

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

Charity No: 1159413

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

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THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

REPORT OF THE TRUSTEES 31 December 2016

The Trustees are pleased to present their report and financial statements for the year ended 31 December 2016.

Objectives

The aims of the King Edward VI High School for Girls Birmingham Trust are to:

"promote the education of pupils at King Edward VI High School for Girls Birmingham (KEHS) in such ways as the Trustees think fit, including awarding to pupils at the School scholarships, bursaries, assisted places, maintenance allowances and grants on the basis of financial need to enable them to attend the school.

To advance the education of pupils at the School by providing and assisting the provision of facilities for education at the School."

Public benefit

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's objectives and planning for future activities, giving due consideration to how planned activities will contribute to the aims and objectives set.

Assisted Places are an important means of widening access to KEHS for academically able girls whose families are unable to afford the cost of school fees. In widening access to all girls with the talent to flourish at KEHS, Assisted Places facilitate social mobility. They enable recipients to make the most of their talents as a result of a KEHS education: a direct public benefit which lasts a lifetime, with positive implications for the society KEHS girls go on to serve, whatever their chosen path.

Fundraising for Assisted Places is inextricably linked to the extensive outreach and marketing undertaken by KEHS. Outreach activities led by teaching staff target primary and secondary schools, enabling a greater awareness of what a KEHS education can provide and ensuring that girls from a wide range of backgrounds feel the School is a place for them. Once they are aware of the opportunities at KEHS, girls from less advantaged backgrounds can then apply for Assisted Places. Outreach is only truly impactful if the philanthropic income for Assisted Places is in place. This is particularly important when seeking to increase access to KEHS for groups who might not otherwise consider KEHS as a place for them, for a variety of social and cultural reasons.

Assisted Places are also helping to reverse history, by enabling the social mobility facilitated by previous government support. Since the demise of the Direct Grant system and the government Assisted Places scheme, the school population has swung from a total of 80% of girls attending on Direct Grants, to just 20% of girls on Assisted Places. The Trust is helping to address a worrying trend across our admissions system, with girls who score highly in the admissions order of merit turning down admissions offers owing to financial circumstances. Ten Assisted Places were funded by alumnae during 2016, but each year around 30 girls are forced to turn down their place owing to a lack of funding. The Trust's fundraising continues to expand, with a further five Assisted Places established for September 2017 entry. The Trust's role in providing educational opportunities for all – not just those who can afford to come to the School – is very important, allowing KEHS to send a powerful message to families of all backgrounds, faiths, and ethnicities.

The Trust's fundraising helps talented girls to access an outstanding and truly life-changing education. This is evidenced in the School's academic results: in 2016, 91.4% girls achieved A*-B at A Level, with 31% achieving A*s and 74% A*/A grades. 11 girls gained places at Oxford and Cambridge and the School's contribution to reversing gender inequality in STEM subjects was also clearly reflected: 18 girls won places to read Medicine and three girls won places to study Dentistry. GCSE results were equally strong during 2016, with the School celebrating record results: 74% girls obtained A* grades and 92% A*/A grades, beating 2015's previous record. Girls excelled in STEM subjects, with 77% girls achieving A* in Mathematics, 75% achieving A* in Biology, and 81% A* in Chemistry and Physics. These statistics illustrate how an Assisted Place offers recipients the chance to experience a very broad yet balanced first class education – an education which lays strong foundations for the future.

The KEHS curriculum enables girls on Assisted Places to develop their individual strengths, talents, and passions. The curriculum is regularly reviewed and updated to meet the evolving needs of girls and incorporate the best national educational developments. The extracurricular offer, unrivalled in most schools, offers myriad opportunities: from the arts and sport to debating, model UN, and fashion club. These activities help girls to learn soft skills valued by employers and offer opportunities for leadership. Encouraging girls to own their voice and take ownership of their learning is one of the School's major curriculum aims. There are a number of whole school initiatives to foster this, including the Widening Horizons initiative for year 9 girls, which develops their critical thinking skills, and the AQA Level 2 and Level 3 extended projects for year 10 and sixth form students. These initiatives prepare girls well for university and have been recognised nationally.

