



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

In pursuit of educational excellence for all

REPORT AND ACCOUNTS

Year ended 31 August 2021

Registered Charity No. 529051

INDEX

	Pages
Chair's Statement	1
Mission, Principles and Objectives	2
Reference and Administrative Information	5
Governors' Report	6
Statement of Financial Activities	19
Balance Sheet	20
Statement of Cash Flows	21
Notes to the Accounts	22
Statement of Governors' Responsibilities	46
Independent Auditor's Report	47

Chair's statement

An impressive feature of the 2020/21 academic and financial year has been the ability of our schools and the Foundation itself to respond effectively to the continuing and unpredictable consequences of the Covid-19 pandemic while also extending our programme of growth and modernisation.

Pupils, teachers and all their supporting and professional staff have had to respond to the changing demands arising from the pandemic. We have experienced lockdowns where teaching has been virtual, schools open but pupils in 'learning bubbles', and hybrids where some pupils have been in class with others attending virtually. That these different forms of supporting learning have been implemented and effectively sustained is a tribute to all. As I write, uncertainty continues with schools open but modifications to those arrangements, such as the wearing of masks in corridors, subject to change.

Other change and progress is also occurring in pursuit of our mission 'to make Birmingham the best place to be educated in the United Kingdom'. When Jodh Dhesi joined the Foundation as our CEO in January 2021, he was tasked with preparing a Strategic Plan to convert our mission statement into practical policies and, by early summer, that Plan had been approved by the Foundation Board and the Academy Trust Board and shared with all our school governing bodies.

It points towards further growth with a current target of 17 schools. Appropriately, therefore, a twelfth school joined the Foundation and Academy Trust on 1st September: Turves Green Girls' School joined us as King Edward VI Northfield School for Girls. Under the leadership of Neil Jones, occupying a new building and with over 650 girls, Northfield adds to our presence in the south of the city and increases the range of options for collaboration with the other four King Edward VI schools locally.

The strategy also sets out plans for strengthening the infrastructure for school improvement, all supported through greater collaboration between our schools. This approach is fundamental to achieving our mission. By discovering what the best are doing, we learn from them and share their knowledge, skills and understanding; as part of that process and drawing upon our existing staff, we have appointed a team of Foundation Subject Network Leads who will work across schools sharing best practice.

The Strategy has a shared vision for the curriculum, summed up in three words: breadth, opportunity, excellence. It is a vision and a mission to be achieved through inclusive, accessible and challenging curricula which celebrate the distinctiveness of our schools and communities and our diversity. Our commitment to breadth includes co-curricular provision; while we want academic success with each child achieving the best of what they are capable, we also want young people to leave our schools with a range of sporting and cultural interests, of social and civic awareness, which marks them out as a graduate of this Foundation.

These changes are being led by the Foundation Education Group (FEG) chaired by Katy Ricks as the Headmaster of the Foundation working with Jodh Dhesi. Its members are the 12 Heads of all our schools; and Neil Jones, Head of our newest school, joins three new Heads: Russell Bowen at Camp Hill Boys; Matt Brady at Aston; and Charlotte Jordan at Five Ways. Two of these new appointments replace Heads who have retired after distinguished careers, Martin Garrod (Camp Hill Boys) and Yvonne Wilkinson (Five Ways School) but we also lost Colin Parker (Aston) whose sudden and tragic death was a great blow. Colin had been Head at Aston since 2004 and led the school with distinction and humanity, becoming one of the Foundation's most respected Heads. A major extension to Aston was underway when he died and has been named the *Colin Parker Building* in his memory.

Our group of schools has the good fortune to receive support from the Charity's endowment, an endowment which keeps school overheads low and funds more assisted places than any other two independent schools in the country. It is an endowment we seek to manage through a strategy conscious of our ethical responsibilities in our investment decisions. This includes giving urgent attention to a sustainable environment in a decade recognised as decisive in responding to the existential threat of climate change. It is a commitment which coheres with our educational vision and our built-in commitment to this and future generations of pupils and students.



Prof. H Thomas
Chair

Mission, Principles and Objectives

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 eleven 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 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 as a consequence so too have the resources required to deliver that mission. The Foundation's new strategy sets out the renewed 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. In order 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 of 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 to of doing that.

Objectives

The following strategic objectives are for the whole organisation and can only be achieved by schools and 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 and alumnae 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.

Mission, Principles and Objectives *(continued)*

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.

Mission, Principles and Objectives *(continued)*

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 2020/21, 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. This provides schools within the Academy Trust where the Foundation is the landowner 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 from September 2020, 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.

Governors' report

Reference and Administrative Information

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
Principal 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

On 1st September 2021 King Edward VI Northfield School for Girls joined King Edward VI Academy Trust Birmingham and the Foundation

Governors' report

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						
	Joint Strategy Committee	Independent Schools' Governing Body	Finance & Investment Committee	Nominations Committee	Audit Committee	Remuneration Committee
Co-opted Governors						
Professor H Thomas BA, Med, PhD (Chair)	*	*	*	*		*
Mr G Chahal BSc, PGDipPharm			*			
Mr T Clarke MA	*	*	*	*		*
Mrs G Ball OBE, FCCA	*	*		*	*	*
Mr F Kinkhabwala					*	
Mr G Marsh MBE, TD, DL, FICE	*	*	*	*		*
Mr B J Matthews BSc, FCA	*		*			
Dr N Shastri-Hurst BMedSci, BMBS, MRCS						
Mr Jonathan Crawford			*			
Mr P Burns BA		*				
Mr D J Wheeldon (Deputy Bailiff)	*			*		
Professor B Lenon CBE, MA		*				
Nominated Governors						
Ms E Conway BA, FCA (Vice Chair) <i>(University of Birmingham)</i>	*			*	*	*
Councillor R Alden <i>(Birmingham City Council)</i>						
Mr I Metcalfe <i>(Chamber of Commerce & Industry)</i>		*	*			
Mrs C Hosty <i>(Independent Schools' Teachers)</i>		*				
Mrs S Roberts BSc, FCA, FCIS (Bailiff) <i>(Grammar Schools' Parents)</i>	*	*	*	*	*	

Co-opted Governors are appointed by the Board and serve for a term of five years. Nominated Governors are appointed by the organisation indicated in italics and serve for a term of five years.

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 – Dr I Yunas MB, BChir, MA, FRCGP, DCH, DRCOG, DFRSH, PGCME; Professor S West FRHists, FRSA, FHEA; Dr G Brodie PhD, FCA, CTA, SFHEA; Mrs G Sehdev LLB MBA; Mrs A Smith LLB, ACA and Mr O Choudhury BA, ACA. Lucy Williams BA, MSc was appointed to the Independent Schools' Governing Body on 1st September 2021.

The Joint Strategy Committee has appointed one Non-Board Governor who is not a Trustee of the Foundation - Mr G Dupree LLB, LPC. The Headmaster of the Foundation Dr K Ricks MA, DPhil has been appointed to the following Committees – Joint Strategy Committee, Finance and Investment Committee, and Nominations Committee.

Governors' report

Officers and Advisers

Chief Executive Officer:	Mr Jodh Dhesi
Director of Finance and Operations:	Mr Thomas Rowland The Schools of King Edward VI in Birmingham Foundation Office Edgbaston Park Road BIRMINGHAM B15 2UD
Banker:	Lloyds Bank plc PO Box 908 125 Colmore Row BIRMINGHAM B3 2SD
Legal Advisor:	Veale Wasbrough 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 Advisor:	Avison Young 3 Brindley Place BIRMINGHAM B1 2JB
Investment Manager:	Barclays Wealth 1 Churchill Place London E14 5HP
Website:	www.schoolsofkingedwardvi.co.uk

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), NPQH, PGCE
Director of Finance and Operations:	Mr Thomas Rowland BA, MA
School Bursar:	Mrs Zoe Robinson BSc, ACA

Governors' report

Structure, Governance and Management

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 2021. In the current year that remains unchanged.

Mrs Roberts held office as Bailiff and Mr D Wheeldon Deputy Bailiff for the year to 31 August 2021. In the current year Mr D Wheeldon is the Bailiff and Mrs S Roberts is the Deputy Bailiff.

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.

The **Joint Strategy Committee** (JSC) considers matters of general policy concerning the Foundation and Academy Trust, including educational policy. This Committee is responsible for recommending to the Board the allocation and distribution of the Foundation's resources. The Foundation also has a Foundation Education Group (FEG) comprised of the Heads of the Independent Schools and Academies under the Chairship of Dr K Ricks (Headmaster of the Foundation). The Group advises and submits recommendations to JSC on matters of educational policy.

The **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 a number of sub-committees which report into it, including those relating to Buildings, Finance, Risk and Compliance.

The **Finance and Investment Committee** deals with matters relating to the finances of the Foundation including budgets, pensions and investments (including stocks and shares, investment property, lands, and hereditaments of the Foundation).

The **Nominations Committee** makes recommendations about the membership of the Foundation Board and its Standing Committees.

The **Audit Committee** deals with financial reporting, internal control, risk management and internal and external audit.

The **Remuneration Committee** reviews Foundation Senior Leadership Team performance and remuneration.

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

Committee	Chair	Deputy Chair
Joint Strategy Committee	Prof H Thomas	Mrs S Roberts
Independent Schools' Governing Body	Mr T Clarke	Mrs G Ball
Finance & Investment Committee	Mr G Marsh	Mr B J Matthews
Nominations Committee	Prof H Thomas	Ms E Conway
Audit Committee	Mrs G Ball	Ms E Conway
Remuneration Committee	Ms E Conway	Mr G Marsh

All Governors give of their time freely and there is no remuneration policy for Governors. Governors are able to 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.

Procedure for Recruitment, Induction and Training of Trustees

The Foundation Board currently comprises twelve Governors appointed by the Foundation (the maximum is 12) and five Governors nominated by the following external bodies: University of Birmingham (1), Aston University (1), University of Oxford (1), Birmingham City Council (1), Greater Birmingham Chambers of Commerce (1), Grammar Schools' Parents (1), Grammar Schools' Teachers (1), Independent Schools' Parents (1), Independent Schools' Teachers (1). (There are currently six vacancies to be filled making eleven external nominees in total). 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 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 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.
5. Subscriptions are made to appropriate organisations and publications.

Governors' report

Foundation Office

The Foundation Office provides a central bursarial function supplying financial, human resources 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.

