

**THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**  
**Charity No: 1129776**

# THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

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# THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

## REPORT OF THE TRUSTEES 31 December 2020

The Trustees are pleased to present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting of Charities: Statements of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

### Objectives

The Trust's objectives reflect the historic purpose of King Edward's School, Birmingham: to provide an outstanding education for boys across Birmingham, whatever their family income. From 1944 until 1997, the government's Direct Grant and Assisted Places schemes provided means-tested support for bright pupils who lacked the means to fund a King Edward's education. Following the abolition of this funding, the need for alternative funding routes became evident.

In the absence of government funding, the King Edward's Foundation has contributed around £1 million towards Assisted Places each year. However, despite this, the School continues to struggle to meet a continued and growing demand for financial support. With over half of all admissions applicants requesting Assisted Places, more funding is required to meet this urgent need.

The King Edward's School Birmingham Trust was established to address this need, by generating philanthropic funding streams from alumni, trusts, and corporates. The Declaration of Trust states: "The advancement of education by supporting the provision of education at King Edward's School, Birmingham ("the School") in such ways as the Trustees see fit in particular (but without prejudice to the generality of the foregoing) by providing funds to support the provision of bursaries to boys on the basis of financial need to enable them to attend the School."

To fulfil these objectives and secure Assisted Places funding, the Development & Old Edwardian Office coordinates a range of fundraising activities on the Trust's behalf. Fundraising for Assisted Places includes face-to-face, direct mail, and telephone solicitations. The funding these activities generate offers boys from a wide range of backgrounds a first-class education at a leading UK independent school. This education plays a valuable role in facilitating the social mobility of bright boys across Birmingham, helping to maintain the social and ethnic diversity of the School.

### Public Benefit

The Trustees have referred to, and continue to reference, the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and in planning for future activities. In particular, the Trustees continue to consider how planned activities contribute to the aims and objectives set.

Assisted Places are an important means of widening access to the School, ensuring that talented boys can not only take up their place here, but take full advantage of the activities and trips offered by the School.

The School's extensive Outreach programme provides opportunities to promote the availability of Assisted Places, whilst raising aspirations across primary schools in the local community. Each academic year, the School engages with up to 10,000 primary school children from more than 200 schools. Outreach generates a diverse pool of applicants to the School which is seen as a place for all with the talent to attend, not just those whose parents can afford the fees. As a result of this awareness, 2020 saw another strong year for admissions applications: 725 applications were received, with 51% of applicants requesting Assisted Places funding.

Providing Assisted Places is a core element of the School's new strategic plan, which places significant emphasis on accessibility. The School was named 'The Sunday Times' West Midlands Independent School of the Decade' in 2020 and is one of the best schools nationally, as reflected in pupils' GCSE grades, International Baccalaureate results, and university destinations. It is therefore the Trust's principal mission to ensure that boys who will most benefit from a King Edward's education are able to do so. Assisted Places unlock this access; they also ensure that all boys at school, irrespective of how they are funded, enjoy learning in a diverse, supportive environment, preparing them for the challenges they will face in the wider world.

The School's teaching staff are passionate about their subjects, teaching above and beyond the curriculum to ensure boys are challenged and stimulated, and are always available to provide encouragement and support. During their first three years at the School, boys study a broad curriculum alongside the core academic subjects and a great deal of time is set aside for the creative subjects: art, music, design, drama, and for sport and PE. Latin is compulsory for three years and in Year 9 boys can take up Spanish, German or Ancient Greek. Boys take 10 subjects at GCSE: English Language, English Literature, Maths, one language and at least two sciences are compulsory, and boys can choose three or four subjects from Art, Ancient Greek, Design and Technology, Drama, Geography, German, History, Latin, Music, Religious Studies and Spanish. In the Sixth Form all pupils study the International Baccalaureate (IB) Diploma, an internationally recognised course designed to provide intellectual

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challenge and preparation for a global future. It also requires a breadth of study, covering English, Maths, Science, a language and a humanities subject. In addition, all boys write an Extended Essay and study a course on Theory of Knowledge.

Exam results continue to be excellent. In 2020's GCSEs, out of a year group of 131, 49 boys achieved at least 10 9s/8s, a further 17 achieved 9 9s/8s, and 79 achieved only 9s, 8s and 7s. Overall, the percentage of 9/8 grades attained was 72% and 89% were 9-7.

Boys also achieved significant success in the International Baccalaureate, with an average score of 39.1 points and 82% of grades coming in at 7 or 6, the equivalent to three A\*/A at A-level. Set against the international average score of 29.9, their scores reflect the added value a King Edward's education provides. A key factor in the School's academic performance has been the growth in the number of boys on Assisted Places, ensuring the School is able to attract the very best boys.

Assisted Place holders do not just benefit from the academic advantages conferred by a King Edward's education; they are also able to access the School's wide-ranging and high-quality extra-curricular programme. The boys have the chance to play 21 sports and to perform in musical groups as part of an annual programme of around 40 concerts and recitals. Their musical experience is further enriched by visiting speakers, masterclasses with internationally renowned musicians, and the School's connection with the City of Birmingham Symphony Orchestra (CBSO). Dramatists can take part in up to 20 performances each year, ranging in size and scale. There are also 50 regular clubs and societies to choose from, as well as a broad range of trips and expeditions in which they can participate, both nationally and internationally. On Friday afternoons, there are no academic lessons, giving boys the chance to be involved in personal development activities including Combined Cadet Force, Leadership, sports coaching, and personal service projects. All of these activities contribute to the boys' personal and interpersonal development.

The Trust also enables all boys, including those on Assisted Places, to benefit from the School's exceptional facilities: for instance, the Sir Paul and Lady Ruddock Performing Arts Centre, the Andrew Brode Wing (a state-of-the-art modern languages and science building), the Andrew Brode Sports Centre, and the Southall Hockey Pavilion. These philanthropically funded resources are also available to the local community outside of school hours and play a part in the School's Outreach work. Without the attention generated by the launch of the Trust and fundraising activity in School, it is arguable that some of these facilities may not have been established.