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Educational opportunities at KEHS also include MOOCs (Massive Online Open Courses) offered by London University, Glasgow University, Princeton and Harvard. The MOOCs cover subjects ranging from International Relations to the science of medicines and epidemics. They provide girls with opportunities to participate in online forums, conduct academic research and develop their strategic and critical thinking. KEHS also operates a programme of research seminars where students present academic research papers to a panel of invited guests including academics, teachers and fellow students. These resources are particularly helpful for girls on Assisted Places, who may be from backgrounds without a history of higher education or who lack the cultural capital of their peers. Without Assisted Places, talented girls would miss out on this exposure and chance to develop additional skills and insights.

It is clear that Assisted Places offer unrivalled educational opportunity and public benefit. There are many unique offerings at KEHS which are not available at other local schools - offerings which provide them with a chance to flourish in subjects which may otherwise be considered off-limits. For instance, KEHS offers GCSE Astronomy. The popularity of this course reflects a wider strength in science across the school community, bucking the national gender disparity in STEM subjects. KEHS girls are encouraged to follow their interests unfettered by gender stereotypes. This is less true at co-educational state schools and so Assisted Places help KEHS to nurture female pipelines of scientific talent – talent which benefits industry and wider society. Remarkably, in 2016 four girls were awarded prestigious Arkwright Scholarships, having acquired up to 40 A* grades between them. Arkwright Scholarships recognise the country's future leaders of the Engineering Profession, and Arkwright Scholars are increasingly becoming recognised at national and international level.

A further public benefit of the Assisted Places Fund is the community service undertaken by KEHS girls. Through this and the Trust, the local community receives a twofold benefit: the first being educational opportunities afforded by Assisted Places, and the second the contribution which Assisted Place recipients make to their communities. Through community service, girls develop confidence in a wide range of non-academic skills.

By providing access to a KEHS education through Assisted Places, the Trust is benefiting society in the longer term. KEHS girls go on to innovate and lead in their fields, combining academic success with the soft skills and confidence fostered through their community work and the School's outstanding pastoral care. The development of soft skills helps to prepare girls for the world of work and the challenges which lie ahead, reinforcing that gender is not an obstacle to achieving their goals. Alumnae including the British chemist and Fellow of Royal Society Professor Ruth Lynden-Bell, the BBC correspondent Reeta Chakrabarti, and Dame Louise Makin DBE all demonstrate that whatever their field, KEHS girls go on to achieve at the highest level – be it science, media or the arts. For society at large, the Trust is helping to produce tomorrow's female leaders.

Grant making policy

Each December the Trustees decide the number of Assisted Places to allocate for the following September, based on both the received income 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 totalling £43,239 during the year, funding Assisted Places for ten girls.

In December 2016, the Trustees agreed to make further funds available for purpose of providing at least five Assisted Places for girls starting in September 2017. As a result, the Trustees expect the Trust to be providing funding towards at least 15 Assisted Places by the end of 2017.

Achievements and performance

The Trustees are very pleased with the achievements and performance of the Trust during its second year of operation and they are very grateful to all the donors who have supported the Charity. £322,395 was received in new donations in 2016 (including pledges), making a total of £1,630,755 from 207 donors. Almost all of this income was donated for the provision of Assisted Places and will be so applied.

The fundraising undertaken in 2016 included face-to-face solicitations for sponsors to fund Assisted Places for individual girls. By the end of 2016, there were 11 Sponsors. An affinity raising telethon undertaken in October 2016 generated around £35,000 in Direct Debit donations. The Assisted Places Fund continues to grow, providing a strong foundation from which to increase further.

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

REPORT OF THE TRUSTEES 31 December 2016

Financial Review

The Trust's financial statements are set out on pages 11 to 23.

The total value of the incoming resources received by the Trust was £346,250, of which £18,726 was reclaimed Gift Aid and £71,471 an 'in-kind' donation from the Schools of King Edward VI Foundation for Development Office staffing costs. The Trust received donations from 213 different donors during the year. During the drafting of this report, two additional pledges totalling £260,000 were made by local Trusts, enabling us to plan for 2017 and 2018 entrants with confidence.