Assisted Places – 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	2021	2020
Number of AP holders	269	285
Number of pupils in receipt of assistance	263	279
As a % of total pupils at the Schools	18%	19%
% of pupils receiving an AP covering 90% of the fees	68%	59%
Pupils receiving a 90% or over AP	180	164
Pupils receiving a 100% AP	127	112
Annual cost of AP/Benefit to Parent	£3.2m	£3.2m
Annual cost to the Schools (Note 3)	£2.4m	£2.4m
Grant to the Schools from the Foundation	£2.7m	£2.7m
King Edward VI Birmingham Trust	£565,886	£552,776
King Edward 's High School for Girls Trust	£256,422	£168,438

Around 74% of the support to Pupils is funded by the Foundation, with the balance coming from the King Edward VI Birmingham Trusts.

A further 276 pupils received scholarships, 2 pupils received a sibling discount (for being the third child) and 27 pupils benefited from the staff concession scheme; the cost of which was £1,156,473 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 £3,581,058 representing 17% 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 14 to 20.

“Opening Doors” for bright, disadvantaged children

The Foundation has invested in a targeted online familiarisation programme which provides educational resources for disadvantaged primary school children who have registered to sit the entrance test for our grammar schools. This includes introductory videos which explain how the entrance test works, quizzes for students to practice and develop their knowledge ahead of sitting the entrance test and interviews with some of our grammar school pupils to give prospective applicants useful information about what life at our grammar schools is really like and to showcase the wide range of enrichment activities on offer.

Our six grammar schools have also continued to offer outreach and enrichment opportunities for primary schools across the city as we continue to develop our positive relationships with the primary school sector. This has been made more challenging by the restrictions brought about by the Covid-19 pandemic, but we continue to offer face to face opportunities to local schools and their pupils wherever possible.

Governors' report

Financial Review

Financial Results

Following an update to Government Covid-19 lockdown guidelines in January 2021, the two Independent Schools switched to home learning for all year groups (although the Schools remained open for vulnerable children and children of key workers) for a period of 8 weeks, with a phased return to on-site learning from early March. Governors continued to meet regularly with management to co-ordinate the Schools approach to educational provision and risk management during the pandemic.

SoFA Summary

	2021 £m	2020 £m	Variance £m
Total Income	22.0	23.6	(1.6)
Total Expenditure	(26.6)	(24.6)	(2.0)
Net Inc/Exp	(4.6)	(1.0)	(3.6)
Net gains on Investments	13.9	9.8	4.1
Net gains on Investment Properties	6.9	7.8	(0.9)
Total	16.2	16.6	(0.4)

The Foundation had funds at 31 August 2021 of £179,289,851 (2020: £163,067,237) representing an 10% increase of £16,222,614. The funds comprise £3,595,920 (2020: £3,821,647) of Unrestricted Funds, a Permanent and Expendable Endowment Fund of £10,732,467 (2020: £10,361,766), Restricted Funds of £2,421,842 (2020: £2,151,876) and the Fund – Capital of £162,539,622 (2020: £146,731,948).

The total net income (before transfers) and other recognised gains and losses of all funds of the Foundation amounted to a surplus of £16,222,614 (2020 £16,628,047).

Overall, total income across all Funds decreased by £1,679,652 to £21,957,716. Total expenditure increased during the year by £1,995,841 to £26,554,016. Net gains on investments increased by £3,301,059 to £20,849,914.

Independent Schools' Fund – School fee income (net of assisted places and scholarships) increased by £1,461,244 (9.3%), and is in line with our plans.

As a response to the pressures faced by parents due to the pandemic, the Governors held the Autumn Term 2021 fees at the same level as the previous academic year, and then implemented a fee increase from 1 January 2021. This resulted in an overall year on year fee increase of 1.9% (King Edward's School) and 1.9% (King Edward VI High School for Girls). Teaching costs (including the staffing costs of the Teachers and Educational Support staff, curriculum expenditure, exam fees etc) across both Schools is the largest area of expenditure for the Foundation and increased during the year by £730,728 to £13,972,803.

Income in the **Fund - Income** rose by 4% to £3,632,782 during the year with rental income continuing to fall.

The **Fund – Capital** received the proceeds from the sale of freehold properties owned by the Foundation and realised a profit of £4,643,442. Following the valuation there was an unrealised net profit of £2,269,159 from the investment property portfolio. In terms of the listed investment portfolio, overall gains of £7,341,474 were secured. In total, overall investment gains in the Fund – Capital amounted to £13,252,329.

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:

	£
Balance at 1 September 2020	146,731,948
Gains on investments and properties	15,521,488
Expenditure (investment costs and depreciation)	(897,720)
Transfers from Other Funds:	
Transfers to Endowment Income Funds:	(3,250,000)
- Amortisation of Sale of Interest in land	(209,536)
- Profit from sale of Investment Properties	4,643,442
	<u>1,183,906</u>
Balance at 31 August 2021	<u>162,539,622</u>

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 DB Scheme liability was as at 31 March 2018 and has been considered by Governors. Since 2012 Governors have made additional contributions as part of a pension recovery plan in 2018/19. During 2020/21 this amounted to £378,240 (2019/20: £367,200)

Governors received the FRS 102 pension report on the Governors' Defined Benefit Pension Scheme which showed a reduction in the pension liability from £6,505,000 to £6,384,000. This reduction is a result of improved performance on our investment returns and a positive inflation experience over the period.

Governors' report

Charity Governance Code

The Foundation has applied the following recommended practice outlined in the Charities Governance Code for larger charities:

1. Organisational purpose - The board is clear about the charity's aims and ensures that these are being delivered effectively and sustainably. This has been further enhanced by a strategic review exercise that took place between January and April 2021. 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.
2. Leadership - 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 plans to introduce 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.
3. 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.
4. Decision-making, risk and 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 of 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 (through the Finance and Investment Committee) and reported to Board.
5. Board effectiveness - The board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions. This will be further enhanced by a revised set of governance arrangements which the Charity plans to introduce 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.
6. Equality, diversity and inclusion - The board's approach to diversity supports its effectiveness, leadership and decision-making. This has been further 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.
7. Openness and accountability - 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.

Risk Management Policy and Systems

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

1. Manage risk in accordance with best practice;
2. Anticipate and respond to changing social, environmental and legislative requirements;
3. Prevent loss, disruption, damage, injury and reduce the cost of risk (thereby maximising resources);
4. Inform policy and operational decisions by identifying risks and their likely impact;
5. Raise awareness of the need for risk management;
6. Integrate risk management into the culture of the Foundation.

Separate risk registers are maintained for the Foundation and each of the two Independent Schools. Periodically, risk registers are presented to and discussed at Foundation Audit Committee meetings.

During 2020/21, the Foundation Office used an education sector-focused risk management system called GRC-ONE, which includes a range of pre-populated core risks and associated threats drawn from the legislative and compliance environment that educational providers operate in. These risks and threats have been amended, deleted or added to in order to create a bespoke risk register for the Foundation. The risks and threats each have a nominated owner from the relevant department within the Foundation Office, and each is assigned a residual (post-mitigation) risk score. The GRC-ONE system includes a wide range of reporting functionality to ensure that staff and Governors can be provided with an appropriate level of information and analysis. During the 2021/22 financial year the Foundation will, in line with recommendations received in a recent internal audit, be augmenting its use of the GRC-ONE system to take advantage of the full range of functionality on offer. This will include an increasing focus on pre-mitigation risk scores, target risk scores, action, controls and associated timescales.

Governors' report

The Foundation's core risks and associated plans and strategies for managing those risks are as follows:

Core Risk	Description	Plans and strategies for managing the risk
The Foundation's operations are poorly managed or ineffective	Poor management can cause organisations to perform poorly or ultimately fail. Poor leadership results in high turnover of employees and low morale and the cost of recruitment and training becomes prohibitive, which can impact a business's ability to continue operations.	The Foundation has recognised the need to enhance capacity and capability in how its operations are managed. Following the creation of Director of Operations and Head of Special Projects posts in 2016/17, additional posts have been recruited to, including a Head of Systems Transformation, an IT Desktop Support Technician, a Head of Procurement and a Collaboration Manager. An organisation-wide performance management process has been introduced to ensure that staff set individual and team objectives, with line management and regular one-to-one arrangements in place to ensure that progress and performance are closely monitored. Several new systems have been introduced (including risk management, HR and finance) to ensure that the Foundation's operations are as effective as possible, and this roll-out of new systems will continue in future years. All major personnel and systems changes are approved and overseen by Governors to ensure that robust business cases and effective implementation plans are in place to fully realise the stated benefits.
There are insufficient funds to deliver the Foundation's services to the appropriate level	Poor management of finances may lead to the budget being overextended in comparison with revenues or contributions received. Without sufficient business reserves it may not be able to absorb consistent losses, and the organisation can fail.	Several actions have been taken to strengthen the management of the Foundation's finances and build on the established finance policies and procedures already in place. The Foundation Finance function has been restructured and strengthened, with a dedicated full time Director of Finance post being created to ensure a strategic approach. Additional financial and management accounting capacity and capability has also been added in recent years. A project to replace the Foundation's Sage 200 finance system with the PS Financials cloud-based system has now been completed. This provides greater functionality and the ability to generate a multitude of financial reports to assist with financial planning, management and budgetary control. The Finance and Investment and Audit Committees continue to oversee the management of the Foundation's finances, reporting regularly to the Foundation Board to ensure that performance and progress are monitored, and risks identified and managed.
The Foundation fails in its compliance responsibilities	Failure to comply with these compliance requirements can have serious consequences for both organisations and individuals. Sanctions can include letters for improvement, fines, prosecution, imprisonment and disqualification from continuing to transact business or practice.	The Foundation has enhanced its capacity and capabilities to ensure that compliance responsibilities are being met. A Risk and Compliance Manager has been appointed, with this individual also acting as the Foundation's Data Protection Officer. Compliance policies have been reviewed and augmented and are available for FO staff to access. The Foundation Board and its Committees consider and review compliance procedures, issues and risks on a regular basis. The GRC-One risk management system has been introduced which provides the Foundation with a set of pre-populated risks based on the legislative and compliance environment in which providers of education operate.
The Foundation suffers from a significant or prolonged governance failure	Poor governance can affect the ability of the organisation to achieve its objectives, manage its finances and operations, meet its compliance responsibilities and protect its reputation.	Governors' conferences provide Foundation Governors with a forum to discuss key issues, including reviewing the effectiveness of current governance arrangements. In 2018/19 a Joint Strategy Committee was introduced covering both the Foundation and the Academy Trust. The Foundation is an ongoing member of the National Governance Association, which provides access to best practice, training and thought leadership.
The Foundation fails to adequately protect its reputation	Risk to reputation is caused by a misalignment of values; the organisation failing in some way to meet stakeholder expectations, delivering significantly below expectation. As reputation is a relational concept this failure can manifest itself in a number of different ways.	The GRC-One risk management system provides an important platform for identifying and managing reputational risks. Actions taken to manage and mitigate reputational risks include: <ul style="list-style-type: none"> • The Foundation has recently introduced greater clarity in relation to its overarching mission, principles and objectives. • Robust governance arrangements are in place and are reviewed on an ongoing basis and amended and enhanced when necessary. • Recent investment in personnel and systems has increased capacity and capability, contributing to the overall effectiveness of the Foundation's operations and providing greater alignment between strategic direction and the operational actions required to deliver this strategy. <p>The Foundation also has a Marketing and Communications team who oversee reputational considerations, and are currently recruiting to an Associate Director of External Relations post to increase strategic focus in this area.</p>

Governors' report

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.

