

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018
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 2018

The Trustees are pleased to present their report and financial statements for the year ended 31 December 2018.

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 refer to the Charity Commission's general guidance on public benefit when reviewing the charity's objectives and in planning for future activities, giving full consideration to how planned activities will contribute to the Trust's aims and objectives.

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. By widening access to all girls with the talent to flourish at KEHS, Assisted Places facilitate social mobility in the region. They enable recipients to make the most of their talents as a result of a KEHS education, providing a public benefit both to the individuals who receive funding and the society the recipients go on to serve, whatever their chosen profession.

Fundraising for Assisted Places is inextricably linked to the School's outreach and marketing, both designed to ensure that aspirations to attend KEHS are raised across the region. Outreach activities led by teaching staff target both 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. KEHS now has more than 60 schools in its outreach partnership. During 2018, KEHS outreach engaged with 588 primary school pupils from 29 state schools. Of these 56 girls made applications to KEHS for entry in 2019. We also worked with 94 pupils from secondary schools, offering extension activities and masterclasses.

Donations in support of Assisted Places ensure that the aspirations raised by outreach activity can be made a reality. This is especially important for increasing access to KEHS from groups who might not otherwise consider the School as a place for them, for a variety of social and cultural reasons.

Assisted Places also help to reverse history. Since the demise of the Direct Grant system which existed between 1944 and 1979, the School's population has swung from 80% of pupils on Direct Grants, to just 20% of girls on Assisted Places. In 2018, 616 girls registered for the entrance examination and 49.5% of these applicants requested fee remission. There were 59 applications for Assisted Places amongst those who scored in the top 150 of the entrance examination; even with the additional support of the King Edward's Foundation, only 21 Assisted Places could be offered from both the Trust and the Foundation. (5 of these were declined).

The Trust hopes to address this by ensuring that by 2020, 25% of girls at the School are on Assisted Places. The Delyvere fundraising campaign for Assisted Places was launched in June 2017 at the House of Lords, to promote this goal and attract new supporters to donate. In 2018, the Trust had 18 active sponsorships in place. 23% of pupils across the school receive an Assisted Place at present.

18 Assisted Places had been provided by alumnae and sponsors by the end of 2018. The Trust's fundraising continues to expand, with a further 5 Assisted Places anticipated for September 2019 entry. The Trust's role in providing educational opportunities for all – not just those who can afford to attend KEHS – sends a powerful message to families of all backgrounds, faiths, and ethnicities. The Trust has now seen 7 Trust-funded Assisted Place recipients complete their studies at KEHS. One of these Trust-funded pupils played an active part of our fundraising appeals, and was part of the team who won the 2018 Tes Fundraising Initiative of the Year Award. The award recognised the enthusiasm and dedication of the Sixth Form pupils in our Trust Club, embedding student engagement within our campaign for Assisted Places. The judges commented on the enthusiasm and dedication of the team, who "rapidly raised substantial funds for bursaries and have evidently sown the seeds of a highly sustainable philanthropic culture focused on widening access to the excellent education provided by the school."

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REPORT OF THE TRUSTEES 31 December 2018

The Trust's fundraising helps talented girls to access an outstanding, truly life-changing education. This is evidenced in the School's academic results: in 2018, girls achieved 92% grades at 9-7 (A*/A equivalent). Results in the STEM subjects (Science, Technology, Engineering and Mathematics) were excellent, with 96% of the Mathematics examinations awarded Grades 9-7, and 43 students out of 74 achieving the elusive Grade 9. A Level results were equally impressive, with 33% of grades at A* and 73% A*/A grades. Remarkably, 13 students out of a year group of 75 achieved 3 or more A*s. 13 students met their conditional offers and secured places at Oxford and Cambridge to study subjects as diverse as PPE (Philosophy, Politics and Economics), Natural Sciences, Modern Languages and Medicine. These statistics illustrate how Assisted Places lay strong foundations for the future.

The KEHS curriculum enables girls on Assisted Places to build upon their individual strengths and talents. The curriculum is regularly reviewed and updated to incorporate national developments and girls are encouraged to take every opportunity to broaden their learning experience and explore a wide range of unusual options. Links to free online resources, such as the Harvard and Yale courses, are available via the School's website and cover subjects including coding and the moral foundations of politics. KEHS also coordinates 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 which 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.