Investment policy and performance

All the investments of the Trust are managed by Ruffer LLP who were appointed as the Trust's investment manager 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.

At the year end the value of the portfolio was £860,377. The Trust appreciated by 13.70% in 2016 and has risen 11.97% since inception (21 August 2015). Despite the shock of the UK's decision to leave the European Union followed by the election victory of Donald Trump, the positives from continued monetary stimulus and an improving economic outlook helped financial markets to grind higher. The portfolio's index-linked gilts were the largest contributors to performance, followed by gains across western equity holdings. Despite the healthier economic backdrop we remain cautious that many asset classes appear expensive, and we close the year with only 40% in equities.

Over the same period, prices have risen by 1.6% per annum as measured by the Consumer Prices Index and by 2.5% per annum as measured by the Retail Prices Index. The Trustees receive regular reports from the investment manager and carry out regular market testing exercises. Such reviews might lead to a change of manager or to the addition of a further manager should this be required to access a particular investment expertise.

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.

Policy documents that the Trustees have established include an ethical policy, a gift acceptance policy and a data policy. Details of these are outlined below.

Ethical Policy

As part of the ethical controls on fundraising, the Trustees must approve/agree to the fundraising strategy undertaken by the Development Office on the Trust's behalf. Furthermore, fundraising activity is regularly monitored and reviewed by the External Relations Committee. 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 <http://www.trust.kehs.org.uk/ethical-policy.html>. The Development Office is a member of the Institute of Fundraising and Institute of Development Professionals in Fundraising and so keeps regularly appraised of best practice and developments in the sector.

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.

Data policy

In order to advance the Trust's mission of providing bursaries to able girls on the basis of financial need, to enable them to attend KEHS, 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 comply with the Data Protection Act 1998 (the "Act") and its policy in respect of any Data which it processes as the data controller. All Data is held securely by the School and Trust in accordance with the Act and will be treated confidentially.

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The Trust's data policy covers the collection, usage, sharing, accuracy and retention of data, as well as the rights of those whose data is held by the School. A full data policy is available at: <http://www.trust.kehs.org.uk/data.html>. The Trust is keeping informed of guidance issued by the Information Commissioner's Office (ICO) to ensure full compliance with subsequent and anticipated recommendations.

External changes and recommendations

The Trust's policies are closely informed by the guidance and best practice determined by professional bodies including the IDPE (the Institute of Development Professionals in Education, the UK's leading schools' Development membership organization), CASE (the Council for Advancement and Support of Education), and the Fundraising Regulator's Code of Practice. Anticipated changes to fundraising self-regulation have been noted in the above references to the Fundraising Regulator and the ICO, and will continue to be monitored closely by the Trust. This will ensure that the Trust can continue to communicate transparently with alumni and ensure minimal disruption to fundraising activity or stewardship.

Reputational risk management and fundraising

From a reputational perspective, the synchronicity 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 interconnected, as demonstrated by the high performance of able but disadvantaged girls in admissions examinations. Being able to fund these girls ensures the ongoing academic success of the School, reassuring donors that their gift is making an impact on the lives of the most deserving and talented girls. The School's success makes a strong case for continued support.

Reserves policy

It is the policy of the Trustees to distribute the majority, although not necessarily the total amount, of received and projected Trust income. As a result the Trustees may carry some undistributed income forward to the following financial year.

Plans for the future

The Trustees recognise that the Trust has been very successful, with £1,630,755 raised, £71,471 in 'in kind' donations and an additional £2 million in legacy pledges. As the donation from the Birmingham Girls' Old Edwardian Club is a one-off donation, the Trustees recognise and support the importance of maintaining momentum and fundraising for at least five Assisted Places each year. The sums raised in 2015 were markedly higher as a result of this unprecedented level of support, and the Trustees appreciate that a gift of this size is unlikely to occur again.