Further reinforcement of the transformational experience boys receive was provided by the findings of the most recent (2018) Independent Schools Inspectorate (ISI) inspection. The School was awarded the highest possible rating of 'excellent' in all areas, based upon the quality of both pupils' academic and other achievements and the quality of pupils' personal development. The inspection report praised the "consistently exceptional" examination results and the "harmonious and respectful" relationships between pupils. Pupils were found to "have gained a strong awareness of their individual strengths" and "an understated confidence and an inspiring humility" by the time they leave. The inspectors also observed "excellent relationships, based on mutual trust and high expectations" between pupils and their teachers and stated that "the scholarship of teaching" underpinned pupils' knowledge and understanding in all curriculum areas.

### Grant making policy

The Trustees decide the number of Assisted Places to allocate for the following September in the Autumn Term every year, based on both received and pledged income. The Trustees will grant an Assisted Place over seven years based on pledged regular income, even if the income has not yet been received. However, the Trustees will only grant a place using received single cash income if the total cost of the place over the whole seven years is available. Grants are made three times per year at the Trustees' meetings in March, June and December.

### Grants

The Trustees are pleased to report that they made grants for Assisted Places totaling £558,652 (2019: £599,581). The Trustees also made several grants totaling £4,526 (2019: £6,993) from the Assisted Places Support Fund during the year, to fund extra-curricular activities (e.g. music lessons, trips) for boys at the School on such Assisted Places.

In December 2020, the Trustees agreed to make further funds available for the purpose of funding at least two Assisted Places for boys starting in September 2021.

By the end of 2021, Trustees expect the Trust to have provided funding for 122 Assisted Places; when one compares this to 2010, when the School could fund no more than around 15 Assisted Places, it is clear that the Trust is continuing to make a major impact on the lives of talented boys across Birmingham.

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### Achievements and performance

The Trustees are pleased with the achievements and fundraising performance of the Trust during its eleventh year of operation and remain very grateful to all the donors who have continued to support the charity throughout the pandemic. During 2020, £702,818 (2019: 2,805,362) was received in donations from 825 donors (2019: 883).

The fundraising undertaken in 2020 built on the remarkable achievements of the previous decade. As of March 2021, the Campaign has raised over £13.1 million.

The Trust's on-going Campaign for Assisted Places includes face-to-face solicitations to find further sponsors to fund Assisted Places for individual boys. As of 31 December 2020, the Trust has 38 Sponsors who have supported and/or continue to support individual boys through school. During 2020, fundraising also included telephone and direct mail solicitations to find further regular donors.

### Financial review

The Trust's financial statements are set out on pages 14 to 29.

The total incoming resources received by the Trust were £751,872 (2019: £2,858,511) of which £78,834 was reclaimed Gift Aid. The Trust received donations from 825 different donors during the year.

### Investment policy and performance

All the investments of the Trust are managed by Ruffer LLP. Ruffer was chosen because of their charity experience, their record of consistent returns over varying market cycles and a long-held goal of protecting capital over rolling 12-month periods. All Trust investments are invested in accordance with their investment policy and the Trustees take professional advice from the brokers regarding the market outlook, potential risks, investment trends and yield and the prospect for future capital growth.

Ruffer constructs portfolios that aim to preserve capital and deliver a return ahead of the risk-free alternative. The portfolio always contains protective assets as well as growth assets. From our perspective as a charity client, this conservative approach to fund management seems an appropriate stance and this has been extremely beneficial in protecting the assets of the Trust during the significant downturn during the course of the pandemic. The trustees will, however, continue to review closely the performance of our investments as the situation unfolds.

At the year end the value of the portfolio was £7,292,852 (2019: £6,169,754). Over the same period, prices have risen by 1.2% as measured by the Consumers' Price Index and by 0.65% per annum as measured by the Retail Prices Index.

The portfolio delivered across a variety of market environments in 2020. The first quarter was all about the unconventional protections cushioning the portfolio from the steep falls in global equity markets. The second and third quarters saw the conventional protective assets (gold and inflation-linked bonds) perform strongly as governments and central banks unleashed the fiscal and monetary arsenal. The fourth quarter was powered by the portfolio's value-oriented equities. This is the essence of an all-weather portfolio, with different contributors for different market conditions producing an overall robust portfolio outcome with limited losses and low volatility.

Trustees remain pleased with the portfolio's performance since year end, despite the on-going impact of the Coronavirus pandemic. From 1 January 2021 to 31 March 2021, the portfolio had a total return of 6.7%.

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### Risk management

The Trustees continue to keep under review the major operational and strategic risks to which the Trust is exposed and are satisfied that systems and controls are in place to minimise exposure to such risks as may exist.

As part of this review procedure, the Trustees continue to consider the effect of the Coronavirus on the going concern position of the Trust. As a result of the significant cash balance and strong net current asset position at the year-end, the Trustees are satisfied that the Trust will continue to operate on a going concern basis.

The Trustees have produced the following policy documents: an ethical policy, a systems and controls document, a gift acceptance policy, and a data protection policy. Details of these are outlined below and are subject to regular scrutiny. The Trustees continue to take all necessary steps to ensure compliance with EU GDPR.

The Trust is a member of the Fundraising Regulator and adheres to its guidance and standards of best practice across all of its activities.

### Ethical policy

As part of the ethical controls on fundraising, the Trustees ensure they approve/agree to the fundraising strategy undertaken by the Development Office on the Trust's behalf. The ethical policy also outlines the professional code of ethics which volunteers and employees who solicit or receive funds on behalf of the Trust must adhere to.