The extracurricular offer complements the curriculum by helping girls to develop the soft skills valued by future employers. KEHS is the only independent girls' school in the Midlands to provide over 70 high quality clubs and activities each week, including top-class music-making, dance and drama, all run by highly-qualified staff or outside experts. Other options include Debating, Ceramics, Lifesaving, Model United Nations, Performance Poetry, Digital Arts, Symphony Orchestra and German Club.

Many of these unique offerings provide girls with the chance to flourish in subjects which may otherwise be considered off-limits. For instance, KEHS offers GCSE Astronomy. The continued popularity of this course reflects a wider strength in science across the school community, bucking a national gender imbalance in STEM subjects. KEHS girls are encouraged to follow their interests unfettered by gender stereotypes, going on to populate national pipelines of female scientific talent and serve as role models for subsequent generations of girls.

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 the availability of Assisted Places, and the second the contribution which all girls, including Assisted Place holders, make to their communities. Through community service, girls develop confidence in a wide range of non-academic skills. The Community Service programme at KEHS is extensive, including Christmas and spring parties for the elderly, farm trips for children from inner city primary schools, and weekly collections and charity events to raise funds for chosen Form charities. Sixth Formers also spend one term completing a voluntary placement on a Friday afternoon.

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 £128,235 during the year, funding Assisted Places for 18 girls.

In December 2018, the Trustees agreed to make further funds available for purpose of providing up to five new Assisted Places for girls starting in September 2019. As a result, the Trustees expect to have provided a total of 23 Assisted Places by the end of 2019.

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

REPORT OF THE TRUSTEES 31 December 2018

Achievements and performance

The Trustees are very pleased with the achievements and performance of the Trust during its fourth year of operation and they are very grateful to all their supporters. £370,538 was received in donations in 2018, from 336 donors, meaning we have raised over £1.8 million to date. Almost all of this income was donated for the provision of Assisted Places and will be so applied.

Fundraising for Assisted Places remained strong during 2018. As we reach the halfway point in the Delyvere Campaign, support from our community remains as strong as ever, bolstered by national recognition following the receipt of the Tes Fundraising Initiative of the Year Award. Fundraising activity included face-to-face solicitations for Sponsorship gifts and a summer telethon. By the end of 2018, there were 17 Sponsors. The telethon was once again match-funded, with £35,000 gifted by an anonymous sponsor to match donations pound-for-pound. Our award-winning caller team surpassed this target, raising £45,000 in single gifts, regular donations, and pledges.

The Assisted Places Fund continues to grow, providing a strong foundation from which to increase further.

Financial Review

The Trust's financial statements are set out on pages 11 to 22.

The total value of the incoming resources received by the Trust was £378,203, of which £12,478 was reclaimed Gift Aid and £91,959 an 'in-kind' donation from The Schools of King Edward the Sixth of Birmingham for Development Office staffing costs. The Trust received donations from 336 different donors during the year.

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 £802,230 (2017:£830,727). The Trust's portfolio has depreciated by 3.4% in 2018, following a difficult year in the markets, but has risen 8.6% since inception (21 August 2015).

The final quarter of 2018 saw global stock markets succumb to certain problems - principally the impossibility of reconciling high valuations with rising interest rates, inflation pressures and political uncertainties. For our portfolio, this brought a little satisfaction but, while the protection assets in the portfolio started to deliver, especially in December as the market falls worsened, overall the portfolio still declined in value, falling about 5% in the quarter. Global markets by comparison fell between 10-17%. We are clearly disappointed with the outcome this year, but remain sure of the need to hold protection assets. Ruffer holds that 2018's weaknesses mark a shift from relatively benign investment conditions to a much harsher environment – one that could lead to conditions that would be capable of causing permanent damage to portfolios. Protecting against this remains their highest priority.

Over the same period, prices have risen by 2.1% per annum as measured by the Consumers' Price Index and by 2.7% 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 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 risk.

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

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

Ethical Policy

As part of the ethical controls on fundraising, the Trustees approve the fundraising strategy which is undertaken by the Development & OE 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: <https://oldeds.kehs.org.uk/about/the-kehs-trust/ethical-policy>.

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

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

Systems and controls document

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

Gift acceptance policy

The Trust's gift acceptance policy is reviewed regularly to ensure it complies with new legislation. The most up to date version is available at: <https://oldeds.kehs.org.uk/about/the-kehs-trust/gift-acceptance-policy>.