Governors endeavour as a minimum to maintain, in real terms, a constant income in perpetuity and to spend this income upon the charitable objects in the year of receipt or subsequently. This entails holding appropriate reserves. Where the income standards above can be 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 income standards above cannot be met, Governors will seek to reduce expenditure. They seldom envisage spending the capital endowment fund and will do so only in exceptional circumstances (and in line with the total return approach to managing investments).

In short, the Governor's policy is to generate sufficient income to provide support for the Schools and the Foundation Office 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 DB Pension Scheme deficit, additional financial resources will be required.

The Foundation has set a target for annual expenditure to be no more than 3.5% of the value of the endowment. Although the current level of expenditure is above this target, the excess has reduced steadily in the last two years 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 £166,135,542 (2020: £150,553,595), although in practice the Capital Endowment Fund 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 £27,005,374 (2020: £27,678,701).

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 £915,165 (2020: £860,165). 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 £13,154,309 (2020: £12,513,642).

As set out in note 20 there were no capital commitments (2020: £nil) in the year.

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 Covid 19 pandemic, 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 2021 was 16.6% (2020: 12.14%) net of fees, against a composite benchmark of 3.69%.

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 Finance and 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 2020/21 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.

Future Plans

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 Covid 19 global health pandemic.
- Plans for a new Design centre at King Edward VI High School for Girls are well underway, alongside a significant capital maintenance programme at both King Edward's School and King Edward VI High School for Girls to modernise and future proof fundamental infrastructure.
- 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 Northfield School for Girls (formerly Turves Green Girls' School) formally joined the Academy Trust and the Foundation in September 2021 and conversations are ongoing with the Heads of other comprehensive schools that have expressed an initial interest in joining the Academy Trust and Foundation. The most advanced of these conversations is with Lordswood Academies Trust, which comprises Lordswood Girls' School and the Lordswood Sixth Form Centre. Approval has been granted by the West Midlands Advisory Board for Lordswood Academies Trust to transfer into the King Edward VI Academy Trust Birmingham on 1st September 2022.
- 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, developed a Foundation strategy in 2020/21 centred around learning with us, working with us and partnering with us. In December 2021 we appointed a Director of Education who will begin working with us in April 2022 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.
- Implementing revised governance structures is a priority. The creation of the Academy Trust has led to a proliferation of committees and meetings, with many Governors expected to serve on multiple overlapping committees. We will aim to adopt a new structure that streamlines our governance whilst simultaneously providing more strategic oversight of our legal entities and schools.
- 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.

Governors' Report

Schools Information: Independent Schools

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 site 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 with around 880 pupils aged from 11 to 18. The majority of our pupils join at age 11 and continue through until they are 18 but a few boys join us at 13 and into the Sixth Form.

The School has a longstanding tradition of ensuring that a King Edward's education is open to all boys of ability, whatever their family or financial situation. In addition to the £1m each year provided by the King Edward VI Foundation for the provision of places under the Assisted Places Scheme, in recent years over £12m has been raised for this purpose from alumni and other supporters. This drive for accessibility remains central to the School and the long-term aim is for the School to become need-blind.

We are committed to an academically ambitious curriculum, alongside an imaginative and wide-ranging co-curricular programme, in which every individual can find his particular enthusiasm and areas of expertise. Above all, we foster a culture of open-mindedness and kindness, an environment where every boy is known and appreciated, as we support their development from 11-year-old boys to young men, ready to contribute to the world beyond school. Boys enjoy considerable academic success and, as an IB World School, our pupils are prepared for a global future.

The individual boy is paramount and there is a great respect for, and celebration of, variety and difference. Our teaching staff are passionate about their subjects and support each boy to succeed to the best of his abilities, helping him grow and develop in the best way for him.

The School offers a rich and vibrant educational experience and we want boys to come here that not only love to learn but want to take part in all of the opportunities that the School provides. The substantial co-curricular programme and extensive opportunities to participate in sport and the performing arts means that each boy can find something to enrich his life and breed the courage, relationships and resilience that he will need to take on the challenges of the world.

The School's aims

'Our aim is to make available to the widest possible range of able boys an educational experience that is the richest, most diverse, and most exciting possible in an atmosphere that provides support, encouragement and care for everyone, pupils and staff, here. We want our pupils to love coming here and to go from here prepared for all that human life has to offer.'

In order to achieve this aim and to remain true to our historic purpose, the school sets out to be:

- an academic school
- an intellectual school
- a human school
- a local school
- and a global school.

An academic school: we have the highest academic standards and performance, so that we are recognised as the best academic school in the region and a school of national academic reputation.

An intellectual school: this means that success in public examinations is a necessary, but not sufficient, condition for success. The school must encourage the exploration of the world beyond learning and preparation for exams. This involves the generation of curiosity and the provision of a breadth of intellectual experience and the intellectual life is not confined to study in the classroom.

A human school: this means that our education allows boys to develop in physical as well as human terms, to be active and serve others in a variety of ways, to find some things that make life worth living, to form relationships, to understand, respect and care for each other, to be ready for life beyond school and university.

A local and global school: this school is one of the most socially and ethnically diverse independent schools in this country. In such an unusual context, we must want our boys to know their own community, to be involved in their own community and to want to serve it. However, we must also ensure that we use the scale of our links with that wider world through families to alumni to offer our boys a wide experience of the world in which they will live.

2. Review of activities

In 2021 KES was proud to be named The Sunday Times Schools Guide 'West Midlands Independent Secondary School of the Decade'.

a. Academic results

King Edward's School is one of the leading independent schools in the UK and pupils achieve excellent exam results each year.

International Baccalaureate (IB) Diploma results 2021

The 99 boys who sat the IB Diploma in 2021 achieved excellent results, highlights of which include:

- 7 boys gained the maximum 45 points – a score achieved by less than 0.5% of students worldwide
- 20 boys gained 44 or 43 points
- 62% of the cohort scored 40 points or above
- Average points score per pupil of 40.3 (7 points above the world average).

	Average score	40+ points
2021	40.3	62%
2020	39.1	49%
2019	37.9	41%
2018	37.9	46%

Comparing our 2021 Higher Level IB results to equivalent A-level grades provides the following:

Higher Level IB grade	Equivalent A-level grade	% of grades achieved
7	A*	49%
7/6	A*/A	91%
7/6/5	A*/A/B	99%

GCSE results 2021

The 123 boys who took their GCSEs in 2021 produced another set of outstanding results, highlights of which include: 45 boys with 10 or 11 9s/8s

- 66 boys with 9, 10 or 11 9s/8s

Governors' Report

	9/8 (A*)	9/8/7 (A*/A)
2021	73.8%	89.3%
2020	71.7%	88.7%
2019	67.6%	85.4%
2018	64.5%	84.5%

b. Assisted Places

The central aim of King Edward's School is 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 boy can find at least one thing that enlivens and enriches his life. Such activities form a fundamental part of the development of the boys as confident, resilient and independent young men

Sport

We take pride in the breadth of sport we offer; from competitive inter-school competitions to friendlier House events, we aim to make sport accessible for every pupil. Major sports offered include rugby, hockey and cricket, though there are many other options available. The School offers 21 different sports with a vast range of opportunities for boys to take part. There is a very healthy balance struck between breadth of participation and top-level performance – in both teams and individual sports.

Performing arts

The performing arts are central to the lives of many pupils at King Edward's School and there is a wealth of music and drama opportunities for boys to get involved in throughout their time at the School. Drama was inevitably impacted by the pandemic in 2020/21 with no Junior or Senior Production able to take place. However, whilst music was also impacted, the School was able to perform a number of performances, both remotely and in person as restrictions eased.

Clubs and societies

Clubs and societies provide an integral part of school life for our pupils. With around 50 to choose from, including Model United Nations, Lifeguarding and Debating, there is an opportunity for everyone. Clubs and societies were impacted by the pandemic but numerous clubs have continued to operate throughout the periods of lock down and restrictions, utilising Zoom and other similar platforms, and our pupils took the initiative in launching new clubs and societies during this time.

Friday afternoon activities

Friday afternoons are entirely set aside for such activities as the Combined Cadet Force, the Leadership programme and a wide range of Service and Outreach activities such as music and sports coaching and visits to primary schools, care homes, hospitals, animal sanctuaries and organisations supporting refugees. Again the Outreach activities were severely impacted by the pandemic and thus the Friday afternoon involvement in these activities. While the usual face-to-face Friday afternoon programme ceased during lockdown periods, boys continued with charitable service activities: for example, the King Edward's Food Bank was established during this time and the seeds sown for the creation of the King Edward's Home Bank, a joint KES and KEHS initiative.

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. Although a part of school life that was most severely impacted by the pandemic, it was also the area that parents were most keen to see up and running again when lockdowns eased. With great tenacity and determination the school managed to run a programme of UK-based trips including residential camps for Years 7, 8 and 9.

3. Outreach

The KES Outreach Programme aims to engage with children under the age of 11 to raise aspirations by supporting and extending what they are learning in school. It provides a range of free masterclasses, workshops, competitions, concerts and use of our facilities for local primary schools. In a typical year, over 13,000 children from more than 200 schools across Birmingham and the wider region take part in our Outreach Programme each year. While we were unable to visit schools and they were unable to visit us for much of 2020/21, some outreach activities did take place in person including cricket coaching in the summer term. We also held a joint outreach information session with KEHS which looked to reinvigorate interest in the programme in readiness for the start of the 2021/22 academic year.

4. Future Plans

In order to continue to provide an exceptional education that is rich and varied where boys excel academically and develop the qualities to succeed, the School has ambitious plans for the future.

Plans for 2020/21 include:

- Ongoing developments to the curriculum to ensure that KES remains at the forefront of academic excellence
- Engagement with the 2022 Commonwealth Games; KES has been selected as the rhythmic gymnastics, discus and hammer training venue for the Games and the School will facilitate further engagement opportunities for KES pupils and other schools through outreach
- Continued development of the Outreach programme.
- Reinvigoration of the Assisted Places fundraising.
- Continued improvements to the fabric of the buildings and longer-term planning for the development of the facilities on the site – including a Master-planning exercise.
- Collaborating closely with King Edward VI High School for Girls (KEHS) on all of the above and, together, developing common threads with the Foundation Strategy, so that we build on our unique position locally and nationally.

