Production (Little Shop of Horrors). We were also pleased to host Old Edwardian Jonathan Coe, who returned to KES to discuss his most recent book in conversation with Prof Philip Horne from UCL.

Clubs and societies

Clubs and societies are an integral part of school life. With around 50 to choose from, there is an opportunity for everyone, and an increasing number are run jointly with KEHS. A particular highlight of the year was our first Culture Week, supported by many of our clubs and societies. Another

Friday afternoon activities

Friday afternoons are entirely set aside for such activities as the Combined Cadet Force (CCF), the Leadership programme and a wide range of Service and Partnership activities such as music and sports coaching and visits to primary schools, care homes, hospitals, animal sanctuaries and organisations supporting refugees. The first CCF Annual General Inspection since the Covid-19 pandemic took place during 2022/23, and it was a beautiful event well attended by parents.

Trips

The variety of trips on offer at the school are a really important part of our co-curricular life and contribute enormously to the school's appeal and reputation. We delivered a full programme of trips – around 140 in total – during 2022/23, both in the UK and Europe, including some language-focused trips, such as the Classics trip to Greece, run in conjunction with KEHS, and the first ski trip since before the pandemic.

3. Partnerships and Participation

Our Partnerships and Participation programme supports primary school teachers in raising aspirations, offering free activities and access to our facilities to complement and extend what children are doing in school. The 2022/23 programme culminated in the annual Summer School, delivered in conjunction with KEHS, which saw 90 Year 4 pupils from 22 primary schools – predominantly those working at greater depth, with a focus on those who are disadvantaged – taking part in three days of enrichment activities, including psychology, chemistry, debating, drama, and sport.

In addition to our work with primary schools, we also work collaboratively with other schools in the King Edward VI Foundation, Birmingham. With KEHS, we began supporting King Edward VI Balaam Wood Academy with a specially developed programme for extension and enrichment activities for its students, and we also hosted several Foundation-wide student events including the Health and Society Lower Sixth Academic Conference and a Model United Nations Conference.

4. Future Plans

Jointly with KEHS and the Foundation, we launched a Masterplan project to take a long-term holistic view of how our shared 50-acre campus could develop in the coming years. The project will identify potential areas to repurpose or refurbish and any new facilities which would be beneficial. Crucially, it will also propose a sequence for development. Sustainability and accessibility will be at the heart of the project, both in reviews of the current and future usage of existing facilities and in any new builds that are proposed. Student, staff, and parent consultation activities have taken place, and the entire project is due to take until the end of 2023.

We also announced that from September 2024, KES and KEHS would have a fused Chief Master & Principal, with Mrs Kirsty von Malaisé, current Principal of KEHS, due to take on this new role following the retirement of Dr Katy Ricks, KES Chief Master, at the end of the 2023/24 academic year. The future of the schools will see a further harmonisation of pupil and staff experience which has begun during 2022/23 under the existing integrated leadership team, which brings together senior leaders from each school and some who work across both schools, building on the schools' core strengths to offer the best education, within and beyond the curriculum.

The Schools of King Edward VI in Birmingham

Governor's Report

For the year ended 31 August 2023

King Edward VI High School for Girls, Birmingham

1. Aims and ethos

King Edward VI High School for Girls was founded in 1883 and is, today, a wonderful blend of tradition and innovation. It is one of the leading independent schools in the UK and shares its 50-acre campus in Edgbaston with King Edward's School. Its emphasis on liberal learning, established when it was founded, continues through a broad and balanced academic curriculum, which promotes intellectual freedom and discovery coupled with a wide range of co-curricular activities, all delivered in a supportive and nurturing environment.

KEHS is a girls' day school having around 660 pupils aged from 11 to 18 in 2022/23. Most of our pupils join at age 11 and continue through until they are 18 but some join us at other stages, including entering our Sixth Form.

School aims

KEHS is a school synonymous with intellectual ambition. With a mission to offer an unrivalled education to the brightest girls in the West Midlands, irrespective of their social or economic background, KEHS is a leading voice in the educational life of the UK.

We aim:

- To impart the joy of learning and enquiry together with intellectual courage, with the resilience and adaptability requisite for this
- To develop integrity, resolve, self-knowledge, compassion, and respect for others
- To inspire the confidence and purpose to make a difference to our community and beyond.

To realise these aims:

- We provide outstanding teaching through a forward-looking and challenging curriculum and a culture of scholarship, going beyond the confines of the exam specifications, and making connections across disciplines.
- We provide proactive pastoral support which promotes the development of balanced, self-reflective, and assertive pupils with a strong moral compass.
- We offer an education rich in extra-curricular opportunities, which develop leadership and wider skills, as well as character and perspective.
- We provide high-quality training for staff to ensure ongoing professional and institutional development, building on a long tradition of our staff nourishing the intellectual life of the school through their own interests.
- We offer means-tested Assisted Places and help those outside the school with a strong outreach and community service programme.

We began our 140th anniversary celebrations during 2022/23. Around 600 guests enjoyed the KEHS 140th Anniversary Celebration at Town Hall, an event which brought our 140-year history to life through drama, music, dance and poetry. Nearly 200 KEHS and 30 KES students took to the stage, and there were also contributions from Old Edwardians and staff both present and former. Our 140th Anniversary Assisted Places Appeal secured a match fund of up to £70,000 from an Old Edwardian. Celebrations will continue throughout 2023.

The Schools of King Edward VI in Birmingham

Governor's Report

For the year ended 31 August 2023

2. Review of activities

a. GCSEs

The results achieved by the Upper Fifth in 2023 were above those ever-recorded pre-pandemic and the percentage of 9-8 and 9-7 grades was also higher than those of 2022, which was the final year that COVID-related special arrangements were in place for GCSE grading.

Of the total cohort of 87 students, 77 (89%) took 10 or more GCSEs. Fourteen students achieved 10 straight grade 9s and one student achieved 11 straight grade 9s. A total of 27 students (31%) achieved nine or more GCSEs at grade 9.

Grade	2023	2019
9	59.5%	59.4%
9/8	85%	82%
9/8/7	97%	85%

nb.one decimal place shown to enable comparison with 2019.

b. A Levels

In 2023, Upper Sixth students achieved a set of A Level results better than those ever-recorded pre-pandemic.

Grade	2023	2019
A*	43%	36%
A*/A	78%	77%
A* - B	95%	95%

43% is the school's highest ever proportion of A* grades, excluding 2020-2022 when COVID-related special measures were in place for A Level grading.

Of the cohort of 92 students, 18 (20%) achieved straight A*s. Reflecting the breadth of students' academic interests, 26% took four or more A Level subjects and 27% took the Level 3 Extended Project Qualification, an independent research project which extends and develops students' abilities beyond the traditional A Level syllabus.