The Development Office launched its fundraising campaign for Assisted Places, DELYVERE, in June 2017. It is hoped that communications and media interest will ensure that more potential donors are attracted to support the Assisted Places Fund as a result of the event, which took place with the strategic support of the Bishop of Birmingham in the House of Lords. The Development Office continues to increase the number of face-to-face solicitations with high net worth alumnae, parents, and wider networks. An affinity telethon held in October 2016 ensured that alumni engagement and donor participation remain high and a further telethon followed during July/August 2017. Furthermore, there are active approaches to corporate prospects and trusts and foundations maximise our pipeline of potential funding.

The Trustees and External Relations Committee will be working closely with the Development Office on the fundraising strategy for this Campaign over the next three to five years to ensure the targets are reached. The long-term aim of the Trust is to secure an income (from endowment and expendable gifts) that will ensure needs-blind access for the School.

Structure, governance and management

The King Edward VI High School for Girls Birmingham Trust is a registered charity (Number: 1159413) and is established an independent scheme under a Declaration of Trust dated 3 October 2014.

Reference and administration information

Charity Name	THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST
Charity Registration Number	1159413

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

REPORT OF THE TRUSTEES 31 December 2016

Registered Office

King Edward VI High School for Girls
Edgbaston Park Road
Birmingham
B15 2UB

Trustees

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

Mrs A Clark	Appointed by virtue of being Principal
Mrs G Stanley	Term of office expires 2 October 2019
Mrs J A Dyke	Term of office expires 2 October 2020
Mr T Clarke	Term of office expires 2 October 2019
Mrs S Stobbs	Term of office expires 2 October 2019
Miss S H Evans	Appointed 3 October 2014; stepped down 2 October 2016
Mrs A Duffy	Term of office expires 2 October 2020
Mrs C Soderman	Term of office expires 2 October 2020
Mrs A Tonks	Term of office expires 9 June 2020

Auditors

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

Bankers

Lloyds
134 New Street
Birmingham
B2 4QZ

Investment Managers

Ruffer LLP
80 Victoria Street
London
SW1E 5JL

Trustee recruitment and training

The Declaration of Trust provides for a minimum of 3 Trustees to a maximum of 15 Trustees. The Principal of the School is normally a Trustee and both the Governors of the Schools of King Edward the Sixth in Birmingham and the Directors of the Birmingham Girls Old Edwardian Club have the right to appoint two Trustees each. New Trustees are appointed by the existing Trustees and serve for two or 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.

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 Trustees work closely with the External Relations Committee, appointed under agreed terms of reference and comprising key members of the School's leadership team, school governors and key support staff including the Bursar. The Committee informs fundraising practice as it relates to the ongoing needs of the School; the School's major requirement continues to be the provision of Assisted Places.

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

REPORT OF THE TRUSTEES 31 December 2016

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 Statement of Recommended Practice 2015 (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 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.

Auditors

PKF 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 13 October 2017 and signed on their behalf by:



JA Dyke
Chairman of Trustees

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

**REPORT OF THE TRUSTEES
31 December 2016**

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST**

We have audited the financial statements of The King Edward VI High School For Girls Birmingham Trust for the year ended 31 December 2016 which comprise the Statement of Financial Activities, Income and Expenditure account, the Balance Sheet, Cashflow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland."

This report is made solely to the charity's Trustees, as a body, in accordance with regulations made under Section 154 of the Charities Act 2011. 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.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2016, 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.

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

**REPORT OF THE TRUSTEES
31 December 2016**

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

**REPORT OF THE TRUSTEES
31 December 2016**

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

PKF Cooper Parry Group Limited

PKF Cooper Parry Group Limited

Chartered Accountants
Statutory Auditors

Park View

One Central Boulevard

Blythe Valley Business Park

Solihull, B90 8BG

Date: 13/10/17

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

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2016

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2016 Total funds £	2015 Total funds £
Income and endowments from:						
Donations and legacies	2	75,611	259,806	4,012	339,429	1,451,672
Investments		-	6,821	-	6,821	1,649
Total income and endowments		75,611	266,627	4,012	346,250	1,453,321
Expenditure on:						
Raising funds		-	-	(10,915)	(10,915)	(923)
Charitable activities	3	(75,611)	(43,239)	-	(118,850)	(130,970)
Total expenditure		(75,611)	(43,239)	(10,915)	(129,765)	(131,893)
Net loss on the deposit of investments		-	-	(16,229)	(16,229)	(2,166)
Net increase/(decrease) in market value of investments	4	-	-	122,139	122,139	(10,902)
Net movement in funds		-	223,388	99,007	322,395	1,308,360
Reconciliation of funds:						
Total funds brought forward	8	-	266,269	1,042,091	1,308,360	-
Total funds carried forward	8	-	489,657	1,141,098	1,630,755	1,308,360

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 15 to 23 form part of these financial statements.