Governors' report

King Edward VI High School for Girls, Birmingham

1. Aims and ethos

King Edward VI High School for Girls has roots dating back over 600 years to the Gild of the Holy Cross, but it was not until much later, in 1864, that the new liberal-controlled town council recommended the creation of an upper school for girls, a boys' high school and a boys' middle school. Founded in 1883 on the New Street site, where King Edward's School was already based, King Edward VI High School for Girls encouraged students to go from elementary school through grammar school and high school to university. In 1931, it was decided that the two schools needed a new site and only the Calthorpe Estate could offer sufficient space within reach of the city centre. The Foundation Stone was laid in the autumn of 1938. Today, King Edward VI High School for Girls is a wonderful blend of tradition and innovation with its beautiful library, and the Sir Paul and Lady Ruddock Performing Arts Centre, which is shared with KES. The emphasis on liberal learning, established by the first Headmistress, continues today, in a broad and balanced academic curriculum, which promotes intellectual freedom and discovery, coupled with a wider range of extra-curricular activities, and outstanding facilities for sport, music, drama and art.

School aims

KEHS is a school synonymous with intellectual ambition. With a mission to offer an unrivalled education to the brightest girls in the region, 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.

2. Review of activities

The Sunday Times recently rated KEHS number one in the Midland's Top 10 Independent Schools for our outstanding education.

At A Level: 51.5% of grades at A* and 84% at A*/A.
GCSE Results: 96% grades at 9-7 or A*/A equivalent, 49% of the year achieved at least eight grade 9's and 21 girls secured grade 9 in all subjects.

a. Academic results

GCSE	Year	9/8 (A*)	9/8/7 (A*/A)
	2021	87.3	96.4
	2020	85.7	94.5
	2019	82.5	93.2
	2018	80.7	92.8

A Level	Year	A*	A*-B
	2021	51.5	96.9
	2020	48.4	98.7
	2019	36	95.5
	2018	32.9	91

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. Extra-curricular activities

At KEHS, we believe extra-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 over 70 clubs and societies per week for girls to sample exciting experiences from Martial Arts, Ultimate Frisbee and Football Club to Philosophy Society, Schools' Challenge quizzing, Code Club, Gardening Club and Spoken Word. Increasing numbers of students help to run existing clubs or even start their own, to share their interests, develop their leadership skills and become role models within the school community. Along with Drama and Music clubs, many other societies are run jointly with KES including Christian Union, Law Society, Physics Society and MedSoc.

Taking part in these activities, which are usually held at lunchtimes or after school, also helps girls build a wide range of friendships up and down the school, boosting their confidence and social skills. A growing body of research shows the benefits of extra-curricular experiences in developing teamwork, time management and resilience and providing crucial relief from the pressures of the modern world.

We invite numerous speakers, theatre groups, writers, artists, musicians and other guests into school each year to inspire students and broaden their experience. During 2020/21 speakers continued to play a significant part in the co-curricular life of the School and the use of Zoom has made this accessible to more girls and has allowed even more speakers to engage with the school including author Lewis Dartnell, the BBC's Political Correspondent Laura Kuenssberg and celebrity entrepreneur Tru Powell.

Whilst the pandemic had significant impacts on some of the aspects of co-curricular activities at the School, for example we were unable to have a Junior or Senior Production during the year, KEHS has managed to continue with the vast majority of its clubs and societies either operating via Zoom or in person as restrictions began to ease later in the academic year.

Governors' report

Despite the pandemic the school continued to participate in the Duke of Edinburgh scheme. In 2020/21 figures attaining awards were as follows:

Full award: 9 bronze, 5 gold, 4 silver. Certificate of Achievement: 16 bronze, 7 silver and 4 gold. Participants also completed 975 hours of volunteering.

3. Outreach

The KEHS Outreach Programme engages with primary school children in and around Birmingham.

One of our school aims is to make a difference to our community and beyond, and the outreach programme is an important way in which we seek to do this. The programme aims to support primary teachers in raising aspirations, by offering free activities and access to our facilities to complement and extend what children are doing in school.

Whilst our usual outreach activities were severely curtailed by the pandemic, we used the time to survey primary schools about how we could support them through outreach going forwards and ran a joint outreach information session with KES to reinvigorate interest in the programme. Our PE department, which produced care packages for our own pupils during lockdown were also able to distribute them to primary schools thanks to donations from our parents.

Our nationally-recognised TuneUp programme is also part of our outreach activities. TuneUp aims to enable as many young people as possible to participate in uplifting arts activities. It went global during November 2020 when more than 110,000 pupils around the world took part in an online event to mark TuneUp Tuesday, and it was shortlisted in the Community Outreach category at the Independent Schools of the Year 2021 Awards.

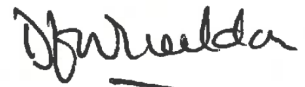
4. Future Plans

The years 2021 - 2023 will see us focusing on strengthening the distinctive hallmarks of a KEHS education by:

- Developing our curriculum and resources to the benefit of our students and staff, focusing on academic excellence, co-curricular distinction, and developing character and leadership
- Exploring how we can shape our approach to learning to ensure that students thrive and are prepared for the opportunities and challenges of their future lives
- Developing our site and facilities and maximising the opportunities of our fabulous spaces – including a project to refurbish and extend the existing Art Block to create a new Design Centre, incorporating space for Design Technology and Computing
- Progressing a drive for people in the community, from current students, alumnae and parents to local influencers, to advance the school
- Collaborating closely with King Edward's School (KES) on all of the above and, together, developing common threads with the Foundation Strategy, so that we build on our unique position locally and nationally.



Prof H Thomas
Chair



Mr D Wheeldon
Bailliff

Statement of Financial Activities For the Year ended 31 August 2021

	Note	Unrestricted Funds			Fund Capital	Permanent & Expendable Endowment Fund	Restricted Fund	Total Funds Year 2021	Total Funds Year 2020
		Schools Fund	Designated Fund	Fund Income					
		£	£	£	£	£	£	£	
INCOME AND ENDOWMENTS FROM:									
Donations and legacies		-	-	-	-	-	795	795	2,000,565
Charitable activities									
Fees receivable	3	17,122,071	-	-	-	-	-	17,122,071	15,660,827
Ancillary trading income									
Catering income		551,741	-	-	-	-	-	551,741	692,129
Extra-curricular activities		284,445	-	-	-	-	-	284,445	529,223
Registration fees		32,138	-	-	-	-	-	32,138	36,836
Other ancillary income		60,739	-	-	-	-	-	60,739	105,706
Non-ancillary trading income									
Lettings		56,023	-	-	-	-	-	56,023	127,182
Investments									
Rental income		-	-	1,864,911	-	105	-	1,865,016	1,946,676
Investment income		-	-	1,040,939	-	40,880	26,680	1,108,499	1,084,883
Bank and other interest		10	-	961	-	202	85	1,258	40,236
Other income		<u>149,020</u>	<u>-</u>	<u>725,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>874,991</u>	<u>1,413,105</u>
Total		<u>18,256,187</u>	<u>-</u>	<u>3,632,782</u>	<u>-</u>	<u>41,187</u>	<u>27,560</u>	<u>21,957,716</u>	<u>23,637,368</u>
Expenditure on:									
Raising funds									
Investment management		-	-	183,894	183,894	-	-	367,788	382,316
Estate management		<u>-</u>	<u>-</u>	<u>207,711</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,711</u>	<u>287,262</u>
		<u>-</u>	<u>-</u>	<u>391,605</u>	<u>183,894</u>	<u>-</u>	<u>-</u>	<u>575,499</u>	<u>669,578</u>
Charitable activities									
Education		20,776,241	-	2,409,756	713,826	101,912	11,152	24,012,887	22,752,639
Grant-making		<u>67,152</u>	<u>-</u>	<u>1,898,478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,965,630</u>	<u>1,135,959</u>
		<u>20,843,393</u>	<u>-</u>	<u>4,308,234</u>	<u>713,826</u>	<u>101,912</u>	<u>11,152</u>	<u>25,978,517</u>	<u>23,888,598</u>
Total	4	<u>20,843,393</u>	<u>-</u>	<u>4,699,839</u>	<u>897,720</u>	<u>101,912</u>	<u>11,152</u>	<u>26,554,016</u>	<u>24,558,176</u>
Net income/(expenditure) before gains and losses		<u>(2,587,206)</u>	<u>-</u>	<u>(1,067,057)</u>	<u>(897,720)</u>	<u>(60,725)</u>	<u>16,408</u>	<u>(4,596,300)</u>	<u>(920,808)</u>
Net gains on investments		-	-	-	13,252,329	431,426	253,558	13,937,313	9,842,771
Net gains/(losses) on investment properties		<u>-</u>	<u>-</u>	<u>-</u>	<u>6,912,601</u>	<u>-</u>	<u>-</u>	<u>6,912,601</u>	<u>7,706,084</u>
Net (Expenditure)/Income		<u>(2,587,206)</u>	<u>-</u>	<u>(1,067,057)</u>	<u>19,267,210</u>	<u>370,701</u>	<u>269,966</u>	<u>16,253,614</u>	<u>16,628,047</u>
Transfers between funds	17	2,598,747	55,000	805,789	(3,459,536)	-	-	-	-
Actuarial gains on defined benefit pension	22	<u>-</u>	<u>-</u>	<u>(31,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,000)</u>	<u>(89,000)</u>
Net Movement in Funds		<u>(11,541)</u>	<u>55,000</u>	<u>(292,268)</u>	<u>15,807,674</u>	<u>370,701</u>	<u>269,966</u>	<u>16,222,614</u>	<u>16,539,047</u>
Reconciliation of funds									
Fund balances at 1 September 2020		<u>2,655,932</u>	<u>860,165</u>	<u>305,550</u>	<u>146,731,948</u>	<u>10,361,766</u>	<u>2,151,876</u>	<u>163,067,237</u>	<u>146,528,190</u>
Fund balances at 31 August 2021		<u>2,667,473</u>	<u>915,165</u>	<u>13,282</u>	<u>162,539,622</u>	<u>10,732,467</u>	<u>2,421,842</u>	<u>179,289,851</u>	<u>163,067,237</u>