The Schools of King Edward VI in Birmingham

Governor's Report

For the year ended 31 August 2023

b. Assisted Places

King Edward VI High School for Girls aims to offer an exceptional education to the brightest girls in the Birmingham area, irrespective of their parents' ability to pay fees. Funding for Assisted Places is provided thanks to a substantial grant from the Governors of the King Edward VI Foundation and generous donations from Old Edwardians.

An Assisted Place is awarded on academic merit based on the school's own entrance examination at 11+ and academic interview at 16+. Assisted Places are means-tested, based on family income and assets.

c. Co-curricular activities

At KEHS, we believe co-curricular activities are vital in developing rounded, balanced students who enrich the life of the school as well as fulfilling their academic potential. We offer more than 70 clubs and societies per week for girls to sample exciting experiences. Our Young Enterprise team "NOVA", which created tie-dye tote bags, attended the County Finals, winning the Best Presentation Award and the Best Innovation and Technology Award, and we were pleased to hold our first ever Poetry Slam, which was judged by Old Edwardian and Birmingham Poet Laureate Jasmine Gardosi.

The wide variety of trips on offer – around 100 each year – is a really important part of school life and contributes enormously to our appeal and reputation. Our first overseas sports tour since the Covid pandemic took place – a netball and hockey tour to South Africa – and some language-focused trips, such as the Classics trip to Greece, ran in conjunction with KES.

In Sport, we continued to offer world-class coaching and outstanding facilities across multiple sports, with all abilities catered for including students on national development pathways. Our under-12 cricket team once again triumphed at the Birmingham School Games, and our under-18 netball team won their county tournament undefeated.

In the Performing Arts, we delivered a full programme of concerts, recitals, performances and large-scale productions in conjunction with KES, including the Junior Production (*Goodnight Mister Tom*), and Senior Production (*Little Shop of Horrors*).

Charitable and service activities included the further embedding of the King Edward's Home Bank, collecting hygiene products for local support services, and thriving Food Bank.

3. Partnerships and Participation

Our Partnerships and Participation programme supports primary school teachers in raising aspirations, offering free activities and access to our facilities to complement and extend what children are doing in school. The 2022/23 programme culminated in the annual Summer School, delivered in conjunction with KES, which saw 90 Year 4 pupils from 22 primary schools – predominantly those working at greater depth, with a focus on those who are disadvantaged – taking part in three days of enrichment activities, including psychology, chemistry, debating, drama and sport.

In addition to our work with primary schools, we also work collaboratively with other schools in the King Edward VI Foundation, Birmingham. With KES, we began supporting King Edward VI Balaam Wood Academy with a specially developed programme for extension and enrichment activities for its students, and we also hosted several Foundation-wide student events including an Enterprise Day and Philosothon.

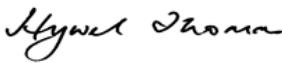
In recognition of our TuneUp Arts education programme, and its Culture in Common project, which was part of the Birmingham 2022 Festival, our Principal attended the ISC Celebrating Partnerships booklet launch at the House of Commons, accompanied by the headteacher of another Birmingham secondary school which had taken part in the project.

**The Schools of King Edward VI in Birmingham
Governor's Report
For the year ended 31 August 2023**

4. Future Plans

Jointly with KES and the Foundation, we launched a Masterplan project to take a long-term holistic view of how our shared 50-acre campus could develop in the coming years. The project will identify potential areas to repurpose or refurbish and any new facilities which would be beneficial. Crucially, it will also propose a sequence for development. Sustainability and accessibility will be at the heart of the project, both in reviews of the current and future usage of existing facilities and in any new builds that are proposed. Student, staff, and parent consultation activities have taken place, and the entire project is due to take until the end of 2023.

We also announced that from September 2024, KEHS and KES would have a fused Chief Master & Principal, with Mrs Kirsty von Malaisé, current Principal of KEHS, due to take on this new role following the retirement of Dr Katy Ricks, KES Chief Master, at the end of the 2023/24 academic year. The future of the schools will see a further harmonisation of pupil and staff experience which has begun during 2022/23 under the existing integrated leadership team, which brings together senior leaders from each school and some who work across both schools, building on the schools' core strengths to offer the best education, within and beyond the curriculum.



Prof H Thomas
Chair



Mr F Kinkhabwala
Bailliff

The Schools of King Edward VI in Birmingham

Statement of Governors' Responsibilities

For the year ended 31 August 2023

The Governors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

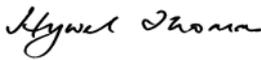
Charity law requires the Governors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Charity Law, the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- 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 charity will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Governors on 13th December 2023, and signed on its behalf by:



Prof H Thomas
Chair



Mr F Kinkhabwala
Bailiff

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

Opinion

We have audited the financial statements of The Schools of King Edward VI in Birmingham (the 'charity') 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 and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity'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.

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SCHOOLS OF KING EDWARD VI IN 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM (CONTINUED)

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 identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate and Ofsted and reading minutes of meetings of those charged with governance.

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

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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

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

Date: 13th December 2023

Crowe U.K. LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:						
Donations and legacies	4	100	150	-	250	31,330
Charitable activities:	6					
Fees receivable		20,378,757	-	-	20,378,757	18,699,114
Ancillary trading income		2,689,955	-	-	2,689,955	1,710,919
Non-ancillary trading activities	7	219,083	-	-	219,083	249,149
Investments	8	3,614,228	20,417	52,938	3,687,583	2,978,978
Other income	9	1,183,916	-	-	1,183,916	962,463
Total income and endowments		28,086,039	20,567	52,938	28,159,544	24,631,953
Expenditure on:						
Raising funds	10	535,487	-	169,211	704,698	701,225
Charitable activities	11	28,392,503	40,312	1,054,680	29,487,495	26,569,500
Total expenditure		28,927,990	40,312	1,223,891	30,192,193	27,270,725
Net expenditure before net gains/(losses) on investments		(841,951)	(19,745)	(1,170,953)	(2,032,649)	(2,638,772)
Net gains/(losses) on investments		-	47,502	1,653,486	1,700,988	(3,856,718)
Net (expenditure)/income		(841,951)	27,757	482,533	(331,661)	(6,495,490)
Transfers between funds	25	209,536	-	(209,536)	-	-
Net movement in funds before other recognised gains		(632,415)	27,757	272,997	(331,661)	(6,495,490)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	30	78,000	-	-	78,000	3,447,000
Net movement in funds		(554,415)	27,757	272,997	(253,661)	(3,048,490)

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Note					
Reconciliation of funds:					
Total funds brought forward	5,669,962	2,207,846	168,363,553	176,241,361	<i>179,289,851</i>
Net movement in funds	(554,415)	27,757	272,997	(253,661)	<i>(3,048,490)</i>
Total funds carried forward	5,115,547	2,235,603	168,636,550	175,987,700	<i>176,241,361</i>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 38 to 72 form part of these financial statements.