Data policy

In order to advance the Trust's legitimate interest (fundraising for needs-based bursaries which enable talented girls to attend King Edward VI High School for Girls), a database is held by the School. This holds information on donors and potential donors, and the Trust uses all reasonable care to keep this data up to date and secure.

The Trust and the School ensure they comply with all relevant data protection legislation, including the GDPR ruling which took effect in May 2018, in respect of any data which it processes as the data controller. All data is treated confidentially and held securely by the School and Trust in accordance with the relevant legislation and having obtained the consent of all individuals whose data is processed.

The Trust's Privacy Statement covers the collection, usage, sharing, accuracy and retention of data, as well as the rights of those whose data is held by the School. The Trust has updated its Privacy Statement to ensure it reflects the standards of the EU GDPR, including how it profiles and wealth screens potential donors. A full Privacy Statement is available at: <https://oldeds.kehs.org.uk/contact/privacy>.

External changes and recommendations

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

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

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Reputational risk management and fundraising

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

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

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

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. The operational costs are borne by The Schools of King Edward the Sixth in Birmingham.

Plans for the future

The Trustees recognise that the Trust has been very successful, with over £2.4 million raised to date including pledges, and an additional £650,000 in legacy pledges.

The Trustees and External Relations Committee will be working closely with the Development Office on the fundraising strategy for the remainder of the Delyvere Campaign, which ends in 2020, ensuring the targets are reached. They will also advise on the next phase of campaign for the Trust, ensuring we retain our current momentum. 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 as 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
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 2020
Mrs S Stobbs	Term of office expires 2 October 2019
Mrs H Evenett	Term of office expires 26 January 2021
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

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

REPORT OF THE TRUSTEES 31 December 2018

Auditors

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 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.

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 that the Charity will continue in operation.

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

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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

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 10/02/19 and signed on their behalf by:

Judy Dyke

JA Dyke
Chairman of Trustees

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

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

Opinion

We have audited the financial statements of The King Edward VI High School for Girls Birmingham Trust (the 'charity') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 6, the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

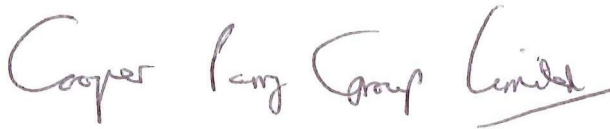
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

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

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Cooper Parry Group Limited
Statutory Auditor

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

Date: 11/10/19

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 2018**

		Unrestricted funds	Restricted funds	Endowment funds	2018 Total funds	2017 Total funds
	Note	£	£	£	£	£
Income and endowments from:						
Donations and legacies	2	91,959	271,873	6,706	370,538	310,221
Investments		-	7,665	-	7,665	7,486
Total income and endowments		91,959	279,538	6,706	378,203	317,707
Expenditure on:						
Raising funds		-	-	(9,275)	(9,275)	(9,300)
Charitable activities	3	(91,959)	(128,235)	-	(220,194)	(216,623)
Total expenditure		(91,959)	(128,235)	(9,275)	(229,469)	(225,923)
Realised (loss)/gain in market value of investments		-	-	(14,348)	(14,348)	16,952
Unrealised (loss)/gain in market value of investments	4	-	-	(25,241)	(25,241)	(893)
Net movement in funds		-	151,303	(42,158)	109,145	107,843
Reconciliation of funds:						
Total funds brought forward	8	-	589,272	1,149,326	1,738,598	1,630,755
Total funds carried forward	8	-	740,575	1,107,168	1,847,743	1,738,598

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

The notes on pages 15 to 22 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 2018**

	Note	2018 £	2017 £
Income		363,832	308,752
Interest and investment income	2	7,665	7,486
Gain on investments		-	6,759
Gross income		<u>371,497</u>	<u>322,997</u>
Expenditure		(220,194)	(223,382)
Loss on investments		-	-
		<u>(220,194)</u>	<u>(223,382)</u>
Net income		<u>151,303</u>	<u>99,615</u>

The notes on pages 15 to 22 form part of these financial statements.

