

Charity Registration No. 527597

**THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**



# THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr D J Burrows Mr J K Hodt Mr R P Morrison Mr B R Price Mr J B Wilding Mrs V J Smith	(Appointed 23 September 2020) (Appointed 14 July 2021)
<b>Chairman</b>	D J Burrows	
<b>Vice Chairman</b>	R P Morrison	
<b>Clerk</b>	D J V Morgan	
<b>Charity number</b>	527597	
<b>Principal address</b>	Lower High Street Stourbridge West Midlands DY8 1TD	
<b>Auditor</b>	CK Audit No 4 Castle Court 2 Castlegate Way Dudley West Midlands DY1 4RH	
<b>Bankers</b>	HSBC Bank Plc - Stourbridge 114 High Street Stourbridge West Midlands DY8 1DZ	
<b>Solicitors</b>	Higgs & Sons 3 Waterfront Business Park Brierley Hill West Midlands DY5 1LX	

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# THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

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# THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2021**

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The Trustees present their annual report and financial statements for the year ended 31 August 2021.

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

### **Objectives and activities**

The principal objects of the Charity are to support the College which is a further and higher education institution specialising in the provision of sixth form education to young people from Stourbridge and surrounding areas. The courses are provided on a non fee paying basis.

In particular the Trustees:

- provide and supplement the College campus and The Green Fields to be used for the purposes of the College and Governors
- maintain and enhance the financial resources of the Charity for the benefit of the College
- receive requests from the Governing Body for financial assistance for the support and development of aspects of the College which are not funded by the appropriate educational funding body
- remain responsible for the security and management of the Foundation's historical archive
- remain responsible for the Prize and Scholarship Funds

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

### **Achievements and performance**

The Foundation Trustees have continued to serve the Charity's objectives by preserving, enhancing and protecting its funds so that they support the Governors in their control of the management of the College.

The Trustees continued their support of the College's enrichment offer and the provision of Student Awards for community engagement.

On 01 February 2021 the College converted to an Academy and became a member of the Heart of Mercia Multi Academy Trust ('MAT'). Two Tenancy's at Will, on the freehold land and buildings occupied by the College, were granted to the MAT as from 01 February 2021. See comments below regarding the effect on the accounts and presentation of the College land and buildings.

The Covid 19 pandemic resulted in a number of challenges to landlords such as ourselves. We dealt with each tenant on an individual and sympathetic basis to ensure that commercial tenants especially were able to trade through a very difficult time. This approach has had some effect on our income but will hopefully prove beneficial in the longer term.

# THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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### Financial review

During the year the Trustees agreed to grant a 125 year lease to the MAT in respect of the College freehold land and buildings, including the Green Fields. Although the lease had not been signed by 31 August 2021, it was deemed appropriate to undertake an impairment review on these land and buildings on the basis that it was the intention to sign this lease during the current financial year. Accordingly, the land and buildings occupied by the College have been written down by £21,209,059.

The net outgoing funds for the year were £20,853,110 (2020: outgoing £90,103) as detailed in the Statement of Financial Activities on page 8 of the accounts. However this is after the impairment of land & buildings as noted above of £21,209,059. Incoming resources pre this impairment were £355,949.

The Trustees maintain sufficient reserves, being the balance on unrestricted funds, to provide sufficient funds to enable the Charity to continue to carry out its charitable objects. The Trustees review the Charity's needs for reserves on a regular basis in line with the guidance issued by the Charity Commission.

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

### Risks

The Trustees are aware of the need to assess the risks to which the Charity is exposed and to satisfy themselves that systems are in place to expose the major risks. A necessary risk assessment has been carried out during the year.

### Future plans

The Foundation Trustees will continue with their current policy of acquiring suitable land and property adjacent to the College site, when appropriate, for the benefit of the College and endeavour to support appropriate capital and infrastructure improvements for the College's continuing development and benefit.

The Trustees will continue their support of the College's enrichment offer and also support the provision of Student Awards for community engagement.