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

**BALANCE SHEET
AS AT 31 AUGUST 2023**

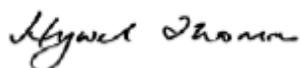
	Note	2023 £	2022 £
Fixed assets			
Intangible assets	15	346,700	345,697
Tangible assets	16	28,633,764	28,125,872
Investment property	17	50,726,020	49,518,730
Investments	18	96,367,337	93,594,609
		176,073,821	171,584,908
Current assets			
Debtors	19	1,374,109	1,159,333
Short term deposits		864,034	850,707
Cash at bank and in hand		5,537,473	10,788,641
		7,775,616	12,798,681
Creditors: amounts falling due within one year	20	(4,445,091)	(4,299,077)
Net current assets		3,330,525	8,499,604
Total assets less current liabilities		179,404,346	180,084,512
Creditors: amounts falling due after more than one year	21	(1,062,646)	(1,070,151)
Net assets excluding pension liability		178,341,700	179,014,361
Defined benefit pension scheme liability	30	(2,354,000)	(2,773,000)
Total net assets		175,987,700	176,241,361

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

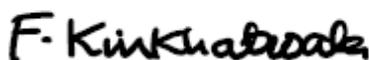
**BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023**

	Note	2023 £	2022 £
Charity funds			
Endowment funds	25	168,636,550	168,363,553
Restricted funds	25	2,235,603	2,207,846
Unrestricted funds			
Unrestricted funds excluding pension asset	25	7,469,547	8,442,962
Pension reserve	25	(2,354,000)	(2,773,000)
Total unrestricted funds	25	5,115,547	5,669,962
Total funds		175,987,700	176,241,361

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Prof H Thomas
Chair



Mr F Kinkhabwala
Bailiff

Date: 13th December 2023

The notes on pages 38 to 72 form part of these financial statements.

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	26	(3,394,653)	(3,347,781)
Cash flows from investing activities			
Interest received		97,958	7,477
Rent received from investment properties		2,068,512	1,846,604
Proceeds from the sale of investment properties		871,410	6,280,285
Proceeds from the sale of investments in shares		21,615,966	21,857,025
Purchase of investments in shares		(22,337,810)	(23,163,823)
Purchase of tangible fixed assets		(1,666,214)	(2,189,632)
Purchase of investment properties		(2,236,773)	(4,830,694)
Movement in cash awaiting investment in shares		(256,238)	(119,465)
Net cash used in investing activities		(1,843,189)	(312,223)
Change in cash and cash equivalents in the year		(5,237,842)	(3,660,004)
Cash and cash equivalents at the beginning of the year		11,639,348	15,299,352
Cash and cash equivalents at the end of the year	27	6,401,506	11,639,348

The notes on pages 38 to 72 form part of these financial statements

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

1. General information

The Schools of King Edward VI in Birmingham (the "Foundation") is a charitable trust, registered in England and Wales and its Charity registration number is 529051. The registered office and principal place of business is Foundation Office, Edgbaston Park Road, Birmingham, B15 2UD. Its principal activity is the provision of schooling.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Schools of King Edward VI in Birmingham meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The Governors assess whether the use of the going concern basis for preparing the financial statements is appropriate and whether there are any material uncertainties relating to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Governors have made this assessment in respect of a period of one year from the date of approval of the financial statements.

The Foundation has responded to the crisis adjusting its teaching methods and staffing levels. Budgets and forecasts have been stress tested to assess how the Schools could cope under different scenarios. The Governors have concluded that the Foundation is well placed to cope with the continuing uncertainties and has adequate resources to continue providing educational excellence to its pupils for the foreseeable future.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fees and Similar Income

Fees receivable and charges for the use of premises and facilities are accounted for in the year in which the service is provided. Fees receivable are stated after deducting bursaries, scholarships and other remissions allowed by the Schools. Provisions are made for fees that are considered difficult to recover.

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

2. Accounting policies (continued)

2.3 Income (continued)

Rents and Letting income

Rental and Letting income is recognised as received or receivable in respect of the financial year.

Lease Incentives

Lease incentives, such as up-front cash payments, received from the lessee are treated as deferred income and are released on a straight line basis over the life of the lease.

Sales of interest in land

Sales of interests in land are recognised as income in the year of receipt and credited to the Endowment Fund – Capital. The receipts are amortised over the length of the lease and transfers made to the Endowment Fund – Income.

Investment Income

Income, in the form of fixed interest and equity dividends, is earned from investments held during the year, and recognised when receivable.

Donations and legacies

Donations and legacies are accounted for on a receivable basis when receipt is probable and the amount can be reliably measured.

2.4 Expenditure

Liabilities are recognised when either a constructive or legal obligation exists. Expenditure is accounted for on an accruals basis. The irrecoverable element of VAT is included within the item of expense to which it relates.

Raising funds

The cost of generating funds consists of management costs and certain legal fees.

Grant making

Grant making costs shown on the Statement of Financial Activities include the costs associated with the activity and the support costs of the Foundation Office and are charged to the Endowment - Income Fund.

The Foundation provides annual grants to the two Independent Schools from the Endowment Fund – Income and small annual widening accessibility grants to all Academies where sufficient funds are available.

Grants awarded to the Independent Schools are shown as a transfer from the Endowment – Income Fund to the School's Fund on the Statement of Financial Activities.

Costs of the Foundation Office (both governance and grant making) are not allocated to any other fund.

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

2. Accounting policies (continued)

2.5 Intangible assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life and charged to the Capital endowment fund.

The software relates to the new finance system (PS Financials Cloud software) and the new payroll system (iTrent) which is expected to be in use for at least five years.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £20,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Assets in the course of construction are included at costs incurred to date. Depreciation on these assets is not charged until they are brought into use.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method. Freehold land is not depreciated.

Depreciation is provided on the following bases:

Buildings - new	- 50 years
Buildings - refurbished	- 10 years
Leasehold property	- length of lease
Plant and equipment	- 10 years
Motor vehicles	- 5 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of financial activities.

Historic assets have been excluded from the balance sheet as reliable cost information is not available and the historic cost is not believed to be material to the accounts.

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

2. Accounting policies (continued)

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments held as fixed assets are shown at cost less provision for impairment.

Investment properties are initially measured at cost and subsequently measured at fair value. The investment properties are valued every five years in line with the Royal Institution of Chartered Surveyors Red Book guidance. An annual asset valuation is carried out on an annual basis.

No depreciation is charged on investment properties.

2.8 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Fees and other debtors which are receivable within one year are initially recognised at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Trade creditors and other liabilities payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

2.9 Operating leases

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

Rental income received are recognised in the Statement of financial activities on a straight-line basis over the lease term.

