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Charity registration number 527597

THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr D J Burrows
Mr J K Hodt
Mr R P Morrison
Mr B R Price
Mr J B Wilding
Mr R Colligan
Mrs V J Smith

(Appointed 24 June 2022)
(Appointed 09 November 2022)

Charity number

527597

Principal address

Lower High Street
Stourbridge
West Midlands
DY8 1TD

Auditor

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

Bankers

HSBC Bank Plc - Stourbridge
114 High Street
Stourbridge
West Midlands
DY8 1DZ

Solicitors

Higgs LLP
3 Waterfront Business Park
Brierley Hill
West Midlands
DY5 1LX

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 2022

The Trustees present their annual report and financial statements for the year ended 31 August 2022.

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').

Financial review

During the year the Trustees granted 125 year leases to the Heart of Mercia for the College site and The Green Fields. These two leases replaced the tenancies at will, which had been granted as an interim measure to allow the conversion to an academy on 1st February 2021.

The net movement of funds for the year was £100,008 (2021 – negative movement of funds of £20,853,110) as detailed in the Statement of Financial Activities on page 8 of the accounts. The negative movement of funds in 2021 was due to the impairment of land & buildings of £21,209,059, following the decision to grant the 125 year leases referred to above.

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.

THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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.

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.

Following amendments to the scheme, including those made by the Charity Commission on 15th March 2022 all of which were formally adopted by the Trustees on 7th June 2022, there are now seven Trustees comprising:

- One ex-officio Trustee, being the Chair of the Local Governing Body of the College
- One nominated Trustee, being a person nominated by the Local Governing Body of the College
- Up to five co-opted Trustees

On 9th November 2022, the one vacancy for a co-opted Trustee was filled with the appointment of Mrs V J Smith.

THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 R P Morrison

Mr B R Price

Mr J B Wilding

Mrs V J Smith

Mr R Colligan

(Resigned 06 June 2022 and reappointed 09 November 2022)

(Appointed 24 June 2022)

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



Mr D J Burrows

Chairman

Dated: 14 February 2023

THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

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

Opinion

We have audited the financial statements of The King Edward VI College, Stourbridge Charity (the 'Charity') for the year ended 31 August 2022 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 2022 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.

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.

THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

We identified and assessed the risks of material misstatement of the financial statements, in respect of irregularities whether due to fraud or error, or non compliance with laws and regulations and then designed and performed audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity by discussion and enquiry with the Trustees and the Clerk and our general knowledge and experience of the Charity.

We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Charities Act 2011, data protection, employment, and health and safety legislation;

We assessed the extent of compliance with the laws and regulations identified above through making enquiries, reviewing correspondence with relevant regulators.

Audit response to risks identified

We assessed the susceptibility of the Charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed included but were not limited to:

- Discussions with trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- Performing analytical procedures to identify any unusual or unexpected relationships;
- Challenging assumptions and judgements made by the Trustees in accounting for investment property;
- Reviewing unusual or unexpected transactions; and
- Agreeing the financial statement disclosures to underlying supporting documentation.

THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

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

14 February 2023

**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 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Total 2021 £
Income from:						
Donations and legacies	3	194	-	-	194	-
Income from charitable activities	4	212,745	-	-	212,745	193,347
Investments	5	20,626	13,791	-	34,417	31,325
Total income		233,565	13,791	-	247,356	224,672
Expenditure on:						
Raising funds	6	-	-	4,424	4,424	4,271
Charitable activities	7	169,719	-	-	169,719	117,381
Total resources expended		169,719	-	4,424	174,143	121,652
Net gains/(losses) on investments	12	(1,244)	-	(31,961)	(33,205)	252,929
Net incoming/(outgoing) resources		62,602	13,791	(36,385)	40,008	355,949
Other recognised gains and losses						
Revaluation of tangible fixed assets		-	-	60,000	60,000	(21,209,059)
Net movement in funds		62,602	13,791	23,615	100,008	(20,853,110)
Fund balances at 1 September 2021		742,019	63,631	3,641,445	4,447,095	25,300,205
Fund balances at 31 August 2022		804,621	77,422	3,665,060	4,547,103	4,447,095