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

**SUMMARY INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 December 2016**

	Note	2016 £	2015 £
Income		339,429	1,451,672
Interest and investment income	2	6,821	1,649
Gain on investment	4	94,995	-
Gross income		441,245	1,453,321
Expenditure	3	118,850	131,893
Loss on investments	4	-	13,068
Total expenditure		118,850	144,961
Net income		322,395	1,308,360

The notes on pages 15 to 23 form part of these financial statements.

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

BALANCE SHEET

as at 31 December 2016

	Note	2016	2015
		£	£
Fixed assets			
Investments	4	832,744	687,948
		<hr/>	<hr/>
		832,744	687,948
Current assets			
Debtors	6	318,931	300,477
Cash at bank and in hand		502,237	324,675
		<hr/>	<hr/>
		821,168	625,152
Creditors: amounts falling due within one year	7	(23,157)	(4,740)
Net current assets		<hr/>	<hr/>
		798,011	620,412
Total assets less current liabilities		<hr/>	<hr/>
		1,630,755	1,308,360
Creditors: amounts falling due after more than one year		-	-
Net assets		<hr/>	<hr/>
		1,630,755	1,308,360
Charity Funds			
Endowment funds			
Expendable endowment	8	1,141,098	1,042,091
Restricted funds	8	489,657	266,269
Unrestricted funds	8	-	-
Total charity funds	8	<hr/>	<hr/>
		1,630,755	1,308,360

The financial statements on pages 11 to 23 were approved by the Trustees on 13 October 2017 and signed on their behalf by:



JA Dyke
Chairman of Trustees

The notes on pages 15 to 23 form part of these financial statements.

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

STATEMENT OF CASH FLOWS

as at 31 December 2016

	Note	2016	2015
		£	£
Cash flow from operating activities	12	220,542	1,024,709
Cash flow from investing activities			
Interest paid		-	256
Repayment of Shares		-	97
Payments to acquire investments		(457,998)	(822,657)
Receipts from sales of investments		435,341	123,710
Settlements of investments		(16,229)	(2,166)
Dividends received		6,817	1,649
Investment manager costs		(10,915)	(923)
Net cash flow from investing activities		<u>(42,980)</u>	<u>(700,034)</u>
Net increase in cash and cash equivalents		177,562	324,675
Cash and cash equivalents at 1 January 2016		324,675	-
Cash and cash equivalents at 31 December 2016		<u>502,237</u>	<u>324,675</u>
Cash and cash equivalents consists of:			
Cash at bank		474,943	249,872
Investment manager account		27,294	74,803
Cash and cash equivalents at 31 December 2016		<u>502,237</u>	<u>324,675</u>

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

1 Summary of significant accounting policies

(a) General information and basis of preparation

The King Edward VI High School for Girls Birmingham Trust was formed on 3 October 2014 and became a registered unincorporated charity in the United Kingdom on 1 December 2014. The address of the registered office is given in the charity information on page 7 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 The King Edward VI High School for Girls Birmingham Trust ("the school") in such ways that the Trustees see fit in particular by providing funds to support the provision of bursaries to girls 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 UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

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.

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.

(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.

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

1 Summary of significant accounting policies (continued)

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

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. 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, administrative 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 costs 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.

(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 market 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.

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

1 Summary of significant accounting policies (continued)

Realised 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.

(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 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 for UK corporation tax purposes.