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

2. Accounting policies (continued)

2.10 Pensions

Teaching staff are eligible to join the Teachers' Pension Scheme administered by the Department for Education. Eligible non-teaching staff may join the Defined Contribution Scheme. Contributions to the Teachers' Pension Scheme and the Defined Contribution Scheme are charged to the Statement of Financial Activities in the year they become payable.

Teachers' Pension Scheme (TPS)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over teachers' working lives, 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 projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Governors' Defined Benefit scheme

The Governors' Defined Benefit Pension Scheme, which was closed to new members in 2010, is valued every three years by a professionally qualified independent actuary, who determines the rates of contribution payable. The pension charge in the accounts represents the regular charge adjusted by amortisation of the pension scheme surplus or deficit.

The net gain/loss on the net defined benefit liability is recognised in the Statement of Financial Activities. The difference between the scheme liabilities and the scheme assets is recognised in the unrestricted fund.

2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes. The general fund includes the surpluses arising from the activities of the two Schools.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

Endowment funds are donations required to be retained as capital in accordance with the donors' wishes – permanent or expendable according to the nature of the restrictions. The costs of raising and administering such funds are charged against the specific fund.

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

3. 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 Charity 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.

Defined benefit pension scheme

The present value of the Governors' 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest review performed at 31 August 2022 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

Donated services

The Foundation has included an estimated value of the cost of services (as disclosed in note 4) donated to the King Edward VI Academies. The value of services received by the Academies should be the value of the price that the Academy estimates it would pay in the open market. As it is not practical to measure the value of the services using an open market (fair value basis), SORP 2015 permits donated services received to be measured on the basis of the cost of the gift to the Academy from the Foundation. The cost has therefore been calculated based on an individual estimate of time spent by Foundation staff providing services to the school allocated across the salary costs (including provision for pension and national insurance) but excluding any provision for overheads. Support costs at the Foundation have therefore been allocated between educational support and grant making.

Investment property valuation

The investment property portfolio is externally valued once every five years, with an interim valuation each year. Property valuations are derived from the rental income received on the land or property owned together with the length of the lease. Other property transactions, such as lease incentives are treated in accordance with the relevant accounting policy.

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

4. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	100	150	250	31,330
Total 2023	100	150	250	31,330
<i>Total 2022</i>	30,180	1,150	31,330	

5. Income from fees receivable

	2023 £	<i>2022 £</i>
Gross school fees (net of bad debts)	24,012,817	22,139,119
Less:		
Governors' Assisted Places Scheme	(2,368,430)	(2,224,166)
Scholarships, remission & staff concessions	(1,265,630)	(1,215,839)
	20,378,757	18,699,114

Scholarships, bursaries and other awards were made to 485 pupils (2022: 483). Within this means tested bursaries totalling £2,368,430 paid to 224 pupils (2022: £2,224,166 to 227 pupils).

In 2023 and 2022 all fees receivable were unrestricted.

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

6. Income from ancillary trading income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Catering income	1,025,670	1,025,670	864,234
Extra-curricular activities	1,469,020	1,469,020	615,241
Registration fees	41,453	41,453	30,234
Other ancillary income	153,812	153,812	201,210
	2,689,955	2,689,955	1,710,919
	1,710,919	1,710,919	
<i>Total 2022</i>			

7. Income from non-ancillary trading

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Lettings	219,083	219,083	249,149
	219,083	219,083	249,149
Total 2023	219,083	219,083	249,149
	249,149	249,149	
<i>Total 2022</i>	249,149	249,149	

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

8. Investment income

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Rental income	2,068,407	-	105	2,068,512	1,846,604
Investment income	1,468,223	16,840	36,050	1,521,113	1,124,897
Bank and other interest	77,598	3,577	16,783	97,958	7,477
Total 2023	<u>3,614,228</u>	<u>20,417</u>	<u>52,938</u>	<u>3,687,583</u>	<u>2,978,978</u>
<i>Total 2022</i>	<u>2,942,581</u>	<u>10,601</u>	<u>25,796</u>	<u>2,978,978</u>	

9. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Other income	1,183,916	1,183,916	962,463
Total 2023	<u>1,183,916</u>	<u>1,183,916</u>	<u>962,463</u>
<i>Total 2022</i>	<u>962,463</u>	<u>962,463</u>	

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

10. Expenditure on raising funds

	Unrestricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Investment management	169,210	169,211	338,421	347,792
Estate management	366,277	-	366,277	353,433
Total 2023	535,487	169,211	704,698	701,225
<i>Total 2022</i>	<i>570,119</i>	<i>131,106</i>	<i>701,225</i>	

11. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	<i>Total 2022 £</i>
Teaching	16,855,698	-	-	16,855,698	15,753,019
Welfare	718,689	-	-	718,689	698,004
Premises	4,056,172	-	1,052,067	5,108,239	4,262,975
Support costs and governance	4,377,424	-	-	4,377,424	4,224,126
Donated services to Academies	1,156,202	-	-	1,156,202	934,916
Grants, awards and prizes	5,197	40,312	2,613	48,122	72,593
Grant making	1,223,121	-	-	1,223,121	623,867
Total 2023	28,392,503	40,312	1,054,680	29,487,495	26,569,500
<i>Total 2022</i>	<i>25,606,781</i>	<i>64,314</i>	<i>898,405</i>	<i>26,569,500</i>	

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

11. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type

	Staff costs 2023 £	Depreciation 2023 £	Other costs 2023 £	Total 2023 £	<i>Total 2022 £</i>
Teaching	12,062,127	-	4,793,571	16,855,698	15,753,019
Welfare	644,880	-	73,809	718,689	698,004
Premises	1,154,384	1,052,067	2,901,788	5,108,239	4,262,975
Support costs and governance	4,371,844	-	5,580	4,377,424	4,224,126
Donated services to Academies	1,156,202	-	-	1,156,202	934,916
Grants, awards and prizes	-	-	48,122	48,122	72,593
Grant making	-	-	1,223,121	1,223,121	623,867
Total 2023	19,389,437	1,052,067	9,045,991	29,487,495	26,569,500
<i>Total 2022</i>	<i>18,082,074</i>	<i>891,045</i>	<i>7,596,381</i>	<i>26,569,500</i>	

12. Auditor's remuneration

	2023 £	<i>2022 £</i>
Fees payable to the Charity's auditor and its associates for the audit of the Charity's annual accounts	43,560	41,600
Fees payable to the Charity's auditor and its associates in respect of: Other compliance services	20,984	16,380

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

13. Staff costs

	2023 £	2022 £
Wages and salaries	15,192,341	14,154,036
Social security costs	1,600,560	1,511,186
Contribution to defined contribution pension schemes	389,749	325,603
Contribution to defined benefit pension schemes	2,206,787	2,091,249
	<u>19,389,437</u>	<u>18,082,074</u>

Included in defined contribution pension scheme is £30 (2022: £1,029) pension payments to former staff.