All activities arise from continuing operations

Balance Sheet

At 31 August 2021

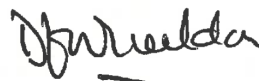
	Note	£	31 August 2021 £	£	31 August 2020 £
Fixed Assets					
Intangible assets	6		167,609		178,509
Tangible assets	6		27,005,374		27,678,701
Investment property	7		47,717,137		51,853,872
Investments	8		<u>101,052,910</u>		<u>89,997,228</u>
			175,943,030		169,708,310
Current Assets					
Debtors	9	850,884		1,604,001	
Short term deposits		850,120		149,845	
Cash at bank and in hand		<u>14,449,232</u>		<u>7,311,999</u>	
			16,150,236	9,065,845	
Liabilities					
Creditors: amount falling due within one year	10	<u>(5,341,759)</u>		<u>(8,116,756)</u>	
Net Current Assets			<u>10,808,477</u>		<u>949,089</u>
Total Net Assets less current liabilities			186,751,507		170,657,399
Creditors: Amounts falling due after more than one year	10		<u>(1,077,656)</u>		<u>(1,085,162)</u>
Total Net Assets before pension deficit			185,673,851		169,572,237
Pension scheme funding deficit	22		<u>(6,384,000)</u>		<u>(6,505,000)</u>
Net Assets			<u>179,289,851</u>		<u>163,067,237</u>
Represented by:					
Unrestricted funds					
Designated fund	12		915,165		860,165
Schools' fund	13		2,667,473		2,655,932
Fund – Income		6,397,282		6,810,550	
Less FRS 102 Pension Deficit	22	<u>(6,384,000)</u>		<u>(6,505,000)</u>	
	14		<u>13,282</u>		<u>305,550</u>
			3,595,920		3,821,647
Permanent and Expendable Endowment fund	15		10,732,467		10,361,766
Fund – Capital	14		162,539,622		146,731,948
Restricted fund	16		<u>2,421,842</u>		<u>2,151,876</u>
Total Funds	11		<u>179,289,851</u>		<u>163,067,237</u>

The financial statements on pages 19 to 45 were approved by the Board on 23rd March 2022, and authorised for issue on its behalf by:

Prof H Thomas
Chair



Mr D Wheeldon
Bailliff



Statement of Cash Flows

For the Year ended 31 August 2021

	31 August 2021 £	31 August 2020 £
Cashflow from operating activities		
Net cash utilised by operating activities	<u>(7,828,871)</u>	<u>(3,356,254)</u>
Cash flows from investing activities		
Interest received	1,258	40,236
Rent received from investment properties	1,865,016	1,946,676
Proceeds from the sale of investment properties	18,299,336	2,313,491
Payments to acquire tangible fixed assets	(130,862)	(511,392)
Sale of investments in shares	31,989,094	21,711,643
Purchase of investments in shares	(27,384,997)	(21,754,214)
Purchase of investment properties	(7,250,000)	-
Movement in cash awaiting investment in shares	<u>(1,722,466)</u>	<u>407,059</u>
Net Cash provided by investing activities	<u>15,666,379</u>	<u>4,153,499</u>
Change in cash and cash equivalents in the reporting period	7,837,508	797,245
Cash and cash equivalents at the start of the period	<u>7,461,844</u>	<u>6,664,599</u>
Cash and cash equivalents at the end of the period	<u>15,299,352</u>	<u>7,461,844</u>
Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting period	16,253,614	16,628,047
Adjustment for:		
Net gains on investments	(20,849,914)	(17,548,855)
Depreciation of tangible fixed assets	815,089	796,740
Retirement Benefits Scheme costs less contributions paid	(152,000)	(121,000)
Interest received	(1,258)	(40,236)
Rent received from investment property	(1,865,016)	(1,946,676)
Decrease/(increase) in debtors	753,117	(107,052)
Increase/ (decrease) in creditors	<u>(2,782,503)</u>	<u>(1,017,222)</u>
Net cash (outflow) from operating activities	<u>(7,828,871)</u>	<u>(3,356,254)</u>
Analysis of cash and cash equivalents		
Cash in hand	14,449,232	7,311,999
Short term deposits	<u>850,120</u>	<u>149,845</u>
Total cash and cash equivalents	<u>15,299,352</u>	<u>7,461,844</u>

Notes to the Accounts

1 - Statement of Accounting Policies

Accounting policies

The Schools of King Edward VI in Birmingham (the "Foundation") is a charitable trust. The address of its registered office and principal place of business is given on page 4 and the nature of its operations are set out in the trustees' report.

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

Basis of accounting

The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2015 (Charities SORP FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Foundation meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Foundation.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the accounting policy.

Monetary amounts shown in these financial statements are rounded to the nearest £1.

Income recognition

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.

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.

Expenditure recognition

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.

Operating lease costs are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Intangible fixed assets

Intangible fixed assets are depreciated on a straight line basis over their useful economic life, and charged to the Endowment – Capital Fund

Software – this relates to the new finance system (PS Financials Cloud software) which we expect to have in use for at least five years.

Tangible fixed assets

Land, buildings, equipment and donated assets are capitalised as tangible fixed assets at historic cost, and accounted for in the Endowment Fund - Capital. Assets with a cost below £20,000 are not capitalised.

No depreciation is provided on freehold land, but other assets are depreciated on a straight line basis over their useful economic life, and charged to the Endowment – Capital Fund or Permanent & Expendable Endowment Fund.

Buildings - new 50 years

Buildings - refurbished: 10 years

Plant & Equipment - 10 years

Vehicles - 5 years

Leasehold property - Length of lease

Assets in the course of construction are transferred to the above categories on completion and depreciated from the date the asset comes into use.

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 Accounts

1 - Statement of Accounting Policies (continued)

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date stated at closing mid-market value. Any realised and unrealised gains and losses on revaluation or disposals are combined in the statement of financial activities.

The Charity does not acquire put options, derivatives or other complex financial instruments.

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.

Impairments

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. All impairment losses are recognised in the Statement of Financial Activities.

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 and bank balances

Cash and bank balances includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition.

Trade creditors and other liabilities

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.

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.

Pension schemes

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.

Funds

Schools' Fund - An unrestricted fund which comprises the surpluses arising from the activities of the two Independent Schools - King Edward's School, and King Edward VI High School for Girls.

Designated Fund - The Governors exercise their discretion to make provision for future expenditure on specific projects of a non-recurring nature from which the Designated Fund is constituted.

Endowment Fund - This fund is used at the discretion of the Governors in furtherance of the objectives of the Foundation.

The fund comprises two elements. Capital, being the accumulation of capital gains derived from its investments, and Income, being the surplus arising from the income generated by its investments, after deduction of management costs and grant distributions to the schools.

On an annual basis, and in line with levels of realised and unrealised capital growth in the Endowment Fund Capital the Governors will approve a transfer if necessary to maintain a surplus balance on the Endowment fund Income. The fund is not restricted as a permanent endowment.

Government Grants

Government grants are credited to the consolidated statement of financial activities as the related expenditure is incurred at School level.

Notes to the Accounts

1 - Statement of Accounting Policies (*continued*)

Expendable Endowment Fund - The fund has been established by the receipt of donated funds and has been used by Governors to part-finance the construction of a Performing Arts Centre for the benefit of King Edward VI High School for Girls and King Edward's School and for a new classroom block in King Edward's School.

Restricted Fund - This fund is a consolidation of a number of individual funds, all of which have restrictions placed on them regarding the expending of capital and/or income.

The policy on the fund's reserves can be found in the Governors' Report.

Operating Leases

Lessor - Rental income from operating leases is credited to the Statement of Financial Activities on a straight-line basis over the term of the relevant lease. Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

Lessee - Rental paid under operating leases are charged to the Statement of Financial Activities on a straight - line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Critical Accounting Estimates and Areas of Judgement

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

All significant estimates and assumptions are included in the relevant accounting policy.

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 21, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2018 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The 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.

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. Further information is disclosed in note 7. Other property transactions, such as lease incentives are treated in accordance with the relevant accounting policy.

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.

During the year, the Coronavirus pandemic has caused significant strains on businesses. The Charity 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 Charity 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.

Notes to the Accounts

2 - Comparative information - Statement of Financial Activities

	Note	Schools Fund	Unrestricted Funds Designated Fund	Fund Income	Fund Capital	Permanent & Expendable Endowment Fund	Restricted Fund	Total Funds
		£	£	£	£	£	£	£
INCOME AND								
ENDOWMENTS FROM:								
Donations and legacies		-	-	-	-	-	2,000,565	2,000,565
Charitable activities								
Fees receivable	3	15,660,827	-	-	-	-	-	15,660,827
Ancillary trading income								
Catering income		692,129	-	-	-	-	-	692,129
Extra-curricular activities		529,223	-	-	-	-	-	529,223
Registration fees		36,836	-	-	-	-	-	36,836
Other ancillary income		105,706	-	-	-	-	-	105,706
Non-ancillary trading income								
Lettings		127,182	-	-	-	-	-	127,182
Investments								
Rental income		-	-	1,946,571	-	105	-	1,946,676
Investment income		-	-	981,234	-	65,306	38,343	1,084,883
Bank and other interest		2,202	-	37,214	-	521	299	40,236
Other income		<u>895,645</u>	-	<u>517,460</u>	-	-	-	<u>1,413,105</u>
Total		<u>18,049,750</u>	-	<u>3,482,479</u>	-	<u>65,932</u>	<u>2,039,207</u>	<u>23,637,368</u>
Expenditure on:								
Raising funds								
Investment management		-	-	191,158	191,158	-	-	382,316
Estate management		-	-	<u>287,262</u>	-	-	-	<u>287,262</u>
		-	-	<u>478,420</u>	<u>191,158</u>	-	-	<u>669,578</u>
Charitable activities								
Education		19,566,754	9,576	2,252,026	695,478	106,878	121,927	22,752,639
Grant-making		<u>12,784</u>	-	<u>1,123,175</u>	-	-	-	<u>1,135,959</u>
		<u>19,579,538</u>	<u>9,576</u>	<u>3,375,201</u>	<u>695,478</u>	<u>106,878</u>	<u>121,927</u>	<u>23,888,598</u>
Total	4	<u>19,579,538</u>	<u>9,576</u>	<u>3,853,621</u>	<u>886,636</u>	<u>106,878</u>	<u>121,927</u>	<u>24,558,176</u>
Net income /(expenditure) before gains and losses		<u>(1,529,788)</u>	<u>(9,576)</u>	<u>(371,142)</u>	<u>(886,636)</u>	<u>(40,946)</u>	<u>1,917,280</u>	<u>(920,808)</u>
Net gains on investments		-	-	-	9,744,080	62,051	36,640	9,842,771
Net gains/(losses) on investment properties		-	-	-	<u>7,706,084</u>	-	-	<u>7,706,084</u>
Net (Expenditure)/Income		<u>(1,529,788)</u>	<u>(9,576)</u>	<u>(371,142)</u>	<u>16,563,528</u>	<u>21,105</u>	<u>1,953,920</u>	<u>16,628,047</u>
Transfers between funds	17	2,563,124	60,000	(100,096)	(1,023,028)	-	(1,500,000)	-
Actuarial gains on defined benefit pension	21	-	-	<u>(89,000)</u>	-	-	-	<u>(89,000)</u>
Net Movement in Funds		<u>1,033,336</u>	<u>50,424</u>	<u>(560,238)</u>	<u>15,540,500</u>	<u>21,105</u>	<u>453,920</u>	<u>16,539,047</u>
Reconciliation of funds								
Fund balances at 1 September 2019		<u>1,622,596</u>	<u>809,741</u>	<u>865,788</u>	<u>131,191,448</u>	<u>10,340,661</u>	<u>1,697,956</u>	<u>146,528,190</u>
Fund balances at 1 September 2020		<u>2,655,932</u>	<u>860,165</u>	<u>305,550</u>	<u>146,731,948</u>	<u>10,361,766</u>	<u>2,151,876</u>	<u>163,067,237</u>

Notes to the Accounts

3 - Fees Receivable

	2021 £	2020 £
Fees receivable comprise:		
Gross school fees (net of bad debts)	20,703,129	19,317,856
Less:		
Governors' Assisted Places Scheme	(2,424,585)	(2,487,194)
Scholarships, Remission & Staff	<u>(1,156,473)</u>	<u>(1,169,835)</u>
Concessions		
	<u>17,122,071</u>	<u>15,660,827</u>

Scholarships, bursaries and other awards were made to 507 pupils (2020: 573). Within this means tested bursaries totalling £2,424,585 were paid to 263 pupils (2020: £2,487,194 to 238 pupils).