(i) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2 Incoming Resources

	2016 £	2015 £
Unrestricted		
<i>Donations and legacies</i>		
Donations in kind (Note 3)	75,611	116,911
Total unrestricted fund income	75,611	116,911
Restricted		
Donations and legacies	259,806	278,679
Income from investments	6,821	1,649
	266,627	280,328
Endowment		
Legacy	4,012	279,404
Donations	-	776,678
Total endowment fund incoming resources	4,012	1,056,082
Total income	346,250	1,453,321

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

3 Resources expended

	Charitable Activities £	Governance £	2016 £	2015 £
Grants awarded				
- Assisted Places	43,239	-	43,239	14,059
Support Costs	71,471	4,140	75,611	116,911
	<u>114,710</u>	<u>4,140</u>	<u>118,850</u>	<u>130,970</u>

£75,611 (2015: £116,911) of the above costs were attributable to unrestricted funds, £43,239 (2015: £14,059) to restricted funds and £nil (2015: £nil) were attributable to endowment funds.

The Assisted Places Fund has benefited a total of 10 girls (2015: 5 girls) 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:

	2016 £	2015 £
Salaries	46,427	84,193
Communications and mailings	19,627	18,511
Travel	243	2,303
Database maintenance	3,073	5,306
Event expenses	1,908	1,523
Audit fees	4,140	4,740
Bank and legal fees	193	335
	<u>75,611</u>	<u>116,911</u>

4 Fixed Asset Investments

	2016 £	2015 £
Movement in fixed asset investments		
Market value as at 1 January 2016	687,948	-
Add:		
Additions to investments at cost	457,998	822,657
Net gain/(loss) on revaluation	122,139	(10,902)
Less:		
Disposals at carrying value	(435,341)	(123,807)
Market value as at 31 December 2016	<u>832,744</u>	<u>687,948</u>

	2016 £	2015 £
Investments at market value comprised:		
UK equities	84,268	55,743
Overseas equities and funds	256,520	218,680
UK fixed interest securities	247,365	183,418
Overseas fixed interest securities	150,795	158,719
Precious metals	36,944	26,308
Credit and capital funds	56,852	45,080
	<u>832,744</u>	<u>687,948</u>

The value of fixed interest securities held at the year-end excludes interest accrued at the date of the valuation.

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

4 Fixed Asset Investments (continued)

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

	2016 £	2015 £
0.125% Treasury Index-Linked 22/03/68	97,466	66,571
0.125% Treasury Index-Linked 22/11/19	71,885	67,518
USA Treasury Notes 0.125% TIPS 15/01/22 USD	99,690	79,157
USA Treasury Floating Rate Note 31/07/2017	-	49,471
Ruffer Multi Strategies Fund Limited	-	41,703

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted 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).

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

Ruffer follows the same approach across all of the account, 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.

5 Cash at bank

	2016 £	2015 £
Revenue account	474,943	249,872
Investment manager's account	27,294	74,803
	<u>502,237</u>	<u>324,675</u>

6 Debtors

	2016 £	2015 £
Other debtors	<u>318,931</u>	<u>300,477</u>

Other debtors in 2015 and 2016, include a legacy of £279,404 which will be received during 2017.

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

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

	2016 £	2015 £
Accruals	4,140	4,740
Other creditors	19,017	-
	<u>23,157</u>	<u>4,740</u>

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

8 Funds	Balance at 1 January 2016 £	Incoming resources £	Outgoing resources £	Other recognised gains and losses £	Transfers £	Balance at 31 Dec 2016 £
Restricted Funds						
Assisted Places fund	266,269	265,877	(43,239)	-	-	488,907
Assisted Places Support fund	-	750	-	-	-	750
	<u>266,269</u>	<u>266,627</u>	<u>(43,239)</u>	<u>-</u>	<u>-</u>	<u>489,657</u>
Endowment Funds						
Miss Davis Fund	279,404	-	-	-	-	279,404
The Birmingham Girls Old Edwardian Club						
- Old Edwardian Bursary Fund	495,077	-	(7,078)	68,684	-	556,683
- Margaret Wall Memorial Fund	71,347	-	(1,020)	9,898	-	80,225
- Wright Memorial Scholarship	8,269	-	(118)	1,147	-	9,298
- HSG 125 Anniversary Appeal	179,348	-	(2,564)	24,882	-	201,666
- HSG Corporate Business	8,646	-	(11)	100	-	8,734
- Sylvia Gordon Memorial Fund		4,012	(124)	1,199	-	5,088
	<u>1,042,091</u>	<u>4,012</u>	<u>(10,915)</u>	<u>105,910</u>	<u>-</u>	<u>1,141,098</u>
Unrestricted Fund						
	-	75,611	(75,611)	-	-	-
	<u>1,308,360</u>	<u>346,250</u>	<u>(129,765)</u>	<u>105,910</u>	<u>-</u>	<u>1,630,755</u>