During the year there were two settlement agreement payments made in the sum of £4,000 (2022: £20,709, one) which is included in staff costs. There were no payments outstanding at the year-end.

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

	2023 No.	2022 No.
Teaching	171	184
Education support	53	52
Maintenance, cleaning, catering and grounds	81	82
Administration	117	103
	<u>422</u>	<u>421</u>

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

13. Staff costs (continued)

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

	2023	<i>2022</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	16	<i>11</i>
In the band £70,001 - £80,000	2	<i>4</i>
In the band £80,001 - £90,000	8	<i>3</i>
In the band £90,001 - £100,000	1	<i>2</i>
In the band £100,001 - £110,000	1	<i>-</i>
In the band £170,001 - £180,000	-	<i>1</i>
In the band £180,001 - £190,000	1	<i>-</i>
In the band £210,001 - £220,000	-	<i>1</i>
In the band £220,001 - £230,000	1	<i>-</i>
In the band £250,001 - £260,000	-	<i>1</i>
In the band £260,001 - £270,000	1	<i>-</i>

The total employee benefit including pension contributions paid to key management personnel was £1,164,796 (2022: £998,051).

14. Trustees' remuneration and expenses

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

During the year ended 31 August 2023, expenses totalling £834 were reimbursed or paid directly to 3 Trustees (2022 - £438 to 2 Trustees) for travel expenses.

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

15. Intangible assets

	Computer software £
Cost	
At 1 September 2022	600,581
Additions	240,169
At 31 August 2023	<u>840,750</u>
Amortisation	
At 1 September 2022	254,884
Charge for the year	239,166
At 31 August 2023	<u>494,050</u>
Net book value	
At 31 August 2023	<u>346,700</u>
<i>At 31 August 2022</i>	<u>345,697</u>

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

16. Tangible fixed assets

	Freehold sites £	Buildings £	Plant and equipment £	Course of construction £	Total £
Cost or valuation					
At 1 September 2022	578,543	38,566,095	494,712	2,192,291	41,831,641
Additions	-	1,096,799	329,246	-	1,426,045
Disposals	-	-	-	(105,252)	(105,252)
Transfers between classes	25,822	1,986,279	74,938	(2,087,039)	-
At 31 August 2023	<u>604,365</u>	<u>41,649,173</u>	<u>898,896</u>	<u>-</u>	<u>43,152,434</u>
Depreciation					
At 1 September 2022	-	13,271,490	434,279	-	13,705,769
Charge for the year	-	770,378	42,523	-	812,901
At 31 August 2023	<u>-</u>	<u>14,041,868</u>	<u>476,802</u>	<u>-</u>	<u>14,518,670</u>
Net book value					
At 31 August 2023	<u>604,365</u>	<u>27,607,305</u>	<u>422,094</u>	<u>-</u>	<u>28,633,764</u>
At 31 August 2022	<u>578,543</u>	<u>25,294,605</u>	<u>60,433</u>	<u>2,192,291</u>	<u>28,125,872</u>

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

17. Investment property

	Freehold investment property £
Valuation	
At 1 September 2022	49,518,730
Additions	2,236,773
Disposals	(811,300)
Unrealised loss	(278,293)
Realised gain	60,110
At 31 August 2023	<u>50,726,020</u>

An annual asset valuation was carried out at 31 August 2023 by Joseph Lang LaSalle Ltd, with the investment portfolio valued at £50,726,020, based on open market value. The valuation was carried out in accordance with the guidelines set out by RICS.

It is not possible to provide an accurate historical cost of the property portfolio. A significant part of the portfolio was given as charter land at no cost, and costs are not available for acquisitions made some considerable time ago.

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

18. Fixed asset investments

	Listed investments £	Cash £	Total £
Market value			
At 1 September 2022	93,475,144	119,465	93,594,609
Additions	22,337,810	(22,337,810)	-
Disposals	(21,615,966)	21,615,966	-
Revaluations	1,914,108	-	1,914,108
Net incomings/(outgoings)	-	672,360	672,360
Accrued Interest & Income	186,260	-	186,260
At 31 August 2023	<u>96,297,356</u>	<u>69,981</u>	<u>96,367,337</u>

Investments at market value comprise:

	2023 £	2022 £
United Kingdom Fixed Interest	12,729,070	18,292,560
United Kingdom Equities	4,144,970	2,376,918
	<u>16,874,040</u>	<u>20,669,478</u>
Overseas Equities	55,171,336	51,684,388
Overseas Bonds	7,650,427	5,869,291
Global Fund	6,392,718	1,058,969
Commodities	4,590,182	5,165,698
Hedge Funds	2,650,186	5,092,030
Alternatives	2,782,209	3,935,290
Shares at market value	<u>96,111,098</u>	<u>93,475,144</u>
Cash at bank awaiting investment	69,979	119,465
Accrued Interest & Income	186,260	-
Total investments at market value	<u>96,367,337</u>	<u>93,594,609</u>

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

19. Debtors

	2023	2022
	£	£
Due within one year		
Fee debtors net of provision	216,673	265,284
Rents	177,436	130,144
Prepayments and accrued income	980,000	343,905
Grants recoverable from the Academy Trust	-	420,000
	1,374,109	1,159,333
	1,374,109	1,159,333

20. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	613,768	817,731
Other creditors	334,821	326,539
Accruals and deferred income (see note 22)	1,975,418	1,807,627
Pupil education deposits	664,463	653,313
Pensions	301,783	295,337
Taxation and social security	554,838	398,530
	4,445,091	4,299,077
	4,445,091	4,299,077

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

	2023	2022
	£	£
Deferred income (see note 22)	1,062,646	1,070,151
	1,062,646	1,070,151

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

22. Deferred income

	2023	2022
	£	£
Deferred income at 1 September	1,907,791	1,980,544
Resources deferred during the year	1,255,553	830,135
Amounts released from previous periods	(837,641)	(902,888)
Deferred income at 31 August	2,325,703	1,907,791

Amounts deferred at 31 August 2023 relate to fees received in advance of £661,136 (2022: £326,947), rents/service charge received in advance of £132,775 (2022: £121,864), trip/catering income received in advance from parents of £461,642 (2022: £381,324) and upfront lease receipts of £1,070,151 (2022: £1,077,656) which are being released over the life of the lease of 150 years.

23. Financial instruments

	2023	2022
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	96,297,356	93,475,144

Financial assets measured at fair value through income and expenditure comprise investments (see note 18).