The Trust's full ethical policy is available here: <https://www.trust.kes.org.uk/ethicalpolicy.html>

The Development Office is a member of the Council for Advancement and Support of Education and the Institute of Development Professionals in Education, and so keeps regularly appraised of best practice and developments in the sector. The Trust is registered with The Fundraising Regulator.

The Trust's financial affairs are conducted in a responsible manner, consistent with the ethical obligations of stewardship and the legal requirements of national regulators. Annual financial reports are factual and accurate in all material respects, and are prepared in accordance with generally accepted accounting principles and standards.

### Systems and controls document

This document covers the storage of and access to confidential data and financial information in accordance with data protection legislation and financial regulations. It also covers the communications sent out by the Development Office on behalf of the Trust, our fundraising and financial/donations processes, and the management of our investments.

### Gift acceptance policy

The Trust's gift acceptance policy is reviewed annually, to include any new types of gifts that the Trust will accept and to ensure it complies with new legislation. The most up to date version is available at: <https://www.trust.kes.org.uk/gift-acceptance-policy.html>.

### Data policy

In order to advance the Trust's mission and legitimate interest (providing bursaries to able boys on the basis of financial need, to enable them to attend King Edward's School), a database is held by the School. This holds information on donors and potential donors, and the Trust uses all reasonable care to keep this data up to date and secure.

The Trust and the School ensure they comply with all relevant data protection legislation, including the UK GDPR, in respect of any Data which it processes as the data controller. All data is treated confidentially and held securely by the School and Trust in accordance with the relevant legislation and having obtained the consent of all individuals whose data is processed.

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The Privacy Statement covers the collection, usage, sharing, accuracy and retention of data, as well as the rights of those whose data is held by the School. The Privacy Statement was updated in 2018 to ensure it reflected the standards of the EU GDPR, including how it profiles and wealth screens potential donors. This was subsequently replaced by the UK GDPR. It is regularly reviewed. A full Privacy Statement is available at: <https://www.trust.kes.org.uk/privacy-statement.html>

### External changes and recommendations

Changes to fundraising self-regulation have been noted in the above references to the Fundraising Regulator and the UK GDPR. The trustees continue to stay abreast of the on-going situation after Brexit and any further potential impact on our data processing. As well as advice from our professional bodies, we receive regular updates from our software provider, Blackbaud, who are internationally renowned as leaders in their field.

### Reputational risk management and fundraising

The relationship between the School's academic results and the Trust's fundraising militates against the risk of either a reduction in donations or a decline in the School's academic success. The two are inextricably linked.

The introduction of Trust-funded Assisted Places can be directly linked to a marked increase in academic performance, as outlined in the Public Benefit section of our report. This success makes a strong case for continued support, as the Trust continues its fundraising efforts.

The diversity of the pupil population closely mirrors Birmingham's broader ethnic demography, further reinforcing the sense that the Trust is providing a public benefit to the community. This provides current and potential donors with the reassurance that they are making an impact on the lives of the most deserving and talented boys from across the region.

### Reserves policy

It is the policy of the Trustees to distribute the majority, although not necessarily the total amount of income received and projected Trust income. As a result, the Trustees may carry some undistributed income forward to the following financial year. At 31 December 2020, the undistributed reserves on the unrestricted fund totalled £3,342 (2019: £2,877). The operational costs of the charity are borne by The Schools of King Edward the Sixth in Birmingham.

### Plans for the future

The Trustees are delighted by the achievements of the Trust during its first eleven years. They are especially pleased with the resounding success of the Assisted Places fundraising campaign (AP100). The Trust exceeded its £10 million target a year earlier than planned, enabling 100 Assisted Places to be provided across the School by the end of 2017. In September 2018, the Trustees reaffirmed the long-term aims of The KES Trust, principally their hope to generate an endowment to preserve the Assisted Places Fund in perpetuity, as well as confirming the need to sustain levels of immediate provision. The Trustees recognise that the next phase of fundraising will be more challenging, owing to changes in the donor demographic and a certain degree of donor fatigue following the completion of AP100.

The Chief Master, Dr Katy Ricks, is now leading a team of alumni advisors programme to revivify fundraising and grow the Assisted Places Fund. This team reports regularly to the Trustees. Assisted Places will remain at the heart of this campaign, bolstered by other strands that will emphasise and develop: the school's place in the city of Birmingham; the diversity of our population; and the campus from which we work. It is hoped that the planning and initial fundraising will take around three years, with a subsequent mass engagement campaign that aims to complete in 2027 for the School's 475<sup>th</sup> anniversary.

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### Structure, governance and management

The King Edward's School Birmingham Trust is a registered charity (number: 1129776) and is established as an independent charitable endowment under a Declaration of Trust dated 7 May 2009.

The Trust was established to receive donations for Assisted Places and for educational advancement on behalf of King Edward's School. The purpose of Assisted Places is to ensure that the School continues to open its doors to bright boys who deserve a place, but cannot afford to come without some form of financial assistance.

### Reference and administration information

Charity Name	The King Edward's School Birmingham Trust
Charity Registration Number	1129776
Registered Office	King Edward's School Edgbaston Park Road Birmingham B15 2UA

### Trustees

The Trustees who served during the period and up to the date of this report are set out below.

Mr T K Bayley		Term of office expired 15 March 2021.
Mr S G Campbell	(former Chairman)	Appointed 7 May 2009; stepped down on 29 January 2020.
Mr A Kendall		Reappointed 28 February 2020; term of office expires 22 March 2023.
Mr J P N Martin	(current Chairman)	Term of office expires 7 May 2023; appointed Chairman on 28 February 2020.
Mr K Phillips		Reappointed 24th September 2019; term of office expires 24 <sup>th</sup> September
Mr Wasim Rehman		Appointed 24 March 2021; term of office expires 24 March 2024.
Dr C L Ricks		Appointed by virtue of being Chief Master on 1 September 2019.