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 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14	140,000		80,000	
Investment properties	15	2,360,001		2,325,001	
Investments	16	1,171,655		1,244,285	
		<u>3,671,656</u>		<u>3,649,286</u>	
Current assets					
Debtors	18	41,643		46,975	
Investments	19	1		1	
Cash at bank and in hand		869,719		795,922	
		<u>911,363</u>		<u>842,898</u>	
Creditors: amounts falling due within one year	20	<u>(35,916)</u>		<u>(45,089)</u>	
Net current assets			875,447		797,809
Total assets less current liabilities			<u>4,547,103</u>		<u>4,447,095</u>
Capital funds					
<u>Endowment funds - general</u>					
General endowment funds		3,605,060		3,641,446	
Revaluation reserve		60,000		-	
		<u>3,665,060</u>		<u>3,641,446</u>	
Permanent endowment		3,152,225		3,103,917	
Expendable endowment		<u>512,835</u>		<u>537,529</u>	
	21		3,665,060		3,641,446
Income funds					
Restricted funds	22	77,422		63,630	
Unrestricted funds		804,621		742,019	
		<u>4,547,103</u>		<u>4,447,095</u>	

The financial statements were approved by the Trustees on 14 February 2023


Mr D J Burrows
Trustee


Mr B R Price
Trustee

THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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 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 2022

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. The trustees believe there is no longer any value in the College buildings and the revaluation reserve has been released in a previous year and the balance moved 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.

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.

THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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.

3 Donations and legacies

	2022 £	2021 £
Donations and gifts	194	-

THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

3 Donations and legacies

(Continued)

Donations and gifts

Other	194	-
	<u>194</u>	<u>-</u>

4 Income from charitable activities

	2022 £	2021 £
Charitable rental income	209,305	193,347
Service charges	3,440	-
	<u>212,745</u>	<u>193,347</u>

5 Investments

	Unrestricted funds	Restricted funds	Total	Total
	2022 £	2022 £	2022 £	2021 £
Income from listed investments	9	12,559	12,568	11,115
Income from unlisted investments	19,289	-	19,289	18,925
Interest receivable	1,328	1,232	2,560	1,285
	<u>20,626</u>	<u>13,791</u>	<u>34,417</u>	<u>31,325</u>
For the year ended 31 August 2021	<u>19,014</u>	<u>12,311</u>		<u>31,325</u>

THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

6 Raising funds

	2022 £	2021 £
Investment management	4,424	4,271
	<u>4,424</u>	<u>4,271</u>

7 Charitable activities

	Property Rental 2022 £	Prize Fund Activities 2022 £	Total 2022 £	Total 2021 £
Insurance	4,271	-	4,271	4,112
Repairs to Coventry Street properties	63,706	-	63,706	-
Repairs to Flats 1-3 Coventry Street	2,432	-	2,432	14,885
Archiving software and consumables	-	-	-	798
Surveyor and property consultants fees	1,782	-	1,782	5,496
Rent and lease fees	2,088	-	2,088	7,600
Electricity and gas	10,736	-	10,736	1,741
Professional fees	180	-	180	5,031
Prizes	-	-	-	9,310
Letting agent fees	8,841	-	8,841	5,974
	<u>94,036</u>	<u>-</u>	<u>94,036</u>	<u>54,947</u>
Grant funding of activities (see note 8)	56,000	-	56,000	-
Share of governance costs (see note 9)	19,683	-	19,683	62,434
	<u>169,719</u>	<u>-</u>	<u>169,719</u>	<u>117,381</u>

THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8 Grants payable

During the year a grants of £56,000 (2021 - £nil) were paid to Heart of Mercia Multi Academy Trust.

9 Support costs

	Support costs	Governance costs	2022	2021
	£	£	£	£
Audit fees	-	3,800	3,800	3,800
Accountancy	-	4,210	4,210	4,000
Legal and professional	-	11,673	11,673	54,634
	-	19,683	19,683	62,434
Analysed between				
Charitable activities	-	19,683	19,683	62,434

10 Trustees

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

11 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 2022

12 Net gains/(losses) on investments

	Unrestricted funds	Endowment funds general	Total	Total
	2022	2022	2022	2021
	£	£	£	£
Revaluation of investments	(1,244)	(66,961)	(68,205)	183,869
Revaluation of investment properties	-	35,000	35,000	69,060
	(1,244)	(31,961)	(33,205)	252,929
For the year ended 31 August 2021	4,076	248,853		252,929

13 Impairments

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

	2022	2021
	£	£
In respect of:		
Property	-	21,209,059

During the year ended 31st August 2021 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 was therefore impaired to £nil 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 was 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 2022

14 Tangible fixed assets

	Land and buildings £	Oil Painting £	Total £
Cost			
At 1 September 2021	21,209,059	80,000	21,289,059
Revaluation	-	60,000	60,000
At 31 August 2022	21,209,059	140,000	21,349,059
Depreciation and impairment			
At 1 September 2021	21,209,059	-	21,209,059
At 31 August 2022	21,209,059	-	21,209,059
Carrying amount			
At 31 August 2022	-	140,000	140,000
At 31 August 2021	-	80,000	80,000

More information on the impairment arising in the year ended 31st August 2021 is given in note 13.