4 – Analysis of total expenditure

(a) Total expenditure

	Staff cost	Depreciation	Other	Total 2021	Total 2020
Costs of generating funds					
Investment management	-	-	367,788	367,788	382,316
Estates management	<u>-</u>	<u>-</u>	<u>207,711</u>	<u>207,711</u>	<u>287,262</u>
Total costs of generating funds	<u>-</u>	<u>-</u>	<u>575,499</u>	<u>575,499</u>	<u>669,578</u>
Charitable expenditure					
Education and grant making					
Teaching	10,985,366	-	2,987,437	13,972,803	13,242,075
Welfare	532,101	-	85,350	617,451	306,144
Premises	963,051	815,089	3,027,453	4,805,593	4,134,450
Support costs and governance	3,636,186	-	(31,299)	3,604,887	3,909,768
Donated services to Academies	998,478	-	-	998,478	1,121,225
Grants, awards and prizes	<u>-</u>	<u>-</u>	<u>13,675</u>	<u>13,675</u>	<u>38,977</u>
	<u>17,115,182</u>	<u>815,089</u>	<u>6,082,616</u>	<u>24,012,887</u>	<u>22,752,639</u>
Grant making					
Capital grants to Academies			67,152	67,152	12,784
Other	<u>-</u>	<u>-</u>	<u>1,898,478</u>	<u>1,898,478</u>	<u>1,123,175</u>
	<u>-</u>	<u>-</u>	<u>1,965,630</u>	<u>1,965,630</u>	<u>1,135,959</u>
Total charitable expenditure	<u>17,115,181</u>	<u>815,090</u>	<u>8,048,246</u>	<u>25,978,517</u>	<u>23,888,598</u>
Total expended	<u>17,115,181</u>	<u>815,090</u>	<u>8,623,745</u>	<u>26,554,016</u>	<u>24,558,176</u>

(b) Governance included in support costs

	2021 £	2020 £
Remuneration paid to auditor for auditor services	42,200	30,345
Remuneration paid to auditor for other services	13,272	20,798
Reimbursement of expenses to Governors	<u>-</u>	<u>-</u>
	<u>55,472</u>	<u>51,143</u>

Travel expenses were paid to 0 (2020:0) Governors during the year.

Notes to the Accounts

5 – Staff costs

	Year 2021 £	Year 2020 £
Staff costs for the year are:		
Wages and salaries	13,486,058	13,015,702
Social security costs	1,383,908	1,325,644
Pension contributions – defined benefits	1,971,887	1,982,606
defined contribution	272,105	168,958
Pension payments to former staff	<u>1,224</u>	<u>1,285</u>
	<u>17,115,182</u>	<u>16,494,195</u>

	2021 No.	2020 No.
The emoluments (excluding employer pension contributions) of full-time employees earning over £60,000 fell within the following bands:		
£60,001 - £70,000	6	7
£70,001 - £80,000	6	6
£80,001 - £90,000	1	-
£90,001 - £100,000	1	2
£100,001 - £110,000	-	-
£110,001 - £120,000	1	-
£130,001 - £140,000	1	-
£160,001 - £170,000	1	-
£170,001 - £180,000	-	-
£180,001 - £190,000	-	1
£190,001 - £200,000	-	1
£200,001 - £210,000	-	-
£230,001 - £240,000	1	1

The total employee benefit including pension contributions payable to key management personnel of the charity was £878,977 (2020: £1,041,733).

Average head count (number of staff employed by the Charity) was as follows:

	Year 2021	Year 2020
Teaching	187	187
Education support	51	60
Maintenance, cleaning, catering and grounds	81	83
Administration	<u>81</u>	<u>77</u>
	<u>400</u>	<u>407</u>

During the year there were five settlement agreement payments made in the sum of £109,117 (2020: £13,047 - two) which is included in staff costs. There were no payments outstanding at the year-end.

Notes to the Accounts

6 – Intangible and Tangible fixed assets

	Intangible Assets	Freehold Sites	Buildings	Course of Construction	Plant and Equipment	Total
		£	£	£	£	£
Cost at 1 September 2020	223,066	578,543	38,566,095	249,313	494,712	40,111,729
Additions	56,282	-	-	74,580	-	130,862
Transfers	-	-	-	-	-	-
At 31 August 2021	279,348	578,543	38,566,095	323,893	494,712	40,242,591
Depreciation at 1 September 2020	44,557	-	11,817,160	-	392,802	12,254,519
Charge for the year	67,182	-	727,168	-	20,739	815,089
At 31 August 2021	111,739	-	12,544,328	-	413,541	13,069,608
Net book values						
At 31 August 2021	167,609	578,543	26,021,767	323,893	81,171	27,172,983
Net book values						
At 31 August 2020	178,509	578,543	26,748,935	249,313	101,910	27,857,210

7 - Investment property

Governors have agreed that a Royal Institution of Chartered Surveyors (RICS) Red Book valuation will be carried out at least every five years, with Annual Asset Valuations in interim years, prepared in accordance with the RICS Valuation – Global Standards Effective from 31 January 2020 and the UK National Standards, and complying with Financial Reporting Standard 102 (UK Generally Accepted Accounting Practice) and the Charities SORP (Statements of Recommended Practice). An Annual Asset Valuation was carried out at 31 August 2021 by Avison Young, acting as the Property Advisors to the Governors, with the investment portfolio valued at £47,717,137, based on open market value. The valuation was carried out in accordance with the guidelines set out by the RICS.

	31 August 2021 £	31 August 2020 £
Market value at 1 September	51,853,872	46,461,279
Additions at cost	7,250,000	-
Unrealised Gain	2,269,159	6,574,192
Realised Gain	4,643,442	1,131,892
Disposals of property during the year	<u>(18,299,336)</u>	<u>(2,313,491)</u>
Market value at 31 August	<u>47,717,137</u>	<u>51,853,872</u>

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.

Notes to the Accounts

8 - Listed investments

Barclays Wealth is responsible for the day to day management of the listed investment portfolio.

Market Value	Shares	Cash	2021	2020
			£	£
Market value at 1 September	<u>89,923,272</u>	<u>73,956</u>	<u>89,997,228</u>	<u>80,518,945</u>
Net income/(outgoings)		(381,632)	(381,632)	(364,488)
Additions at cost	27,384,996	(27,384,996)	-	21,754,214
Disposals	(31,989,094)	29,489,094	(2,500,000)	(19,394,178)
Realised Gains	7,637,739		7,637,739	2,317,638
Unrealised gains on revaluation at 31 August 2021	6,299,575		6,299,575	5,165,097
Market value at 31 August	<u>99,256,488</u>	<u>1,796,422</u>	<u>101,052,910</u>	<u>89,997,228</u>

Analysis of capital and income By type of investment

	Capital	
	Market Value as at 31 August 21	Market Value as at 31 August 20
	£	£
United Kingdom		
Fixed Interest	14,551,531	11,661,476
Equities	<u>3,282,342</u>	<u>3,223,854</u>
	17,833,873	14,885,330
Overseas Equities	57,301,124	48,606,956
Overseas Bonds	9,820,518	6,810,264
Global Fund	1,449,279	4,583,723
Commodities	4,551,790	3,812,531
Hedge Funds	<u>8,299,904</u>	<u>11,224,468</u>
Sub total	99,256,488	89,923,272
Cash at bank awaiting Investment	<u>1,796,422</u>	<u>73,956</u>
Total investments at market value	<u>101,052,910</u>	<u>89,997,228</u>
Total investments (excl. cash) at cost	<u>64,051,168</u>	<u>62,962,891</u>

Notes to the Accounts

9 – Debtors

	31 August 2021 £	31 August 2020 £
Fees net of provision	334,437	379,476
Rents	148,839	622,201
Prepayments and accrued income	<u>367,608</u>	<u>602,324</u>
	<u>850,884</u>	<u>1,604,001</u>

10 - Creditors: amounts falling due within one year

	31 August 2021 £	31 August 2020 £
Trade creditors	927,422	870,805
Other creditors	306,851	320,239
Accruals and deferred income	1,831,460	2,407,462
Pupil Education Deposits	584,913	529,003
Pensions	262,272	243,728
Taxation and Social Security	1,428,841	706,364
Grant due to King Edward VI Academy Trust, Birmingham	-	<u>3,039,155</u>
	<u>5,341,759</u>	<u>8,116,756</u>

	31 August 2021 £	31 August 2020 £
Amounts falling due within more than one year:		
Deferred Income	<u>1,077,656</u>	<u>1,085,162</u>

	31 August 2021 £	31 August 2020 £
Deferred Income		
Deferred Income at 1 September	1,805,153	1,452,933
Resources deferred in the year	895,384	1,805,153
Amounts released from previous years	<u>(1,805,153)</u>	<u>(1,452,933)</u>
Deferred Income at 31 August	<u>895,384</u>	<u>1,805,153</u>

Amounts deferred at 31 August 2021 relate to fees received in advance of £528,976 (2020: £542,139), rents received in advance of £124,968 (2020: £513,872), trip income received in advance from parents of £241,441 (2020: £220,042) and upfront lease receipts of £1,085,161 (2020: £1,092,666) which are being released over the life of the lease of 150 years.