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

BALANCE SHEET

as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	4	802,230	830,727
		<u>802,230</u>	<u>830,727</u>
Current assets			
Debtors	6	356,048	345,454
Cash at bank and in hand	5	697,842	672,575
		<u>1,053,890</u>	<u>1,018,029</u>
Creditors: amounts falling due within one year	7	(8,377)	(110,158)
Net current assets		<u>1,045,513</u>	<u>907,871</u>
Net assets		<u>1,847,743</u>	<u>1,738,598</u>
Charity Funds			
Endowment funds			
Expendable endowment	8	1,107,168	1,149,326
Restricted funds	8	740,575	589,272
Total charity funds	8	<u>1,847,743</u>	<u>1,738,598</u>

The financial statements on pages 11 to 22 were approved by the Trustees on 10/06/19 and signed on its behalf by:

Judy Dyke

JA Dyke
Chairman of Trustees

The notes on pages 15 to 22 form part of these financial statements.

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

STATEMENT OF CASH FLOWS

as at 31 December 2018

	Note	2018 £	2017 £
Cash flow from operating activities	12	(1,607)	144,802
Cash flow from investing activities			
Payments to acquire investments		(675,039)	(445,603)
Receipts from sales of investments		678,295	446,727
Settlements of investments		25,312	26,252
Dividends received		7,581	7,460
Investment manager costs		(9,275)	(9,300)
Net cash flow from investing activities		<u>26,874</u>	<u>25,536</u>
Net increase in cash and cash equivalents		25,267	170,338
Cash and cash equivalents at 1 January 2018		672,575	502,237
Cash and cash equivalents at 31 December 2018		<u>697,842</u>	<u>672,575</u>
Cash and cash equivalents consists of:			
Cash at bank		681,974	636,185
Investment manager account		15,868	36,390
Cash and cash equivalents at 31 December 2018		<u>697,842</u>	<u>672,575</u>

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2018

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 5 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

NOTES TO THE ACCOUNTS

for the year ended 31 December 2018

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 cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

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

The analysis of these costs is included in note 3.

(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

NOTES TO THE ACCOUNTS

for the year ended 31 December 2018

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 company 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

	2018 £	2017 £
Unrestricted		
Donations and legacies	-	-
Donations in kind (Note 3)	91,959	97,396
Total unrestricted fund income	<u>91,959</u>	<u>97,396</u>
Restricted		
Donations and legacies	271,873	211,356
Income from investments	7,665	7,486
	<u>279,538</u>	<u>218,842</u>
Endowment		
Legacy	<u>6,706</u>	<u>1,469</u>
Total income	<u>378,203</u>	<u>317,707</u>

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2018

3 Resources expended

	Charitable Activities £	Governance £	2018 Total £	2017 Total £
Grants awarded				
- Assisted Places	128,235	-	128,235	119,227
Supports Costs	87,639	4,320	91,959	97,396
	<u>215,874</u>	<u>4,320</u>	<u>220,194</u>	<u>216,623</u>

£91,959 (£2017: £97,396) of the above costs were attributable to unrestricted funds and £128,235 (2017: £119,227) were attributable to restricted funds.

The Assisted Places Fund has benefited a total of 18 girls (2017: 14 girls) 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:

	2018 £	2017 £
Salaries	53,729	49,593
Communications and mailings	26,310	26,327
Travel	1,904	2,347
Database maintenance	3,820	3,751
Event expenses	1,288	10,435
Audit fees	4,320	4,200
Bank and general fees	588	743
	<u>91,959</u>	<u>97,396</u>

4 Fixed Asset Investments

	2018 £	2017 £
Movement in fixed asset investments		
Market value as at 1 January 2018	830,727	832,744
Add:		
Additions to investments at cost	675,039	445,603
Net gain/(loss) on revaluation	(25,241)	(893)
Less:		
Disposals at carrying value	(678,295)	(446,727)
Market value as at 31 December 2018	<u>802,230</u>	<u>830,727</u>
	2018 £	2017 £
Investments at market value comprised:		
UK equities	91,425	101,835
Overseas equities and funds	187,117	293,805
UK fixed interest securities	154,030	239,957
Overseas fixed interest securities	235,612	108,827
Precious metals	74,684	39,480
Credit and capital funds	59,362	46,823
	<u>802,230</u>	<u>830,727</u>