The Foundation's income, expense, gains and losses in respect of financial instruments are summarised below:

	2023	2022
	£	£
Total investment income for financial assets measured at fair value through income and expenditure	1,619,071	1,132,274
Net (loses)/gains on financial assets measured at fair value through income and expenditure	1,914,171	(7,107,903)
Impairment losses on financial assets measured at amortised cost	17,415	17,695

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	28,633,764	28,633,764
Intangible fixed assets	-	-	346,700	346,700
Fixed asset investments	-	485,079	95,882,258	96,367,337
Investment property	-	-	50,726,020	50,726,020
Current assets	11,781,864	1,750,524	(5,756,772)	7,775,616
Creditors due within one year	(4,312,317)	-	(132,774)	(4,445,091)
Creditors due in more than one year	-	-	(1,062,646)	(1,062,646)
Provisions for liabilities and charges	(2,354,000)	-	-	(2,354,000)
Total	5,115,547	2,235,603	168,636,550	175,987,700

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Endowment funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	-	28,125,872	28,125,872
Intangible fixed assets	-	-	345,697	345,697
Fixed asset investments	-	433,948	93,160,661	93,594,609
Investment property	-	-	49,518,730	49,518,730
Current assets	11,024,783	1,773,898	-	12,798,681
Creditors due within one year	(2,581,821)	-	(1,717,256)	(4,299,077)
Creditors due in more than one year	-	-	(1,070,151)	(1,070,151)
Provisions for liabilities and charges	(2,773,000)	-	-	(2,773,000)
Total	5,669,962	2,207,846	168,363,553	176,241,361

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

25. Statement of funds

Statement of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Designated funds						
School minor works	696,418	-	-	50,000	-	746,418
Widening accessibility	259,083	-	-	-	-	259,083
Replacement equipment for Performing Arts centre	77,025	-	-	-	-	77,025
	<u>1,032,526</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>1,082,526</u>
General funds						
King Edwards School	1,502,642	13,827,187	(14,325,801)	1,236,294	-	2,240,322
King Edward VI High School for Girls	1,791,970	9,464,136	(9,704,029)	873,946	-	2,426,023
Endowment fund income fund	4,115,824	4,794,716	(5,239,160)	(1,950,704)	-	1,720,676
Pension reserve	(2,773,000)	-	341,000	-	78,000	(2,354,000)
	<u>4,637,436</u>	<u>28,086,039</u>	<u>(28,927,990)</u>	<u>159,536</u>	<u>78,000</u>	<u>4,033,021</u>
Total Unrestricted funds	<u>5,669,962</u>	<u>28,086,039</u>	<u>(28,927,990)</u>	<u>209,536</u>	<u>78,000</u>	<u>5,115,547</u>

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

25. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Endowment funds						
Capital endowment fund	157,973,979	-	(1,120,016)	(209,536)	1,603,912	158,248,339
Performing Arts Centre fund	4,137,003	-	(101,261)	-	-	4,035,742
Other donations fund	6,252,571	52,938	(2,614)	-	49,574	6,352,469
	<u>168,363,553</u>	<u>52,938</u>	<u>(1,223,891)</u>	<u>(209,536)</u>	<u>1,653,486</u>	<u>168,636,550</u>
Restricted funds						
Benjamin Cowie	538,018	4,829	(24,663)	-	19,486	537,670
The Webster Bequest	499,486	4,360	-	-	17,482	521,328
Brode Fund	498,407	4,782	-	-	4,486	507,675
The Margaret Davies Fund	181,686	1,743	(16,909)	-	1,635	168,155
Lee Childs Fund	5,248	50	(573)	-	47	4,772
Other small special funds	485,001	4,803	1,833	-	4,366	496,003
	<u>2,207,846</u>	<u>20,567</u>	<u>(40,312)</u>	<u>-</u>	<u>47,502</u>	<u>2,235,603</u>
Total of funds	<u><u>176,241,361</u></u>	<u><u>28,159,544</u></u>	<u><u>(30,192,193)</u></u>	<u><u>-</u></u>	<u><u>1,778,988</u></u>	<u><u>175,987,700</u></u>

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

25. Statement of funds (continued)

Statement of funds - prior year

	<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						
Designated funds						
School minor works	579,057	-	(2,639)	120,000	-	696,418
Widening accessibility	259,083	-	-	-	-	259,083
Replacement equipment for Performing Arts centre	77,025	-	-	-	-	77,025
	<u>915,165</u>	<u>-</u>	<u>(2,639)</u>	<u>120,000</u>	<u>-</u>	<u>1,032,526</u>
General funds						
King Edwards School	1,401,460	11,930,860	(13,036,357)	1,206,679	-	1,502,642
King Edward VI High School for Girls	1,266,013	8,728,355	(9,071,349)	868,951	-	1,791,970
Endowment fund income fund	6,397,282	3,935,191	(4,230,555)	(1,986,094)	-	4,115,824
Pension reserve	(6,384,000)	-	164,000	-	3,447,000	(2,773,000)
	<u>2,680,755</u>	<u>24,594,406</u>	<u>(26,174,261)</u>	<u>89,536</u>	<u>3,447,000</u>	<u>4,637,436</u>
Total Unrestricted funds	<u>3,595,920</u>	<u>24,594,406</u>	<u>(26,176,900)</u>	<u>209,536</u>	<u>3,447,000</u>	<u>5,669,962</u>

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

25. Statement of funds (continued)

	<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>
Endowment funds						
Capital endowment fund	162,539,622	-	(920,890)	(209,536)	(3,435,217)	157,973,979
Performing Arts Centre fund	4,238,264	-	(101,261)	-	-	4,137,003
Other donations fund	6,494,203	25,796	(7,360)	-	(260,068)	6,252,571
	<u>173,272,089</u>	<u>25,796</u>	<u>(1,029,511)</u>	<u>(209,536)</u>	<u>(3,695,285)</u>	<u>168,363,553</u>
Restricted funds						
Benjamin Cowie	589,511	2,524	-	-	(54,017)	538,018
The Webster Bequest	545,936	2,279	-	-	(48,729)	499,486
Brode Fund	519,777	2,342	-	-	(23,712)	498,407
The Margaret Davies Fund	189,476	854	-	-	(8,644)	181,686
Lee Childs Fund	8,201	37	(2,616)	-	(374)	5,248
Other small special funds	568,941	3,715	(61,698)	-	(25,957)	485,001
	<u>2,421,842</u>	<u>11,751</u>	<u>(64,314)</u>	<u>-</u>	<u>(161,433)</u>	<u>2,207,846</u>
Total of funds	<u><u>179,289,851</u></u>	<u><u>24,631,953</u></u>	<u><u>(27,270,725)</u></u>	<u><u>-</u></u>	<u><u>(409,718)</u></u>	<u><u>176,241,361</u></u>

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

25. Statement of funds (continued)

Designated Funds

Each designated fund represents a fund where the Governors have exercised their discretion to make provision for future expenditure on specific projects of a non-recurring nature.

Capital Endowment Fund

This is the accumulation of capital gains derived from its investments. This is not a permanent endowment fund.