### Auditors

Cooper Parry Group Limited  
Chartered Accountants and Statutory Auditors  
Park View  
One Central Boulevard  
Blythe Valley Park  
Solihull  
B90 8BG

### Bankers

Lloyds  
134 New Street  
Birmingham  
B2 4QZ

### Investment Managers

Ruffer LLP  
80 Victoria Street  
London  
SW1E 5JL



# THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

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### Trustee recruitment and training

The Declaration of Trust provides for a minimum of 3 Trustees to a maximum of 15 Trustees. The Chief Master of the School is an ex officio Trustee and both the Governors of the Schools of King Edward the Sixth in Birmingham and the Directors of the Old Edwardians Association have the right to appoint two Trustees each. New Trustees are appointed by the existing Trustees and serve for three years, after which they may nominate themselves for re-appointment. When recruiting new Trustees, individuals are sought who have the skills, knowledge and experience needed for the effective management of the Trust.

New Trustees are made aware of their responsibilities and are helped to familiarise themselves with the practical and financial operations. To assist them they are provided with a copy of the Declaration of Trust, minutes of recent Trustees' meetings, the latest Trust report and statement of accounts and any appropriate Charity Commission publications. All Trustees give of their time freely and no Trustee remuneration was paid in the year.

The Trust is a member of the British Schools and Universities Foundation (BSUF) which allows donors in the US to make tax effective gifts to the Trust. Dr Frank Booth (King Edward's, Class of 1965) is the current representative in the US.

### Organisational structure

All matters of policy and management are determined by the Trustees, who meet three times per year and at such other times as circumstances require. The Development Office is managed by the Development Director, who reports to and consults with the Trustees on all fundraising activity. The Development & OEA Office conducts the operational fundraising and communications, and the wider fundraising strategy is decided in concert with the Trustees.

The Chief Master and the Development Director have fortnightly meetings, at which they plan, monitor and evaluate the fundraising undertaken by the Development Office on the Trust's behalf. Trustees are welcome to attend these meetings.

### Responsibilities of the Trustees

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that 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, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

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

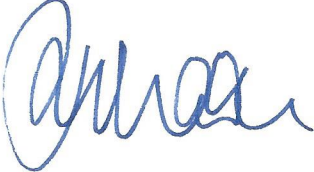
**THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST**

**REPORT OF THE TRUSTEES  
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**Auditors**

Cooper Parry Group Limited has expressed its willingness to continue in office and will be proposed for re-appointment at the Annual General Meeting.

Approved by the Trustees on 7.10.21 and signed on their behalf by:

A handwritten signature in blue ink, appearing to read 'J P N Martin', is written over the line for the Chairman of Trustees.

**J P N Martin  
Chairman of Trustees**

# THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

### Opinion

We have audited the financial statements of The King Edward's School Birmingham Trust ('the charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 group and parent charitable company's ability to continue as a going concern for a period of at least 12 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 other information comprises the information included in the Trustees Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 9, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below:

Our assessment focussed on key laws and regulations the group and parent charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Charities Act 2011, Trustee Act 2000, Charities (Protection and Social Investment) Act 2016, taxation legislation, data protection and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the group and Parent charitable company and how the group and parent charitable company are complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the group and parent charitable company's control environment and how the group and parent charitable company have applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the group and parent charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of noncompliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the 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.



**Cooper Parry Group Limited**  
Statutory Auditor

Park View  
One Central Boulevard  
Blythe Valley Business Park  
Solihull  
West Midlands  
B90 8BG

Date: 19 October 2021

Cooper Parry Group Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

STATEMENT OF FINANCIAL ACTIVITIES  
for the year ended 31 December 2020

		Unrestricted funds	Restricted funds	Endowment funds	2020 Total funds	2019 Total funds
	Note	£	£	£	£	£
<b>Income and endowments:</b>						
Donations	2	55,609	543,810	103,399	702,818	2,805,362
Investment and other income	2	-	49,054	-	49,054	53,149
<b>Total</b>		55,609	592,864	103,399	751,872	2,858,511
<b>Expenditure:</b>						
Cost of raising funds		-	(10,539)	(62,005)	(72,544)	(67,187)
Expenditure on charitable	3	(55,144)	(563,178)	-	(618,322)	(2,716,643)
<b>Total</b>		(55,144)	(573,717)	(62,005)	(690,866)	(2,783,830)
<b>Net Incoming resources before investment gains</b>		465	19,147	41,394	61,006	74,681
Net gains on investments	5	-	142,418	837,948	980,366	491,245
<b>Net Incoming resources</b>		465	161,565	879,342	1,041,372	565,926
Transfers between funds		-	-	-	-	-
<b>Net movement in funds</b>		465	161,565	879,342	1,041,372	565,926
<b>Reconciliation of funds:</b>						
Total funds brought forward	9	2,877	2,005,726	6,102,178	8,110,781	7,544,855
<b>Total funds carried forward</b>	9	3,342	2,167,291	6,981,520	9,152,153	8,110,781

There were no recognised gains and losses in the year other than those included in the Statement of Financial Activities. All income and expenditure relates to continuing operations.

The notes on pages 18 to 29 form part of these financial statements.

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

**SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
for the year ended 31 December 2020

	Note	2020 £	2019 £
Income		599,419	2,667,258
Gains on investments		142,418	30,688
Interest and investment income	2	49,054	53,149
<b>Gross income</b>		<u>790,891</u>	<u>2,751,095</u>
Expenditure		(628,861)	(2,720,840)
<b>Net income for the financial year</b>		<u><u>162,030</u></u>	<u><u>30,255</u></u>

The notes on pages 18 to 29 form part of these financial statements.

**THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST**

**BALANCE SHEET  
as at 31 December 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Fixed assets</b>			
Investments	5	7,292,852	6,169,754
		<hr/>	<hr/>
		7,292,852	6,169,754
<b>Current assets</b>			
Debtors	7	77,296	434,911
Cash and cash equivalents	6	1,811,918	3,532,756
		<hr/>	<hr/>
		1,889,214	3,967,667
<b>Creditors: amounts falling due within one year</b>	8	(29,913)	(2,026,640)
		<hr/>	<hr/>
<b>Net current assets</b>		1,859,301	1,941,027
		<hr/>	<hr/>
<b>Net assets</b>		<u>9,152,153</u>	<u>8,110,781</u>
<b>Charity Funds</b>			
Endowment funds			
Permanent endowment	9	1,786,552	1,557,396
Expendable endowment	9	5,194,968	4,544,782
Restricted funds	9	2,167,291	2,005,726
Unrestricted funds	9	3,342	2,877
		<hr/>	<hr/>
<b>Total charity funds</b>		<u>9,152,153</u>	<u>8,110,781</u>

The financial statements on pages 14 to 29 were approved by the Trustees on 7.10.21 and signed on its behalf by:



**J P N Martin**  
**Chairman of Trustees**

The notes on pages 18 to 29 form part of these financial statements.



**THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST**

**STATEMENT OF CASH FLOWS**  
**as at 31 December 2020**

	<b>Note</b>	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
<b>Cash flow from operating activities</b>	13	(1,554,616)	1,871,428
<b>Cash flow from investing activities</b>			
Payments to acquire investments		(2,947,429)	(4,826,744)
Receipts from sales of investments		2,804,697	5,088,324
Income from investment portfolio		45,262	52,312
Interest received		3,792	837
Investment manager costs		(72,544)	(67,187)
<b>Net cash (used in)/ provided by investing activities</b>		(166,222)	247,542
<b>Change in cash and cash equivalents in the year</b>		(1,720,838)	2,118,970
<b>Cash and cash equivalents at 1 January 2020</b>		3,532,756	1,413,786
<b>Cash and cash equivalents at 31 December 2020</b>		1,811,918	3,532,756
<b>Cash and cash equivalents consists of:</b>			
Cash at bank		1,698,570	1,461,491
Investment manager account		113,348	310,476
Broker investment account		-	1,760,789
<b>Cash and cash equivalents at 31 December 2020</b>		1,811,918	3,532,756

**Analysis of changes in net debt**

	<b>At 1-Jan-20</b> <b>£</b>	<b>Cashflows</b> <b>£</b>	<b>At 31-Dec-20</b> <b>£</b>
Cash at bank and in hand	3,532,756	(1,720,838)	1,811,918

The notes on pages 18 to 29 form part of these financial statements.

# THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

## NOTES TO THE ACCOUNTS for the year ended 31 December 2020

### 1 Summary of significant accounting policies

#### (a) General information and basis of preparation

The King Edward's School Birmingham Trust is a registered unincorporated charity in the United Kingdom. The address of the registered office is given in the charity information on page 8 of these financial statements. The nature of the charity's operations and principal activities are to advance education by supporting the provision of education at King Edward's School Birmingham ("the School") in such ways that the Trustees see fit in particular by providing funds to support the provision of bursaries to boys on the basis of financial need to enable them to attend school.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) effective October 2019.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

#### Coronavirus and going concern

At the balance sheet date, the Trust had a significant cash balance and strong net current asset position. At the time of signing these accounts, the Trustees continue to consider the effect of the Coronavirus on the going concern position, and consider that this does indicate that the Trust will continue to trade for a period of at least 12 months from the date of signing these accounts due to the cash and investment balance available to it and the relative flexibility of its funds. Investments are performing well, with a total return of 6.7% in the first quarter of 2021, and continue to be monitored.

The financial forecasts prepared by the Trustees show that the Trust will be able to operate and continue to make grant awards within the funds available to it.

On that basis, the Trustees have prepared these financial statements on a going concern basis.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### (b) Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

Permanent endowed funds represent donations made to the Trust that are held as permanent endowments at the request of the donor. The interest and investment income generated is then spent on the purpose for which the gift was made. The Trustees will seek to maintain the capital and, through prudent investment management, increase it with the aim of keeping pace with inflation or, in the case of Assisted Places, the inflation in school fees. The capital and capital growth are both protected and cannot be spent on the purpose for which the gift was made.

Expendable endowed funds represent donations made to the Trust that are held as endowments, either at the request of the donor or the decision of the Trustees. The interest and investment income generated is then spent on the purpose for which the gift was made. The Trustees will, in general, seek to maintain the capital and, through prudent investment management, increase it with the aim of keeping pace with inflation or, in the case of Assisted Places, the inflation in school fees. However, the capital and any capital growth will be reviewed annually by the Trustees and, at their discretion, some of the capital and / or capital growth can be spent on the purpose for which the gift was made.

**NOTES TO THE ACCOUNTS**  
**for the year ended 31 December 2020**

**1 Summary of significant accounting policies (continued)**

**(c) Income recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

**(d) Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds
- Expenditure on charitable activities

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

**(e) Support costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative and payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 3.

# THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

## NOTES TO THE ACCOUNTS for the year ended 31 December 2020

### 1 Summary of significant accounting policies (continued)

#### (f) Fixed Asset Investments

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 using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

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

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

#### Realised and unrealised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on the revaluation and disposals throughout the year.