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

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2018

4 Fixed Asset Investments (continued)

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

	2018	2017
	£	£
USA Treasury Notes 0.125% TIPS 15/01/22	97,836	92,399
USA Treasury Notes 0.125% TIPS 15/07/24	49,416	-
USA Treasury Notes 0.375% TIPS 15/07/23	37,503	-
0.375% Treasury Index-Linked 22/03/62	48,268	-
0.125% Treasury Index-Linked 22/03/68	55,283	95,388
Ruffer Multi Strategies Fund	50,100	-
LF Ruffer Gold Fund	43,158	-

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

	2018	2017
	£	£
Revenue account	681,974	636,185
Investment manager's account	15,868	36,390
	<u>697,842</u>	<u>672,575</u>

6 Debtors

	2018	2017
	£	£
Other debtors	<u>356,048</u>	<u>345,454</u>

Other debtors from 2015 to 2018, include a legacy of £285,579 which is expected to be received during 2019.

7 Creditors: amounts falling due within one year

	2018	2017
	£	£
Accruals	(4,320)	(4,140)
Other creditors	(4,057)	(106,018)
	<u>(8,377)</u>	<u>(110,158)</u>

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2018

8 Funds	Balance at 1 January 2018 £	Incoming Resources £	Outgoing Resources £	Other recognised gains and losses £	Balance at 31 December 2018 £
Restricted Funds					
Assisted Places Fund	587,772	278,788	(128,235)	-	738,325
Assisted Places Support Fund	<u>1,500</u>	<u>750</u>	<u>-</u>	<u>-</u>	<u>2,250</u>
	589,272	279,538	(128,235)	-	740,575
Endowment Funds					
Miss Davis Fund	280,873	4,706	-	-	285,579
The Birmingham Girls Old Edwardians Club					
- Old Edwardian Bursary Fund	561,052	-	(5,992)	(25,576)	529,484
- Margaret Wall Memorial Fund	80,854	-	(863)	(3,686)	76,305
- Wright Memorial Scholarship	9,372	-	(100)	(427)	8,845
- HSG 125 Anniversary Appeal	203,248	-	(2,171)	(9,265)	191,812
- HSG Corporate Business	8,703	-	(93)	(397)	8,213
- Sylvia Gordon Memorial Fund	5,224	-	(56)	(238)	4,930
- Legacy Fund	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
	1,149,326	6,706	(9,275)	(39,589)	1,107,168
Unrestricted Fund	<u>-</u>	<u>91,959</u>	<u>(91,959)</u>	<u>-</u>	<u>-</u>
	1,738,598	378,203	(229,469)	(39,589)	1,847,743

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2018

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.

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	-	740,575	740,575
Endowment funds	802,230	304,938	1,107,168
	<u>802,230</u>	<u>1,045,513</u>	<u>1,847,743</u>

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 £91,959 (2017: £97,396) 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, a Trustee of the charity, is also Chair of the Independent Schools Governing Body of the Schools of King Edward the Sixth in Birmingham. Transactions between the charities are detailed above.

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.

Judy Ann Dyke is also a trustee of The Limoges Charitable Trust (RCN: 1016178), which donated £2,500 in 2018.

THE KING EDWARD VI HIGH SCHOOL FOR GIRLS BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2018

10 Related parties (continued)

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

	£
Mrs A Clark	550
Mrs G Stanley	100
Mrs J A Dyke	25
Mr T Clarke	5,000
Mrs S Stobbs	240
Mrs H Evenett	26,250
Mrs A Duffy	25
Mrs C Soderman	-
Mrs A Tonks	133

11 Commitments

At 31 December 2018, the Trust was committed to funding 23 (2017: 18) Assisted Places at a total cost of £1,003,087 (2017: £1,259,738) over the pupil's time at the School.

Of this commitment, £636,323 will be met by the donations made under Deeds of Gift, entered into by individuals who are sponsoring specific Assisted Places. In addition, the Trust holds assets to the value of £738,235 on the Restricted Fund, for the purpose of meeting the cost of providing Assisted Places. Each year the Trust also expects to receive income from its investments of at least £7,500 (based on 2018) and a further £42,909 (based on 2018) by direct debit.

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

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

	2018 £	2017 £
Net movement in funds	109,145	107,843
Dividends received	(7,581)	(7,460)
(Gains) / losses on investments	(71)	(25,359)
(Increase) in debtors	(10,594)	(26,523)
Add back investment manager costs	9,275	9,300
(Decrease) / increase in creditors	(101,781)	87,001
Net cash flow from operating activities	(1,607)	144,802