Performing Arts Centre expendable endowment fund

This is a separately identifiable fund set up as part of the terms of the donation to the Independent Schools to part finance the construction of the Performing Arts Centre for the benefit of both Schools.

Other Donations Fund

This is a permanent endowment fund comprising of 350 individual funds, providing prizes, grants and scholarships to pupils at the schools of the Foundation.

Benjamin Cowie

The bequest, received in 1982, is used to support pupils in financial need, subsidise activities, and meet leadership training costs for both masters and boys at King Edward's School.

The Webster Bequest

The fund was bequeathed to King Edward's School in 2000 and is used for the purpose of funding scholarships in the school.

The Albion Trust

The fund is to encourage students from inner city Birmingham to apply to King Edward VI Aston School for their compulsory or sixth form education.

The Margaret Davis Funds

The fund was bequeathed to the Foundation to support an archiving project.

Brode Fund

Part of a £2m donation to improve sporting facilities at the Boys' school

Lee Child's Fund

This was a donation to be used to purchase books.

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

Transfers to/(from) funds - current year

	King Edwards School	King Edward VI High School for Girls	Endowment fund income fund	School minor works	Capital endowment fund
Revenue grant to the Schools from Endowment income fund	1,380,231	988,202	(2,368,433)	-	-
Interest paid to Foundation	(78,919)	(29,274)	108,193	-	-
Funds sets aside for specific projects	(15,000)	(35,000)	-	50,000	-
Contributions to the Foundation for services	(50,018)	(49,982)	100,000	-	-
Amortisation of the capital receipts arising from sales of interests in land	-	-	209,536	-	(209,536)
	<u>1,236,294</u>	<u>873,946</u>	<u>(1,950,704)</u>	<u>50,000</u>	<u>(209,536)</u>

Transfers to/(from) funds - prior year

	<i>King Edwards School</i>	<i>King Edward VI High School for Girls</i>	<i>Endowment fund income fund</i>	<i>School minor works</i>	<i>Capital endowment fund</i>
Revenue grant to the Schools from Endowment income fund	1,338,000	993,945	(2,331,945)	-	-
Interest paid to Foundation	(86,315)	-	86,315	-	-
Funds sets aside for specific projects	(20,000)	(100,000)	-	120,000	-
Contributions to the Foundation for services	(25,006)	(24,994)	50,000	-	-
Amortisation of the capital receipts arising from sales of interests in land	-	-	209,536	-	(209,536)
	<u>1,206,679</u>	<u>868,951</u>	<u>(1,986,094)</u>	<u>120,000</u>	<u>(209,536)</u>

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

26. Reconciliation of net movement in funds to net cash flow from operating activities

	2023	2022
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(331,661)	(6,495,490)
Adjustments for:		
Depreciation charges	812,901	747,900
Amortisation charges	239,166	143,145
Net (gains)/loss on investments	(1,636,570)	5,633,381
Retirement Benefits Scheme costs less contributions paid	(341,000)	(164,000)
Rents received from investment properties	(2,068,512)	(1,846,604)
Interest received	(97,958)	(7,477)
Increase in debtors	(214,776)	(308,450)
Increase/(decrease) in creditors	138,505	(1,050,186)
Loss on disposal of fixed asset	105,252	-
Net cash used in operating activities	(3,394,653)	(3,347,781)

27. Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash in hand	5,537,473	10,788,641
Short term deposits	864,033	850,707
Total cash and cash equivalents	6,401,506	11,639,348

28. Analysis of changes in net debt

	At 1 September 2022	Cash flows	At 31 August 2023
	£	£	£
Cash at bank and in hand	11,639,348	(5,237,841)	6,401,507
	11,639,348	(5,237,841)	6,401,507

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

29. Capital commitments

	2023 £	2022 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	650,816

30. Pension commitments

Employees belong to two principal defined benefit pension schemes: The Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and The Schools of King Edwards the Sixth Retirement Benefit Scheme ("the Scheme") for non-teaching staff. Both are multi-employer benefit schemes. A further defined contribution pension scheme is in operation for non-teaching staff since April 2021.

In addition to the aforementioned Schemes, the Governors provide discretionary unfunded pensions out of general income. These amounted to £30 in the year ended 31 August 2023 (2022: - £1,030).

Defined contribution scheme

New staff, or those staff who had been eligible but had not joined the defined benefits scheme are eligible to participate in a defined contribution scheme, administered by Scottish Widows. By 31 August 2023, 180 members of staff has joined (2022: 157). The employer contributions for the defined contribution scheme totalled £389,720 (2022: £324,571) based on rates of up to 8%. At year end £59,112 (2022: £50,106) was payable to the scheme and included within creditors.

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £2,031,667 (2022: £1,935,710) and at the year-end £238,732 (2022 - £242,709) was accrued in respect of contributions to this scheme.

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

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

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

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

30. Pension commitments (continued)

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

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

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

The Schools of King Edward VI in Birmingham Retirement Benefit Scheme

The Charity operates a defined benefit pension scheme.

Other staff of the Independent Schools and Foundation Office have been eligible to join a defined benefits Scheme operated by the Governors of the Foundation. In March 2010 the Governors took the decision to close the Governors' Pension Scheme to new members.

The review of the Scheme as at 31 August 2022 showed a large improvement in the funding shortfall. The main reasons for the reduction in the deficit over the period can be summarised as follows:

- significant increases in corporate bond yields over the period have resulted in a lower value being placed on the Scheme's liabilities; and
- the payment of deficit reduction contributions by the Foundation has increased the value of the Scheme's assets.

However, the above factors have been partially offset by:

- an increase in long-term inflation expectations which has increased the value placed on the Scheme's liabilities; and
- lower than expected investment returns have decreased the value of the Scheme's assets.

Contributions to be paid by the Foundation:

Period	Foundation Contributions towards the shortfall
1 January 2020 to 31 December 2020	£30,900 per month
1 January 2021 to 31 December 2021	£31,830 per month
1 January 2022 to 31 March 2022	£32,780 per month
1 April 2022 to 31 March 2023	£34,042 per month
1 April 2023 to 31 March 2024	£35,063 per month
1 April 2024 to 31 March 2025	£36,115 per month
1 April 2025 to 31 March 2026	£37,198 per month
1 April 2026 to 31 March 2027	£38,314 per month
1 April 2027 to 31 January 2028	£39,464 per month

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

30. Pension commitments (continued)

From 1 April 2022, as a result of the 2021 valuation, the employer contributions rate was set at 27.3% with Scheme expenses being paid by the Foundation and not the Scheme Fund.

The Scheme is known as the Schools of King Edward VI in Birmingham Retirement Benefits Scheme (the Scheme). The Scheme provides benefits based on salary and length of service on retirement, leaving service or death. The following disclosures exclude any allowance for defined benefit schemes operated by the Foundation.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Foundation must agree with the Trustees of the Scheme the contributions to be paid to meet any shortfall against the Statutory Funding Objective and to pay for the future accrual of benefits.