#### (g) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

#### (h) Tax

The charity meets the definition of a charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS  
for the year ended 31 December 2020

2 Income and endowments from:

	2020	2019
	£	£
<b>Unrestricted</b>		
<i>Donations and legacies</i>		
Donations in kind (Note 3)	55,144	110,069
Donations	465	420
Gift Aid reclaimed	-	105
	<hr/>	<hr/>
Total unrestricted fund income	55,609	110,594
	<hr/>	<hr/>
<b>Restricted</b>		
<i>Donations and legacies</i>		
Donations	468,273	2,429,164
Gift Aid reclaimed	75,537	127,500
	<hr/>	<hr/>
	543,810	2,556,664
	<hr/>	<hr/>
<i>Investments</i>		
Bank interest receivable	3,792	837
Income from investment portfolio	45,262	52,312
	<hr/>	<hr/>
	49,054	53,149
	<hr/>	<hr/>
Total restricted fund income	592,864	2,609,813
	<hr/>	<hr/>
<b>Endowed</b>		
<i>Donations and legacies</i>		
Donations	100,102	134,112
Gift Aid reclaimed	3,297	3,992
	<hr/>	<hr/>
Total endowed fund income	103,399	138,104
	<hr/>	<hr/>
<b>Total income</b>	751,872	2,858,511
	<hr/>	<hr/>

# THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

## NOTES TO THE ACCOUNTS for the year ended 31 December 2020

### 3 Resources expended

	Charitable Activities £	Governance £	2020 Total £	2019 Total £
Grants awarded				
- Assisted Places	558,652	-	558,652	599,581
- Andrew Brode Sports Centre	-	-	-	2,000,000
- Other	4,526	-	4,526	6,993
Support costs	49,204	5,940	55,144	110,069
	<u>612,382</u>	<u>5,940</u>	<u>618,322</u>	<u>2,716,643</u>

Of the above costs, £55,144 (2019: £110,069) were attributable to unrestricted funds, £563,178 (2019: £2,606,574) were attributable to restricted funds and £Nil (2019: £Nil) were attributable to endowment.

The Assisted Places Fund has benefited a total of 58 (2019: 63) boys during the year.

No Trustee has received any remuneration or has been reimbursed for any expenses. The Trust has no employees; all administration is carried out by employees of The Schools of King Edward the Sixth in Birmingham. These amounts are shown as support costs and are made up as follows:

	2020 £	2019 £
Salaries	36,390	58,450
Communications and mailings	4,396	16,350
Travel	312	1,934
Database maintenance	6,897	20,061
Event expenses	92	7,454
Office supplies	175	-
Subscriptions and memberships	288	-
Audit fees	5,940	5,820
Bank and general fees	654	-
	<u>55,144</u>	<u>110,069</u>

### 4 Auditor's remuneration

	2020 £	2019 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	<u>5,940</u>	<u>5,820</u>

# THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

## NOTES TO THE ACCOUNTS for the year ended 31 December 2020

### 5 Fixed Asset Investments

	2020 £	2019 £
<b>Movement in fixed asset investments</b>		
Market value as at 1 January 2020	6,169,754	5,940,089
Add:		
Additions to investments at cost	2,947,429	4,826,744
Less:		
Net gain on revaluation	993,511	183,084
Disposals at carrying value	(2,817,842)	(4,780,163)
Market value as at 31 December 2020	7,292,852	6,169,754
<b>Investments at market value comprised:</b>		
UK equities	1,216,922	1,077,944
Overseas equities and funds	1,880,413	1,845,249
UK Fixed Interest securities	950,353	832,144
Overseas fixed interest securities	1,850,716	1,458,157
Precious metals	452,566	451,592
Credit and capital funds	941,882	504,668
	7,292,852	6,169,754

Material investments with a market value of over 5% of the total market value of investments are as follows:

	2020 £	2019 £
0.125% Treasury Index-Linked 22/03/68	408,160	324,812
Ruffer Illiquid Multi Strategies Fund 2015	415,777	-
Ruffer Multi Strategies Fund Limited	373,724	-
LF Ruffer Gold	452,566	-
Ruffer SCIAV Fixed Income Z GBP	1,646,012	1,458,272

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The portfolio delivered across a variety of market environments in 2020. The first quarter was all about the unconventional protections cushioning the portfolio from the steep falls in global equity markets. The second and third quarters saw the conventional protective assets (gold and inflation-linked bonds) perform strongly as governments and central banks unleashed the fiscal and monetary arsenal. The fourth quarter was powered by the portfolio's value-oriented equities. This is the essence of an all-weather portfolio, with different contributors for different market conditions producing an overall robust portfolio outcome with limited losses and low volatility.

Ruffer LLP manages the Trust's investments and advises the Trustees on the market outlook, potential risks, investment trends and yield and the prospect for future capital growth.

Ruffer follows the same approach across all of its accounts, constructing portfolios to preserve capital and deliver a return ahead of the risk-free alternative. On this basis Ruffer considers all of their clients to be medium risk.

**THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST**

**NOTES TO THE ACCOUNTS**

**for the year ended 31 December 2020**

**6 Cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cash at bank	1,698,570	1,461,491
Investment manager account	113,348	310,475
Broker investment account	-	1,760,789
	<u>1,811,918</u>	<u>3,532,756</u>

**7 Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Gift aid receivable	57,496	22,699
Other debtors	19,800	412,212
	<u>77,296</u>	<u>434,911</u>

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other creditors	23,973	2,020,820
Accruals	5,940	5,820
	<u>29,913</u>	<u>2,026,640</u>