Notes to the Accounts

11 - Analysis of net assets between funds

	Schools	Designated	Endowment Income/Capital	Permanent and Expendable Endowment	Restricted	Total 31 August 2021
	£	£	£	£	£	£
Intangible fixed assets	-	-	167,609	-	-	167,609
Tangible fixed assets	-	-	19,909,098	7,096,276	-	27,005,374
Investment property	-	-	47,541,237	175,900	-	47,717,137
Investments	-	-	100,618,224	-	434,686	101,052,910
Net current assets	2,667,473	915,165	1,778,392	3,460,291	1,987,156	10,808,477
Long term creditors	-	-	(1,077,656)	-	-	(1,077,656)
Pension Scheme funding deficit	-	-	(6,384,000)	-	-	(6,384,000)
	<u>2,667,473</u>	<u>915,165</u>	<u>162,552,904</u>	<u>10,732,467</u>	<u>2,421,842</u>	<u>179,289,851</u>

	Schools	Designated	Endowment Income/Capital	Permanent and Expendable Endowment	Restricted	Total 31 August 2020
	£	£	£	£	£	£
Intangible fixed assets	-	-	178,509	-	-	178,509
Tangible fixed assets	-	-	20,481,164	7,197,537	-	27,678,701
Investment property	-	-	51,677,972	175,900	-	51,853,872
Investments	-	-	85,171,807	3,175,840	1,649,581	89,997,228
Net current assets	2,655,932	860,165	(2,881,792)	(187,511)	502,295	949,089
Long term creditors	-	-	(1,085,162)	-	-	(1,085,162)
Pension Scheme funding deficit	-	-	(6,505,000)	-	-	(6,505,000)
	<u>2,655,932</u>	<u>860,165</u>	<u>147,037,498</u>	<u>10,361,766</u>	<u>2,151,876</u>	<u>163,067,237</u>

12 - Designated fund

	2021 £	2020 £
Balance at 1 September	860,165	809,741
Transfer of Funds designated for specific purposes:		
Schools – Minor works (note 17)	55,000	60,000
Funds paid or payable during the year:		
All-weather pitches expenditure	-	(9,576)
Balance at 31 August	<u>915,165</u>	<u>860,165</u>

The balance in the Designated Fund at 31 August 2021 includes £579,057 (2020: £524,057) designated for School minor works; £259,083 (2020: £259,083) designated to support the Schools in Widening Accessibility and £77,025 (2020: £77,025) as an equipment and furniture replacement fund for the Performing Arts Centre.

Notes to the Accounts

13 - Schools' fund

	King Edward's School		King Edward VI High School for Girls		Total	Total
	Year 2021 £	Year 2020 £	Year 2021 £	Year 2020 £	Year 2021 £	Year 2020 £
Balance at 1 September	<u>1,071,878</u>	<u>461,584</u>	<u>1,584,054</u>	<u>1,161,012</u>	<u>2,655,932</u>	<u>1,622,596</u>
Income	11,042,991	11,113,445	7,213,195	6,936,295	18,256,186	18,049,750
Expenditure	<u>(12,120,966)</u>	<u>(11,880,095)</u>	<u>(8,722,426)</u>	<u>(7,699,443)</u>	<u>(20,843,392)</u>	<u>(19,579,538)</u>
Net resources	<u>(1,077,975)</u>	<u>(766,640)</u>	<u>(1,509,231)</u>	<u>(763,148)</u>	<u>(2,587,206)</u>	<u>(1,529,788)</u>
Transfers between funds (note 17):						
Grants from the Foundation	1,519,434	1,519,434	1,226,190	1,226,190	2,745,624	2,745,624
Interest to the Foundation	(91,877)	(122,500)			(91,877)	(122,500)
To designated fund – as per note 12	<u>(20,000)</u>	<u>(20,000)</u>	<u>(35,000)</u>	<u>(40,000)</u>	<u>(55,000)</u>	<u>(60,000)</u>
Total transfers	<u>1,407,557</u>	<u>1,376,934</u>	<u>1,191,190</u>	<u>1,186,190</u>	<u>2,598,747</u>	<u>2,563,124</u>
Net movement	329,582	610,294	(318,041)	423,042	11,541	1,033,336
Balance at 31 August	<u>1,401,460</u>	<u>1,071,878</u>	<u>1,266,013</u>	<u>1,584,054</u>	<u>2,667,473</u>	<u>2,655,932</u>

Notes to the Accounts

14 - Endowment fund

	Income £	Capital £	Total 2021 £
Balance at 1 September 2020	<u>305,550</u>	<u>146,731,948</u>	<u>147,037,498</u>
Income	3,632,782	-	3,632,782
Expenditure	<u>(4,699,839)</u>	<u>(897,720)</u>	<u>(5,597,559)</u>
	<u>(1,067,057)</u>	<u>(897,720)</u>	<u>(1,964,777)</u>
Transfers:			
between other funds	(2,653,747)	-	(2,653,747)
within fund	<u>3,459,536</u>	<u>(3,459,536)</u>	-
	<u>805,789</u>	<u>(3,459,536)</u>	<u>(2,653,747)</u>
Investment gains	-	20,164,930	20,164,930
Actuarial (loss) on defined benefit pension	<u>(31,000)</u>	-	<u>(31,000)</u>
Net movement in fund	<u>(292,268)</u>	<u>15,807,674</u>	<u>15,515,406</u>
Balance at 31 August 2021	<u>13,282</u>	<u>162,539,622</u>	<u>162,552,904</u>
	Income £	Capital £	Total 2020 £
Balance at 1 September 2019	<u>865,788</u>	<u>131,191,448</u>	<u>132,057,236</u>
Income	3,482,479	-	3,482,479
Expenditure	<u>(3,853,621)</u>	<u>(886,636)</u>	<u>(4,470,257)</u>
	<u>(371,142)</u>	<u>(886,636)</u>	<u>(1,257,778)</u>
Transfers:			
between other funds	(2,623,124)	1,500,000	(1,123,124)
within fund	<u>2,523,028</u>	<u>(2,523,028)</u>	-
	<u>(100,096)</u>	<u>(1,023,028)</u>	<u>(1,123,124)</u>
Investment gains	-	17,450,164	17,450,164
Actuarial (loss) on defined benefit pension	<u>(89,000)</u>	-	<u>(89,000)</u>
Net movement in fund	<u>(560,238)</u>	<u>15,540,500</u>	<u>14,980,262</u>
Balance at 31 August 2020	<u>305,550</u>	<u>146,731,948</u>	<u>147,037,498</u>

The transfer during the year relates to termly grants paid over to the two independent schools.

Notes to the Accounts

15 - Permanent and Expendable Endowment fund

	Performing Arts Centre £	Other Donations £	Total 2021 £
Balance at 1 September 2020	<u>4,339,525</u>	<u>6,022,241</u>	<u>10,361,766</u>
Funds received during the year			
Investment Income	-	41,188	41,188
Expenditure during the year			
Prizes		(652)	(652)
Depreciation	(101,261)	-	(101,261)
Investment gains	<u>-</u>	<u>431,426</u>	<u>431,426</u>
Balance at 31 August 2021	<u>4,238,264</u>	<u>6,494,203</u>	<u>10,732,467</u>

	Performing Arts Centre £	Other Donations £	Total 2020 £
Balance at 1 September 2019	<u>4,440,786</u>	<u>5,899,875</u>	<u>10,340,661</u>
Funds received during the year			
Investment Income	-	65,932	65,932
Expenditure during the year			
Prizes		(5,617)	(5,617)
Depreciation	(101,261)	-	(101,261)
Investment gains	<u>-</u>	<u>62,051</u>	<u>62,051</u>
Balance at 31 August 2020	<u>4,339,525</u>	<u>6,022,241</u>	<u>10,361,766</u>

The Performing Arts Centre Expendable Endowment Fund is a separately identifiable fund set up as part of the terms of the donation to the Independent Schools.

Notes to the Accounts

16 - Restricted fund

	Funds brought forward at 1 September 2020	Income	Expenditure	Transfer	Realised and Unrealised Gains	Funds carried forward at 31 August 2021
	£	£	£	£	£	£
Benjamin Cowie	530,903	6,352	-	-	52,256	589,511
The Webster Bequest	493,060	5,732	-	-	47,144	545,936
Special Funds	<u>1,127,913</u>	<u>15,476</u>	<u>(11,152)</u>	<u>-</u>	<u>154,158</u>	<u>1,286,395</u>
31 August 2020	<u>2,151,876</u>	<u>27,560</u>	<u>(11,152)</u>	<u>-</u>	<u>253,558</u>	<u>2,421,842</u>

Special funds are the following:

Brode Fund	500,000	1,804	-	-	17,973	519,777
The Margaret Davis Fund	180,574	812	-	-	8,090	189,476
Lee Childs fund	13,272	57	(5,699)	-	571	8,201
Other small funds	<u>434,067</u>	<u>12,803</u>	<u>(5,453)</u>	<u>-</u>	<u>127,524</u>	<u>568,941</u>
	<u>1,127,913</u>	<u>15,476</u>	<u>(11,152)</u>	<u>-</u>	<u>154,158</u>	<u>1,286,395</u>

	Funds brought forward at 1 September 2019	Income	Expenditure	Transfer	Realised and Unrealised Gains	Funds carried forward at 31 August 2020
	£	£	£	£	£	£
Benjamin Cowie	510,677	10,352	-	-	9,874	530,903
The Webster Bequest	474,808	9,345	-	-	8,907	493,060
Brode	-	2,000,000	-	(1,500,000)	-	500,000
Special Funds	<u>712,471</u>	<u>19,510</u>	<u>(121,927)</u>	<u>-</u>	<u>17,859</u>	<u>627,913</u>
31 August 2020	<u>1,697,956</u>	<u>2,039,207</u>	<u>(121,927)</u>	<u>(1,500,000)</u>	<u>36,640</u>	<u>2,151,876</u>

Special funds are the following:

The Margaret Davis Fund	182,312	2,658	(4,396)	-	-	180,574
Old Edwardian Association bursaries	95,423	-	(95,423)	-	-	-
Lee Childs fund	13,822	-	(550)	-	-	13,272
Other small funds	<u>420,914</u>	<u>16,852</u>	<u>(21,558)</u>	<u>-</u>	<u>17,859</u>	<u>712,471</u>
	<u>712,471</u>	<u>19,510</u>	<u>(121,927)</u>	<u>-</u>	<u>17,859</u>	<u>627,913</u>

Notes to the Accounts

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.
Special Funds	This comprises of over 300 individual funds, providing prizes, grants and scholarships to pupils at the schools of the Foundation. They include the following;
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.