The Foundation expects to contribute £610,000 to the Scheme during the year to 31 August 2024.

The Scheme is managed by a board of Trustees appointed in part by the Foundation and part from elections by members of the Scheme. The Trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing the Scheme's assets. The Trustees delegate some of these functions to their professional advisers where appropriate.

There were no plan amendments, curtailments or settlements during the period.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2023	<i>At 31 August 2022</i>
	%	%
Discount rate	5.35	4.25
Future salary increases	3.00	3.00
Future pension increases (RPI capped at 5%)	3.45	3.70
Future pension increases (CPI capped at 5%)	3.05	3.30
Inflation (RPI)	3.45	3.70
Inflation (CPI)	3.05	3.30
Proportion of members with a spouse	80	80

Other assumptions used are:

Mortality - S3NA tables with CMI 2019 projections using a long-term improvement rate of 1.25%

Commutation - 80% of members are assumed to take 25% of their pension as tax free cash

Early retirement - 40% of active members who joined pre 2007 are assumed to retire at age 60

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

30. Pension commitments (continued)

	At 31 August 2023 Years	<i>At 31 August 2022 Years</i>
Mortality rates (in years)		
- for a male aged 65 now	87.4	87.3
- at 65 for a male aged 45 now	88.8	88.7
- for a female aged 65 now	89.8	89.8
- at 65 for a female aged 45 now	91.2	91.2

The Charity's share of the assets in the scheme was:

	At 31 August 2023 £	<i>At 31 August 2022 £</i>
Equities	9,987,000	11,828,000
Cash	281,000	169,000
Total fair value of assets	10,268,000	11,997,000

The actual return on scheme assets was a loss of £1,878,000 (2022 - £3,382,000 gain).

The amounts recognised in the Statement of Financial Activities are as follows:

	2023 £	<i>2022 £</i>
Current service cost	144,000	283,000
Net interest	105,000	104,000
Total amount recognised in the Statement of Financial Activities	249,000	387,000

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

30. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2023	<i>2022</i>
	£	<i>£</i>
Opening defined benefit obligation	14,770,000	<i>21,843,000</i>
Contributions by scheme participants	39,000	<i>43,000</i>
Actuarial gains	(2,469,000)	<i>(7,091,000)</i>
Benefits paid	(480,000)	<i>(674,000)</i>
Current service costs	144,000	<i>283,000</i>
Interest cost	618,000	<i>366,000</i>
Closing defined benefit obligation	12,622,000	<i>14,770,000</i>

Movements in the fair value of the Charity's share of scheme assets were as follows:

	2023	<i>2022</i>
	£	<i>£</i>
Opening fair value of scheme assets	11,997,000	<i>15,459,000</i>
Interest income	513,000	<i>262,000</i>
Actuarial losses	(2,391,000)	<i>(3,644,000)</i>
Contributions by employer	590,000	<i>551,000</i>
Contributions by scheme participants	39,000	<i>43,000</i>
Benefits paid	(480,000)	<i>(674,000)</i>
Closing fair value of scheme assets	10,268,000	<i>11,997,000</i>

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

31. Operating lease commitments

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

	2023 £	2022 £
Not later than 1 year	88,605	89,979
Later than 1 year and not later than 5 years	58,582	103,824
Later than 5 years	30,089	-
	<u>177,276</u>	<u>193,803</u>

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2023 £	2022 £
Operating lease rentals	<u>95,487</u>	<u>85,917</u>

Operating lease commitments (continued)

At 31 August 2023 the Charity had the following future minimum lease income from investment property rent under non-cancellable operating leases as follows:

	2023 £	2022 £
Within one year	1,882,311	1,826,060
Between two and five years	6,253,455	6,366,926
Over five years	163,756,671	146,892,813
	<u>171,892,437</u>	<u>155,085,799</u>

The following amount of rental income has been recognised as income in the Statement of financial activities:

	2023 £	2022 £
Operating lease rental income	<u>2,068,512</u>	<u>1,846,604</u>

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

32. Related party transactions

The Foundation considers itself related to the King Edward VI Academy Trust Birmingham (Co. no.10654935). The Trust consists of ten academies of which five were initially established as Voluntary Aided Grammar Schools by the Foundation. The Trust is considered a related party by virtue of the fact that the Foundation office provides finance, accounting, payroll and personnel, and governance services to the academies and the Foundation owns the land and buildings at the academies. There is a licence to occupy the land and buildings between the Foundation and the academies rent free. There is currently an SLA for the services provided by the Foundation, whereby a contribution of £1,074,744 (2022: £832,824) was received during the year.

Transactions with the Trust during the year include:

	2023	2022
	£	£
Income		
Costs incurred by Foundation and reimbursed by the Trust	10,196	20,728
Contributions to the Foundation for services	1,074,744	999,389
Expenditure		
Grants paid/payable	5,613	59,350
Grant recoverable	-	(420,000)
Fees paid for KES Teachers training at KEC	1,200	7,200
Costs incurred by the Trust and reimbursed by the Foundation	83,818	42,275
Payments from restricted funds	2,391	5,545
Other income received and passed over to the Trust	45,717	-
	<u>45,717</u>	<u>-</u>

At the year-end there were the following balances held in the balance sheet:

	2023	2022
	£	£
Debtor at year end	315,151	8,721
Creditor at year end	(62,080)	(46,813)
Grant recoverable at year end	-	(420,000)
	<u>253,071</u>	<u>(458,092)</u>

THE SCHOOLS OF KING EDWARD VI IN BIRMINGHAM

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

Related party transactions (continued)

The Chief Master and Deputy Chief Master are trustees of The King Edward's School Birmingham Trust (Charity no: 1129776). The Trust provides King Edward's School with funding for Assisted Places. £425,832 (2022: £509,520) was paid to cover Assisted Places supported by the Trust.

The Principal and a Governor are also trustees of The King Edward VI High School for Girls Birmingham Trust (Charity no: 1159413). The Trust was set up during 2014/15 to provide King Edward VI High School for Girls with funding for Assisted Places. £280,116 (2022: £309,981) was paid to cover Assisted Places supported by the Trust.

Ms E Conway is Chief Financial Officer of the University of Birmingham. During the year £22,539 (2022: £2,754) was paid to the organisation and £19,851 (2022: £16,000) lease rentals were invoiced to the organisation. There were no amounts outstanding at the end of the year (2022: £Nil).

Development Funding and Finance services are also provided by King Edward's School to the two Trusts. No charge is made for the services provided. The cost of the Development Team for the year at King Edward's School was £117,112 (2022: £101,065) and £101,001 (2022: £91,956) at King Edward VI High School for Girls.

None of the Governors received any remuneration during the year.

There are no other related party transactions.