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

8 Funds (continued)

Assisted Places Fund

This Fund is used to support either full-fee or part-fee Assisted Places for girls 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.

Endowment Funds

Miss Davis Fund

These funds represent an endowment gift made to the Trust as part of a legacy benefaction from Miss Margaret Davis. This is a restricted fund to be applied by the Trustees for the provision of a scholarship for the benefit of a musician. 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.

The Birmingham Girls Old Edwardian Club

These funds represent investments transferred to The King Edward VI High School for Girls Birmingham Trust from the Birmingham Girls Old Edwardian Club. The trustees have treated these funds as Permanent Endowments. The deed of transfer makes reference to the possibility of expending these funds if necessary; this decision is at the discretion of the Trustees.

Within the Old Edwardian Bursary Fund are amounts relating to gifts from Margaret Burrows and Margaret Davis. The Trustees will, in the forthcoming financial year, obtain further historical detail to enable the funds to be reported on separately in accordance with the transfer deed.

9 Net assets of the funds

	Investments	Net Current Assets	Total
	£	£	£
The charity's net assets belong to the various funds as follows:			
Unrestricted funds	-	-	-
Restricted funds	-	489,657	489,657
Endowment funds	832,744	308,354	1,141,098
	832,744	798,011	1,630,755

10 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 period, administration costs of £71,471 (2015: £116,911) 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.

Mr T Clarke and Mrs S Stobbs, both Trustees of the charity, are also Governors of The Schools of King Edward the Sixth in Birmingham and a member of the independent Schools Governing Body of the Schools of King Edward the Sixth in Birmingham respectively. Transactions between the charities are detailed above.

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

10 Related Parties (continued)

Mrs A Duffy and Mrs G Stanley, both Trustees of the charity, are Chairman and Committee Member of the Birmingham Girls Old Edwardians Club. Mrs A Clark, a Trustee of the charity, is Principal of the School and President of the Birmingham Girls Old Edwardian's Club.

Donations to the trust from trustees during the year were as follows:

	£
Mrs G Stanley	200
Mrs J A Dyke	1,000
Mr T Clarke	12,500
Miss S H Evans	240

11 Commitments

At 31 December 2016, the Trust was committed to funding 15 Assisted Places at a total cost of £863,750 over the pupils' time at the School. This covers three cohorts across School years 2015-16, 2016-17, and 2017-18. The total has been forecast on the basis of providing 15 full Assisted Places. Where there is a surplus, it will be used to provide additional Assisted Places provision in ensuing years.

Of this commitment, £821,010 will be met by the donations made under Deeds of Gift entered into by individuals who are sponsoring specific Assisted Places. The remaining £42,740 will be met by other single donations that have already been received by the Trust. In addition, the Trust expects to receive income from its investments of at least £6,821 per year. As at 31 December 2016, the Trust has regular commitments, mainly in the form of Direct Debit giving, in the region of £24,000 per year.

12 Reconciliation of net income to net cash flow from operating activities

	2016 £	2015 £
Net movement in funds	322,395	1,308,360
Less Dividends received	(6,817)	(1,649)
Interest payable	(4)	(256)
(Gains) / losses on investments	(105,910)	13,068
(Increase) / decrease in debtors	(18,454)	(300,477)
Add back Investment Manager Costs	10,915	923
Increase / (decrease) in creditors	18,417	4,740
Net cash flow from operating activities	<u>220,542</u>	<u>1,024,709</u>