Notes to the Accounts

17 – Transfers to/(from funds)

	Schools Fund	Designated Fund	Endowment Fund Income	Endowment Fund Capital	Permanent & Expendable	Restricted Fund
	£	£	£	£	£	£
Revenue grant to the Schools from Endowment income fund	2,745,624	-	(2,745,624)	-	-	-
Interest paid to Foundation	(91,877)		91,877			
Funds set aside for specific projects	(55,000)	55,000	-	-	-	-
Transfer of funds				-	-	-
Amortisation of the capital receipts arising from sales of interests in land	-	-	209,536	(209,536)	-	-
Annual transfer as per accounting policy	-	-	<u>3,250,000</u>	<u>(3,250,000)</u>	-	-
Year to 31 August 2021	<u>2,598,747</u>	<u>55,000</u>	<u>805,789</u>	<u>(3,459,536)</u>	-	-

	Schools Fund	Designated Fund	Endowment Fund Income	Endowment Fund Capital	Permanent & Expendable	Restricted Fund
	£	£	£	£	£	£
Revenue grant to the Schools from Endowment income fund	2,745,624	-	(2,745,624)	-	-	-
Contribution from Endowment Fund towards widening access programme	(122,500)		122,500			
Funds set aside for specific projects	(60,000)	60,000	-	-	-	-
Transfer of funds				1,500,000		(1,500,000)
Amortisation of the capital receipts arising from sales of interests in land			2,523,028	(2,523,028)	-	-
Annual transfer as per accounting policy						
Year to 31 August 2020	<u>2,563,124</u>	<u>60,000</u>	<u>(100,096)</u>	<u>(1,023,028)</u>	-	<u>(1,500,000)</u>

Notes to the Accounts

18 - Related Party Transactions

The Foundation considers itself related to the King Edward VI Academy Trust Birmingham (Co. no.10654935). The Trust consists of nine 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 £595,000 (2020: £335,000) was received during the year.

Transactions with the Trust during the year include:

	2021 £	2020 £
Income		
Costs incurred by Foundation and reimbursed by the Trust	34,360	31,629
Contributions to the Foundation for services	786,214	416,489
Expenditure		
Grants paid/payable	984,700	10,200
Fees paid for KES Teachers training at KEC	13,200	1,000
Costs incurred by the Trust and reimbursed by the Foundation	35,578	30,936
Payments from restricted funds	345	5,611
Other income received and passed over to Trust	-	1,000

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

	2021 £	2020 £
Debtor at year end	17,923	-
Creditor at year end	(7,572)	(7,022)
Grant payable at year end	-	(3,049,356)

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. £565,886 (2020: £552,776) 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. £256,422 (2020: £168,438) was paid to cover Assisted Places supported by the Trust.

Ms E Conway is Finance Director of the University of Birmingham. During the year £1,108 (2020: £9,746) was paid to the organisation and £16,000 (2020: £16,000) lease rentals were invoiced to the organisation. There were no amounts outstanding at the end of the year (2020: £8,000 lease rentals).

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 £111,659 (2020: £103,842) and £81,621 (2020: £74,553) 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.

Notes to the Accounts

19 – Operating leases

The total future minimum lease payments under non-cancellable operating leases are set out below:

	31 August 2021 £	31 August 2020 £
Within one year	60,972	62,772
Between two and five years	146,908	221,197
Over five years	<u>-</u>	<u>-</u>
	<u>207,880</u>	<u>283,969</u>

The cost during the year included in charitable expenditure was £62,772 (2020: £82,073).

The total future minimum lease income from investment property rent under non-cancellable operating leases are set out below:

	31 August 2021 £	31 August 2020 £
Within one year	1,647,138	1,876,321
Between two and five years	6,058,794	7,440,035
Over five years	<u>152,548,205</u>	<u>177,380,039</u>
	<u>160,254,137</u>	<u>186,696,395</u>

The amount of rental income recognised in the year is £1,865,016 (2020: £1,946,676).

20 – Capital commitments

	31 August 2021 £	31 August 2020 £
At the year-end capital commitments were:		
Contracted but not provided for	=	=

21 – Events occurring after the reporting period

An investment property, 9 Silver Hill, Winchester, was sold on 1st November 2021 for £6,450,000. It was valued at £6,450,000 in the accounts for the year-ending 31st August 2021.

22 – Pension and similar obligations

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 Edward 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 2010.

In addition to the aforementioned Schemes, the Governors provide discretionary unfunded pensions out of general income. These amounted to £1,223 in the year ended 31 August 2021 (2020: £1,285).

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 2021, 134 members of staff had joined (2020: 118). The employer contributions for the defined benefit contribution scheme totalled £272,105 (2020: £168,958) based on rates of up to 8%. At year end £42,804 (2020: £35,323) was payable to the scheme and included within creditors.

Teachers' Pension Scheme

The Schools participate in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,819,183 (2020: £1,741,274) and at the year-end £216,215 (2020 - £205,525) 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.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020. As a result of the consultation, the government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism review 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.

Notes to the Accounts

22 – Pension and similar obligations (*continued*)

The Schools of King Edward VI in Birmingham Retirement Benefit 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 desktop actuarial valuation of the Scheme as at 31 March 2021 showed a small improvement in the funding shortfall. As a result of the deficit the Governors agreed to extend the period of increased contributions until January 2028.

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

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 £590,000 to the Scheme during the year to 31 August 2022.

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.

Notes to the Accounts

22 – Pension and similar obligations (*continued*)

The principal assumptions used to calculate Scheme liabilities include:

	31 August 2021	31 August 2020
Discount rate	1.70%	1.60%
Inflation assumption (RPI)	3.40%	3.00%
Inflation assumption (CPI)	3.00%	2.20%
Salary increases	3.00%	3.00%
Pension increase (RPI capped at 5% pa)	3.40%	3.00%
Pension increase (CPI capped at 5% pa)	3.00%	2.20%

Post retirement mortality assumption

	S2NA table with CMI 2017 year of birth projections and long term rate of improvement of 1.25% pa	S2NA table with CMI 2017 year of birth projections and long term rate of improvement of 1% pa
Early retirements	40% of active members who joined pre 2007 are assumed to retire at age 60, remainder at age 65	40% of active members who joined pre 2007 are assumed to retire at age 60, remainder at age 65
Commutation	80% of members are assumed to take 25% of their pension as tax free cash	80% of members are assumed to take 25% of their pension as tax free cash
Tax free cash	80% of members are assumed to take 25% of their pension as tax free cash	80% of members are assumed to take 25% of their pension as tax free cash
Proportion of members with a spouse or dependant	80%	80%

Under the adopted mortality tables, the future life expectancy at 65 is as follows:

	31 August 2021	31 August 2020
Male currently aged 45	88.6	88.2
Female currently aged 45	91.1	90.3
Male currently aged 65	87.3	87.1
Female currently aged 65	89.7	89.1

The current asset split is as follows:

Asset category	31 August 2021	31 August 2020
	£,000	£,000
Equities and other growth assets	15,232	13,100
Cash	<u>227</u>	<u>323</u>
Total	<u>15,459</u>	<u>13,423</u>

The actual return on the Scheme's assets net of expenses over the period to the Review Date was £1,886,000 (2020: £457,000) i.e. + 12% of the asset value (2020: +3% of the asset value). The assets do not include any investments linked to the Foundation.

Notes to the Accounts

22 – Pension and similar obligations (continued)

Reconciliation of Assets and Defined Benefit Obligation

	Value at 31 August 2021 £	Value at 31 August 2020 £
The change in the assets over the period was:		
The movement in assets over the period was:		
Fair value of assets at the beginning of the period	13,423,000	12,845,000
Interest on assets	216,000	239,000
Foundation contributions	531,000	535,000
Contributions by Scheme participants	53,000	56,000
Benefits paid (including expenses)	(434,000)	(470,000)
Return on plan assets	<u>1,670,000</u>	<u>218,000</u>
Fair value on assets at the end of the period	<u>15,459,000</u>	<u>13,423,000</u>
The change in the Defined Benefit Obligation over the period was:		
Defined Benefit Obligation at the beginning of the period	19,928,000	19,382,000
Current service cost	279,000	298,000
Contributions by Scheme participants	53,000	56,000
Interest cost on liabilities	316,000	355,000
Benefits paid	(434,000)	(470,000)
Actuarial loss on defined benefit obligation	<u>1,701,000</u>	<u>307,000</u>
Defined Benefit Obligation at the end of the period	<u>21,843,000</u>	<u>19,928,000</u>

Amounts recognised in the Balance Sheet at 31 August 2021

Asset category	Value at 31 August 2021 £	Value at 31 August 2020 £
Fair Value of assets	15,459,000	13,423,000
Present value of Scheme Liabilities	<u>(21,843,000)</u>	<u>(19,928,000)</u>
Deficit	<u>(6,384,000)</u>	<u>(6,505,000)</u>

Notes to the Accounts

22 – Pension and similar obligations (*continued*)

Amounts recognised in the Statement of financial activities over the year

	Value at 31 August 2021 £	Value at 31 August 2020 £
Current service cost	279,000	298,000
Net interest cost	<u>100,000</u>	<u>116,000</u>
Total	<u>379,000</u>	<u>414,000</u>

Remeasurements over the period

	Value at 31 August 2021 £	Value at 31 August 2020 £
(Gains)/loss on assets in excess of interest	(1,670,000)	(218,000)
Experience (gains)/loss on liabilities	131,000	(172,000)
Losses/(gains) from changes to demographic assumptions	294,000	0
(Gains)/loss from changes to financial assumptions	<u>1,276,000</u>	<u>479,000</u>
Total Remeasurements	<u>31,000</u>	<u>89,000</u>

Notes to the Accounts

23 – Financial Instruments

	Value at 31 August 2021 £	Value at 31 August 2020 £
Financial assets		
Equity instruments measured at fair value through the profit & loss	<u>99,256,488</u>	<u>88,924,101</u>

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

	Value at 31 August 2021 £	Value at 31 August 2020 £
Total investment income for financial assets measure at fair value through income and expenditure	<u>1,109,757</u>	<u>1,125,118</u>
Net gains on financial assets measured at fair value through income and expenditure	<u>13,937,313</u>	<u>9,842,773</u>
Impairment losses on financial assets measured at amortised cost	<u>66,750</u>	<u>57,546</u>

Statement of Governors' Responsibilities

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:

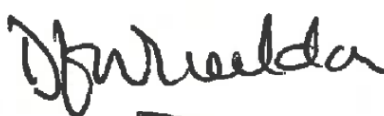
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 23rd March 2022, and signed on its behalf by:



Prof H Thomas
Chair



Mr D Wheeldon
Bailiff

Independent auditor's report to the Governors 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 for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the cashflow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; 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 set out on page 48, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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.

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:

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

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

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

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the completeness of recognition of donation and ancillary income, procurement processes for significant capital projects and 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, designing audit procedures over income, 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 the charity's 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: 4 May 2022

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.