King Edward VI oil on wood painting, circa 1547 attributed to William Scrots (revalued on 23rd June 2022 by Fieldings Auctioneers Ltd).

15 Investment property

	2022 £
Fair value	
At 1 September 2021	2,325,001
Net gains or losses through fair value adjustments	35,000
At 31 August 2022	2,360,001

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 ended 31st August 2021 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 was therefore impaired to £nil 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 was 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 2022

16 Fixed asset investments

	Expendable Endowment £	Permanent Endowment £	General Funds £	Listed investments	Cash and Savings Bank	Total £
Cost or valuation						
At 1 September 2021	537,528	198,075	27,091	472,273	9,318	1,244,285
Additions	-	-	-	72,120	-	72,120
Valuation changes	(24,693)	(9,100)	(1,244)	(33,168)	-	(68,205)
Charges and interest	-	-	-	-	(4,424)	(4,424)
Movement in cash balances	-	-	-	-	13,070	13,070
Disposals	-	-	-	(85,191)	-	(85,191)
At 31 August 2022	512,835	188,975	25,847	426,034	17,964	1,171,655
Carrying amount						
At 31 August 2022	512,835	188,975	25,847	426,034	17,964	1,171,655
At 31 August 2021	537,528	198,075	27,091	472,273	9,318	1,244,285

THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

17	Financial instruments	2022	2021
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	41,643	46,975
	Instruments measured at fair value through profit or loss	1,171,656	1,244,286
		<u></u>	<u></u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	35,916	45,089
		<u></u>	<u></u>
18	Debtors	2022	2021
		£	£
	Amounts falling due within one year:		
	Rent & insurance recharges	22,643	24,975
	Other debtors	19,000	22,000
		<u></u>	<u></u>
		41,643	46,975
		<u></u>	<u></u>
19	Current asset investments	2022	2021
		£	£
	Unlisted investments	1	1
		<u></u>	<u></u>
20	Creditors: amounts falling due within one year	2022	2021
		£	£
	Other creditors	35,916	45,089
		<u></u>	<u></u>

THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

21 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 2021	Transfers	Movement in funds Revaluation of freehold land and buildings	Investment management fees	Investments gains/losses	Balance at 31 August 2022
	£	£	£	£	£	£
Permanent endowments						
Land and buildings	80,000	-	-	-	60,000	140,000
Investments	152,496	-	-	-	(7,056)	145,440
Deposit account	12,468	-	-	-	-	12,468
Scott Educational Foundation	53,620	-	-	-	(2,108)	51,512
Dr Roy Bequest	480,331	-	-	(4,424)	(33,103)	442,804
Investment property	2,325,001	-	35,000	-	-	2,360,001
Expendable endowments						
Investments	537,529	-	-	-	(24,694)	512,835
	<u>3,641,445</u>	<u>-</u>	<u>35,000</u>	<u>(4,424)</u>	<u>(6,961)</u>	<u>3,665,060</u>

22 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 2020	Movement in funds Incoming resources	Balance at 1 September 2021	Movement in funds Incoming resources	Balance at 31 August 2022
	£	£	£	£	£
Platt Library Fund	933	7	940	-	940
Scott Educational Foundation	5,914	1,193	7,107	1,232	8,339
Dr Roy	44,473	11,111	55,584	12,559	68,143
	<u>51,320</u>	<u>12,311</u>	<u>63,631</u>	<u>13,791</u>	<u>77,422</u>

THE KING EDWARD VI COLLEGE, STOURBRIDGE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

23 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Total 2021 £
Fund balances at 31 August 2022 are represented by:					
Tangible assets	-	-	140,000	140,000	80,000
Investment properties	-	-	2,360,001	2,360,001	2,325,001
Investments	25,847	940	1,144,868	1,171,655	1,244,285
Current assets/(liabilities)	778,774	76,482	20,191	875,447	797,809
	<u>804,621</u>	<u>77,422</u>	<u>3,665,060</u>	<u>4,547,103</u>	<u>4,447,095</u>

24 Financial commitments, guarantees and contingent liabilities

A grant of £221,657 was made by the Football Foundation to the Governors of the College in 2014 towards the costs of a new sports pavilion on land owned by the Charity at The Green Fields, Oldswinford, Stourbridge. The grant was made subject to conditions binding on both the Governors and the Trustees. During the period of 21 years from the 3rd October 2014 any breach of the grant conditions could trigger the repayment of the grant.

25 Related party transactions

There were no disclosable related party transactions during the year (2021 - none) other than the grant to the Heart of Mercia MAT for £56,000.