In the long term the Trustees are desirous of growing the Foundation and its income, maximising investments and strengthening the reserves to better support the College in the future.

# THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### Structure, governance and management

The history of the Foundation has its origins in May 1430 when two local benefactors, Richard and Joan Hayley, donated land and the chapel on the site to twenty-two trustees to provide a so called 'chapel of ease' for the parish church of Oldswinford and a grammar school for the teaching of grammar (ie Latin) to sons of poor men of the parish.

The dissolution of the monasteries in the sixteenth century led to the next phase in the life of the school. On the 17th June 1552 King Edward VI granted a charter to the school to establish a boys' grammar school. The importance of the charter was that it came with certain endowments of lands being former monastic property although most of this endowment was expended on developing the School in the Nineteenth and Twentieth Centuries. In 1989, in response to the Governors' request, the Charity Commissioners made a new Scheme under which the Foundation Trustees of the Charity became a body separate from the College Governors with the sole aim of supporting the ancient foundation of the Free Grammar School which had by then become King Edward VI College.

There are eight Foundation Trustees. They comprise two Ex-officio Trustees (being the Chairman and Vice-Chairman for the time being of the Governors of the College), three Nominated Trustees (two being nominated by the Foundation Governors of the College and one being nominated by Dudley Metropolitan Borough Council), and three Co-opted Trustees (being competent persons appointed by a resolution of the Foundation Trustees passed at a Special Meeting). The Foundation Trustees rely on the named bodies for the recruitment and appointment of the Ex-officio and Nominated Trustees. The Foundation Trustees recruit Co-opted Trustees from competent persons having a known association with the College coupled with a professional, business, educational or like background.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Mr D J Burrows

Mr J K Hodt

Mr C R Holden

Mr R P Morrison

Mr B R Price

Mr J B Wilding

Mrs V J Smith

(Resigned 16 June 2021)

(Appointed 23 September 2020)

(Appointed 14 July 2021)

The trustees' report was approved by the Board of Trustees.



**Mr D J Burrows**

Chairman

Dated: 15 February 2022

# **THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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The Trustees are responsible for preparing the Trustees' Report and the accounts 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 accounts 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 year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts 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 KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

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#### Opinion

We have audited the financial statements of The King Edward VI College, Stourbridge Charity (the 'Charity') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet and the 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 August 2021 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 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.



# THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

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#### **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; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Trustees**

As explained more fully in the statement of trustees' responsibilities, the Trustees 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 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 145 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

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#### 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 auditors' 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.



**CK Audit**

15 FEBRUARY 2022

**Chartered Accountants  
Statutory Auditor**

No 4 Castle Court 2  
Castlegate Way  
Dudley  
West Midlands  
DY1 4RH

CK Audit 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.

# THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Total 2020 £
<b>Income from:</b>						
Income from charitable activities	3	193,347	-	-	193,347	217,519
Investments	4	19,014	12,311	-	31,325	33,521
<b>Total income</b>		<b>212,361</b>	<b>12,311</b>	<b>-</b>	<b>224,672</b>	<b>251,040</b>
<b>Expenditure on:</b>						
Raising funds	5	-	-	4,271	4,271	3,914
Charitable activities	6	117,381	-	-	117,381	179,104
<b>Total resources expended</b>		<b>117,381</b>	<b>-</b>	<b>4,271</b>	<b>121,652</b>	<b>183,018</b>
Net gains/(losses) on investments	11	4,076	-	248,853	252,929	(158,125)
<b>Net incoming/(outgoing) resources</b>		<b>99,056</b>	<b>12,311</b>	<b>244,582</b>	<b>355,949</b>	<b>(90,103)</b>
<b>Other recognised gains and losses</b>						
Revaluation of tangible fixed assets		-	-	(21,209,059)	(21,209,059)	-
<b>Net movement in funds</b>		<b>99,056</b>	<b>12,311</b>	<b>(20,964,477)</b>	<b>(20,853,110)</b>	<b>(90,103)</b>
Fund balances at 1 September 2020		642,963	51,320	24,605,922	25,300,205	25,390,308
<b>Fund balances at 31 August 2021</b>		<b>742,019</b>	<b>63,631</b>	<b>3,641,445</b>	<b>4,447,095</b>	<b>25,300,205</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

## BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	13	80,000		21,480,000	
Investment properties	14	2,325,001		2,065,000	
Investments	15	1,244,285		1,064,679	
		3,649,286		24,609,679	
<b>Current assets</b>					
Debtors	17	46,975		62,684	
Investments	18	1		1	
Cash at bank and in hand		795,922		688,282	
		842,898		750,967	
<b>Creditors: amounts falling due within one year</b>	19	(45,089)		(60,441)	
Net current assets		797,809		690,526	
<b>Total assets less current liabilities</b>		4,447,095		25,300,205	
<b>Capital funds</b>					
<u>Endowment funds - general</u>					
General endowment funds		3,641,445		20,517,402	
Revaluation reserve		-		4,088,520	
		3,641,445		24,605,922	
Permanent endowment		3,103,916		24,149,283	
Expendable endowment		537,529		456,639	
	20	3,641,445		24,605,922	
<b>Income funds</b>					
Restricted funds	21	63,631		51,320	
Unrestricted funds		742,019		642,963	
		4,447,095		25,300,205	

The financial statements were approved by the Trustees on 15 February 2022



Mr D J Burrows  
Trustee

# THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

##### Charity information

The Charity called King Edward the Sixth Grammar School, Stourbridge regulated by a Scheme made by the Board of Education on 16 November 1909 (as affected by Articles of Government made by the Minister of Education on 26 October 1950) was superseded by a new Scheme of 21 July 1989.

Consequently the Charity which had previously been represented by the Governors' Accounts is now known as The King Edward VI College, Stourbridge, Charity being administered by the Trustees of that Charity. No attempt was made to separate the funds at 21 July 1989.

These accounts also include the Prize and Scholarship accounts.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

#### 1.4 Incoming resources

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

# THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of any impairment losses.

The land and buildings comprise college premises which are a specialised property where there is no active market. The college premises have been revalued at the year end by the trustees at an approximation of depreciated replacement cost. The trustees have used the rebuilding cost detailed in the latest insurance valuation as a base for determining the depreciated replacement cost.

During the year the trustees were given permission from the Charity Commission to grant a 125year lease with a peppercorn rent to the Heart of Mercia MAT. The value of the College buildings has therefore been impaired to £1 and transferred to investment property. The trustees believe there is no longer any value in the College buildings and the revaluation reserve created in 2018 has been released, with the balance being removed from general endowment funds.

#### 1.7 Investment properties

Investment properties are included in the balance sheet at the Trustees' best estimate of open market value having taken professional advice.

#### 1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

#### 1.9 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

(Continued)

#### 1.11 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

### 2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Key sources of estimation uncertainty**

##### **Investment property**

Investment properties are included in the balance sheet at the Trustees' best estimate of open market value having taken professional advice. Valuations are carried out at least every five years subject only to obtaining advice as to any material movements between individual valuations.

# THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 3 Income from charitable activities

	2021 £	2020 £
Charitable rental income	193,347	217,519

### 4 Investments

	Unrestricted funds	Restricted funds	Total	Total
	2021 £	2021 £	2021 £	2020 £
Income from listed investments	4	11,111	11,115	11,649
Income from unlisted investments	18,925	-	18,925	18,662
Interest receivable	85	1,200	1,285	3,210
	19,014	12,311	31,325	33,521
For the year ended 31 August 2020	20,703	12,818		33,521



# THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 5 Raising funds

	2021 £	2020 £
Investment management	4,271	3,914
	<u>4,271</u>	<u>3,914</u>

### 6 Charitable activities

	Property Rental 2021 £	Prize Fund Activities 2021 £	Total 2021 £	Total 2020 £
Insurance	4,112	-	4,112	3,867
Repairs	-	-	-	3,991
Repairs to Flats 1-3 Coventry Street	14,885	-	14,885	2,182
Archiving software and consumables	798	-	798	798
Surveyor and property consultants fees	5,496	-	5,496	9,037
Rent and lease fees	7,600	-	7,600	3,519
Electricity	1,741	-	1,741	2,223
Professional fees	5,031	-	5,031	11,972
Prizes	-	9,310	9,310	9,091
Awards	-	-	-	2,256
Letting agent fees	5,974	-	5,974	2,137
	<u>45,637</u>	<u>9,310</u>	<u>54,947</u>	<u>51,073</u>
Grant funding of activities (see note 7)	-	-	-	100,250
Share of governance costs (see note 8)	62,434	-	62,434	27,781
	<u>108,071</u>	<u>9,310</u>	<u>117,381</u>	<u>179,104</u>

# THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 7 Grants payable

No grants to institutions were paid in the year

### 8 Support costs

	Support costs £	Governance costs £	2021 £	2020 £
Audit fees	-	3,800	3,800	3,800
Accountancy	-	4,000	4,000	4,660
Legal and professional	-	54,634	54,634	14,146
Recharges	-	-	-	5,175
	<u>-</u>	<u>62,434</u>	<u>62,434</u>	<u>27,781</u>
Analysed between Charitable activities	-	62,434	62,434	27,781

### 9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration.

### 10 Employees

There were no employees during the year.

# THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 11 Net gains/(losses) on investments

	Unrestricted funds	Endowment funds general	Total	Total
	2021	2021	2021	2020
	£	£	£	£
Revaluation of investments	4,076	179,793	183,869	6,875
Revaluation of investment properties	-	69,060	69,060	(165,000)
	4,076	248,853	252,929	(158,125)
<b>For the year ended 31 August 2020</b>	502	(158,627)		(158,125)

### 12 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2021	2020
	£	£
In respect of:		
Property	21,209,059	-

During the year the trustees were given permission from the Charity Commission to grant a 125 year lease with a peppercorn rent to the Heart of Mercia MAT. The value of the College buildings has therefore been impaired to £1 and transferred to investment property. The trustees believe there is no longer any value in the College buildings and the revaluation reserve created in 2018 has been released, with the balance being removed from general endowment funds.

# THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 13 Tangible fixed assets

	Land and buildings £	Oil Painting £	Total £
<b>Cost</b>			
At 1 September 2020	21,400,000	80,000	21,480,000
Transfer to investment property	(190,941)	-	(190,941)
At 31 August 2021	21,209,059	80,000	21,289,059
<b>Depreciation and impairment</b>			
Impairment losses	21,209,059	-	21,209,059
At 31 August 2021	21,209,059	-	21,209,059
<b>Carrying amount</b>			
At 31 August 2021	-	80,000	80,000
At 31 August 2020	21,400,000	80,000	21,480,000

More information on the impairment arising in the year is given in note 12.

King Edward VI oil on wood painting, circa 1547 attributed to William Scrotts (valued by Sotheby's and revalued 27th August 2013 by Fieldings Auctioneers Ltd).

### 14 Investment property

	2021 £
<b>Fair value</b>	
At 1 September 2020	2,065,000
Transfers from owner-occupied property	190,941
Net gains or losses through fair value adjustments	69,060
At 31 August 2021	2,325,001

The fair value of investment property is the Trustees' best estimate of open market value having taken professional advice. Valuations are carried out on each property every five years subject only to obtaining advice as to any material movements between valuations.

During the year the trustees were given permission from the Charity Commission to grant a 125 year lease with a peppercorn rent to the Heart of Mercia MAT. The value of the College buildings has therefore been impaired to £1 and transferred to investment property. The trustees believe there is no longer any value in the College buildings and the revaluation reserve created in 2018 has been released, with the balance being removed from general endowment funds.

# THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 15 Fixed asset investments

	Expendable Endowment £	Permanent Endowment £	General Funds £	Listed Investments £	Cash and Savings Bank £	Total £
<b>Cost or valuation</b>						
At 1 September 2020	456,639	168,267	23,015	399,880	16,878	1,064,679
Additions	-	-	-	29,981	-	29,981
Valuation changes	80,889	29,808	4,076	69,096	-	183,869
Charges and interest	-	-	-	-	(4,264)	(4,264)
Movement in cash balances	-	-	-	-	(3,296)	(3,296)
Disposals	-	-	-	(26,684)	-	(26,684)
<b>At 31 August 2021</b>	<b>537,528</b>	<b>198,075</b>	<b>27,091</b>	<b>472,273</b>	<b>9,318</b>	<b>1,244,285</b>
<b>Carrying amount</b>						
At 31 August 2021	537,528	198,075	27,091	472,273	9,318	1,244,285
At 31 August 2020	456,639	168,267	23,015	399,880	16,878	1,064,679

# THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

<b>16 Financial instruments</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	46,975	62,684
Instruments measured at fair value through profit or loss	1,244,286	1,064,680
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	45,089	60,441
<b>17 Debtors</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Rent & insurance recharges	24,975	37,684
Other debtors	22,000	25,000
	46,975	62,684
<b>18 Current asset investments</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Unlisted investments	1	1
<b>19 Creditors: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other creditors	45,089	60,441

# THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 20 Endowment funds

Endowment funds represent assets which must be held permanently by the Charity. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Balance at 1 September 2020	Transfers	Movement in funds Revaluation of freehold land and buildings	Investment management fees	Investments gains/losses	Balance at 31 August 2021
	£	£	£	£	£	£
<b>Permanent endowments</b>						
Land and buildings	21,480,000	(190,941)	21,209,059	-	-	80,000
Investments	129,493	-	-	-	23,003	152,496
Deposit account	12,468	-	-	-	-	12,468
Scott Educational Foundation	46,714	-	-	-	6,906	53,620
Dr Roy Bequest	415,607	-	-	(4,271)	68,995	480,331
Investment property	2,065,000	190,941	-	-	69,060	2,325,001
<b>Expendable endowments</b>						
Investments	456,640	-	-	-	80,889	537,529
	<u>24,605,922</u>	<u>-</u>	<u>(21,209,059)</u>	<u>(4,271)</u>	<u>248,853</u>	<u>3,641,445</u>

### 21 Restricted funds

The income funds of the Charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 September 2019	Movement in funds Incoming resources	Balance at 1 September 2020	Movement in funds Incoming resources	Balance at 31 August 2021
	£	£	£	£	£
Platt Library Fund	926	7	933	7	940
Scott Educational Foundation	4,744	1,170	5,914	1,193	7,107
Dr Roy	32,833	11,641	44,473	11,111	55,584
	<u>38,503</u>	<u>12,818</u>	<u>51,320</u>	<u>12,311</u>	<u>63,631</u>

# THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 22 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Total 2020 £
Fund balances at 31 August 2021 are represented by:					
Tangible assets	-	-	80,000	80,000	21,480,000
Investment properties	-	-	2,325,001	2,325,001	2,065,000
Investments	27,091	940	1,216,254	1,244,285	1,064,679
Current assets/(liabilities)	714,928	62,691	20,190	797,809	690,526
	<u>742,019</u>	<u>63,631</u>	<u>3,641,445</u>	<u>4,447,095</u>	<u>25,300,205</u>

### 23 Financial commitments, guarantees and contingent liabilities

A grant of £221,657 given to King Edward VI College Stourbridge Governors in 2014 towards the costs of a new football pavilion was secured by way of a legal charge against property owned by the Charity known as The Green Fields, Oldswinford, Stourbridge. In the event of any breach of the conditions of the grant then the grant would become repayable.

### 24 Events after the reporting date

As part of the academisation process the Charity has committed to granting a 125 year peppercorn lease to the MAT. The governing document is still to be updated and the lease still to be signed.

### 25 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).



## Document Activity Report

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### Document Activity History

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