**NOTES TO THE ACCOUNTS**  
for the year ended 31 December 2020

**9 Funds**

	Balance at 01-Jan-20 £	Incoming Resources £	Outgoing resources £	Other recognised gains and losses £	Transfer £	Balance at 31-Dec-20 £
<b>Restricted Funds</b>						
Assisted Places Fund	1,494,747	541,772	(569,191)	142,418	-	1,609,746
Assisted Places Support Fund	4,973	1,092	(4,526)	-	-	1,539
Osborn Post-Doctoral Mentor Fund	-	50,000	-	-	-	50,000
Scholarship Fund	18,215	-	-	-	-	18,215
The Tolkien Trust Matched Fund	478,751	-	-	-	-	478,751
Other restricted funds	9,040	-	-	-	-	9,040
	<u>2,005,726</u>	<u>592,864</u>	<u>(573,717)</u>	<u>142,418</u>	<u>-</u>	<u>2,167,291</u>
<b>Endowed Funds</b>						
<b><i>Permanent Endowed Funds</i></b>						
John Osborn Endowment Funds	1,557,396	-	(18,311)	247,467	-	1,786,552
<b><i>Expendable Endowed Funds</i></b>						
Robert Cooke Fund	33,806	-	(397)	5,372	-	38,781
Miss Margaret Davis Fund	2,050,296	-	(17,242)	233,012	-	2,266,066
Jim Grant Fund	419,132	-	(4,929)	66,600	-	480,803
Old Edwardians Association	415,488	-	(3,764)	50,858	-	462,582
The Tolkien Trust	307,685	-	(3,618)	48,891	-	352,958
Wesley & Sheila Cummings Trust	175,287	-	(2,061)	27,853	-	201,079
Cloughton Scholarship Fund	679,185	16,394	(7,642)	103,280	-	791,217
General Endowment Fund	463,903	87,005	(4,041)	54,615	-	601,482
	<u>4,544,782</u>	<u>103,399</u>	<u>(43,694)</u>	<u>590,481</u>	<u>-</u>	<u>5,194,968</u>
<b>Unrestricted Fund</b>	2,877	55,609	(55,144)	-	-	3,342
<b>Total Funds</b>	<u>8,110,781</u>	<u>751,872</u>	<u>(690,866)</u>	<u>980,366</u>	<u>-</u>	<u>9,152,153</u>

**NOTES TO THE ACCOUNTS**  
for the year ended 31 December 2020

**9 Funds**

Year ended 31 December 2019

	Balance at 01-Jan-19 £	Incoming Resources £	Outgoing resources £	Other recognised gains and losses £	Transfer £	Balance at 31-Dec-19 £
<b>Restricted Funds</b>						
Assisted Places Fund	1,326,654	598,827	(597,196)	30,688	135,774	1,494,747
Assisted Places Support Fund	6,174	2,642	(6,993)	-	3,150	4,973
John Osborn Revenue Fund	108,607	-	-	-	(108,607)	-
Scholarship Fund	30,715	-	-	-	(12,500)	18,215
The Tolkien Trust Matched Fund	500,000	-	(6,582)	-	(14,667)	478,751
Andrew Brode Sports Hall Fund	-	2,000,000	(2,000,000)	-	-	-
Other restricted funds	696	8,344	-	-	-	9,040
	<u>1,972,846</u>	<u>2,609,813</u>	<u>(2,610,771)</u>	<u>30,688</u>	<u>3,150</u>	<u>2,005,726</u>
<b>Endowed Funds</b>						
<b><i>Permanent Endowed Funds</i></b>						
John Osborn Endowment Funds	1,453,623	-	(16,442)	120,215	-	1,557,396
<b><i>Expendable Endowed Funds</i></b>						
Robert Cooke Fund	33,888	-	(384)	2,802	(2,500)	33,806
Miss Margaret Davis Fund	1,908,254	5,813	(21,584)	157,813	-	2,050,296
Jim Grant Fund	391,204	-	(4,425)	32,353	-	419,132
Old Edwardians Association	387,803	-	(4,386)	32,071	-	415,488
The Tolkien Trust	287,183	-	(3,248)	23,750	-	307,685
Wesley & Sheila Cummings Trust	163,607	-	(1,850)	13,530	-	175,287
Cloughton Scholarship Fund	621,705	13,097	(7,032)	51,415	-	679,185
General Endowment Fund	321,740	119,194	(3,639)	26,608	-	463,903
	<u>4,115,384</u>	<u>138,104</u>	<u>(46,548)</u>	<u>340,342</u>	<u>(2,500)</u>	<u>4,544,782</u>
<b>Unrestricted Fund</b>	3,002	110,594	(110,069)	-	(650)	2,877
<b>Total Funds</b>	<u>7,544,855</u>	<u>2,858,511</u>	<u>(2,783,830)</u>	<u>491,245</u>	<u>-</u>	<u>8,110,781</u>

Transfers have been made from three funds where grants had been categorized as Outgoing Resources from the Assisted Places Fund at the point of payment rather than the specific fund to which the gift related. The John Osborn Revenue Fund held an amount to fund the education of three boys who have now completed their education and left the school totaling £108,607. The Scholarship Fund held a donation of £12,500 which was used to fund Scholarships between 2012 and 2016. The first boy to be funded through the Tolkien Trust Matched Fund is now in his 4<sup>th</sup> year; a 50% share of his funding to date has been attributed to this fund, split between current and prior years. A transfer of £135,774 has been made to the Assisted Places fund to reanalyse these grants.

The Robert Cooke Fund contains a provision to fund support costs of boys on Assisted Places to the value of £500 per year. The transfer of £2,500 represents the funding for 5 prior years. Similarly the Unrestricted Fund contains a specific gift for Assisted Places Support Costs. A transfer of £3,150 from these two sources has been made to the Assisted Places Support fund to support future grants.

**NOTES TO THE ACCOUNTS**  
**for the year ended 31 December 2020**

**9 Funds (continued)**

**Assisted Places Fund**

This Fund is used to support either full-fee or part-fee Assisted Places for boys who are academically able to attend the School but whose parents are unable to afford the school fees. The money received into this fund is normally used as expendable income.

**Assisted Places Support Fund**

This Fund is used to support extra-curricular activities at the School for boys who are on Assisted Places. This support may include funding for music lessons, sports trips or other school trips.

**John Osborn Post-Doctoral Mentor Fund**

This fund supports the provision of a new teaching post: the Osborn Fellow. This post will support the school's IB ethos of enquiry and intellectual ambition, through Classics extension work and inter-departmental collaborations. The fund is expendable.

**John Osborn Revenue Fund**

This Fund was used to support three specific boys who were academically able to attend the School and had marked musical ability but whose parents are unable to afford the school fees. The boys have now completed their education at the School.

**Scholarship Fund**

This Fund is used to support Scholarships for academically able boys attending the School. The money received into this fund is normally used as expendable income.

**Tolkien Trust Matched Fund**

This Fund is used to provide matched funding for either full-fee or part-fee Assisted Places for boys who are academically able to attend the School but whose parents are unable to afford the school fees. The money received into this fund is used as expendable income.

**Andrew Brode Sports Hall Fund**

This fund is used to support the development of the sporting facilities at the School. The grant has been used to support the construction of the Andrew Brode Sports Hall which was opened in May 2019.

**Permanent Endowed Funds**

These funds represent donations made to the Trust which are held as permanent endowments at the request of the donor. The interest and investment income generated is then spent on the purpose for which the gift was made. The Trustees will seek to maintain the capital and, through prudent investment management, increase it with the aim of keeping pace with inflation or, in the case of Assisted Places, the inflation in school fees. The capital and capital growth are both protected and cannot be spent on the purpose for which the gift was made.

**Expendable Endowed Funds**

These funds represent donations made to the Trust which are held as endowments, either at the request of the donor or the decision of the Trustees. The interest and investment income generated is then spent on the purpose for which the gift was made. The Trustees will, in general, seek to maintain the capital and, through prudent investment management, increase it with the aim of keeping pace with inflation or, in the case of Assisted Places, the inflation in school fees. However, the capital and any capital growth will be reviewed annually by the Trustees and, at their discretion, some of the capital and / or capital growth can be spent on the purpose for which the gift was made.

# THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

## NOTES TO THE ACCOUNTS for the year ended 31 December 2020

10	Net assets of the funds	Investments	Net current assets	Total
	The charity's net assets belong to the various funds as follows:	£	£	£
	<b>31 December 2020</b>			
	Unrestricted funds	-	3,342	3,342
	Restricted funds	953,923	1,213,368	2,167,291
	Permanent endowed funds	1,786,552	-	1,786,552
	Expendable endowed funds	4,552,377	642,591	5,194,968
		<b>7,292,852</b>	<b>1,859,301</b>	<b>9,152,153</b>
	<b>31 December 2019</b>			
	Unrestricted funds	-	2,877	2,877
	Restricted funds	67,576	1,938,150	2,005,726
	Permanent endowed funds	1,557,396	-	1,557,396
	Expendable endowed funds	4,544,782	-	4,544,782
		<b>6,169,754</b>	<b>1,941,027</b>	<b>8,110,781</b>

### 11 Related parties

The administration duties of the Trust are carried out by employees of The Schools of King Edward the Sixth in Birmingham. The Schools of King Edward the Sixth in Birmingham also reimburse the Trust for administration costs. During the year, administration costs of £55,144 (2019: £110,069) were paid for by The Schools of King Edward the Sixth in Birmingham on behalf of the Trust and are reflected as a donation in kind in these accounts. At the year end, the Trust owed The Schools of King Edward the Sixth in Birmingham £nil (2019: £1,569,533).

Mr S G Campbell, a former Trustee of this charity, is former Chairman of Governors of the Independent Schools Governing Body of the Schools of King Edward the Sixth in Birmingham and former Governor of the King Edward's Foundation Board. Transactions between the charities are detailed above.

Mr J P N Martin, a Trustee of this charity, is the Chairman of the Old Edwardians' Association. He is on the committee of the Old Edwardians' Association, as is Mr A Kendall. Mr A Kendall is also the parent of a current pupil. Mr K Phillips, a Trustee of this charity, is Deputy Chief Master of the School. Dr C L Ricks is Chief Master of the School and President of the Old Edwardians' Association.

Donations to the Trust from Trustees during the year were as follows:

Mr T Bayley	£10,000
Mr S G Campbell	£200
Mr A Kendall	£150
Mr J P N Martin	£600
Mr K Phillips	£360
Mr W Rehman	£0
Dr C L Ricks	£3,000
<b>Total</b>	<b>£14,310</b>

# THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

## NOTES TO THE ACCOUNTS for the year ended 31 December 2020

### 12 Commitments

At 31 December 2020, the Trust was committed to funding 49 boys on Assisted Places (2019: 63). The estimated total cost of funding these pupils from Spring Term 2021 to the end of their education at the school is £2,116,454. In addition, the Trustees have committed to funding 2 full fee equivalent places starting in September 2021 and offers have been made to prospective pupils with a total future commitment value of £234,000.

Of the 49 boys currently at the school, the income of the families of 5 pupils exceed the upper threshold of the means testing scheme meaning they are receiving no financial support from the Trust in the current financial year. However, the Trust remains committed to providing financial support in the future should the improvement in their financial circumstances reverse.

Of this commitment, £555,000 will be met by the donations made under Deeds of Gift entered into by individuals who are sponsoring specific Assisted Places. As at 31 December 2020, the Trust holds assets to the value of £1,609,746 on the Restricted Fund for the purpose of meeting the cost of providing Assisted Places.

In addition, on an annual basis, the Trust expects to receive regular income from three sources (based on 2018): income from regular giving of £168,000 income from its investments of at least £40,000, and gift aid of at least £42,000. The Trust assumes that this level of regular income can be relied on for at least 3 years.

Where there is a surplus of income, this will be used to fund further Assisted Places for future years.

### 13 Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income for the year	1,041,372	565,926
Income from investment portfolio	(45,262)	(52,312)
Interest receivable	(3,792)	(837)
Gains on investments	(980,366)	(491,245)
Investment manager costs	72,544	67,187
Decrease/(increase) in debtors	357,615	(18,350)
(Decrease)/Increase in creditors	(1,996,727)	1,801,059
Net cash flow from operating activities	<u>(1,554,616)</u>	<u>1,871,428</u>