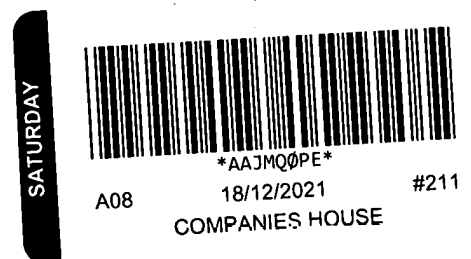


KING EDWARD VI ACADEMY TRUST BIRMINGHAM
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



KING EDWARD VI ACADEMY TRUST BIRMINGHAM
(A company limited by guarantee)

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KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

P Burns
The Schools of King Edward VI in Birmingham
H Thomas

Trustees

H Thomas, Chair (resigned as Chair 1 September 2020)
S Roberts, Chair (appointed Chair 1 September 2020)
T Clarke
G Dupree
B Matthews
L Phillips (deceased 23 November 2020)
A McKerracher
F Kinkhabwala
D Wheeldon, (appointed Vice Chair 1 September 2020)
P Burns
R Palmer
Dr C Ricks
L Roan
R Stephen

Company registered number

10654935

Company name

King Edward VI Academy Trust Birmingham

Principal and registered office

Foundation Office
Edgbaston Park Road
Birmingham
West Midlands
B15 2UD

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Company secretary

L Ganderton (resigned 31 July 2021)

Executive team

T Rowland, Director of Finance and Operations, Interim Executive Director

S Cunningham, Director of HR

Jodh Dhesi, Chief Executive Officer and Accounting Officer, appointed 1 January 2021

Senior management team

M Garrod, Headteacher - King Edward VI Camp Hill School for Boys

L Johnson, Headteacher - King Edward VI Camp Hill School for Girls

Y Wilkinson, Headteacher - King Edward VI Five Ways School

A Whittall, Headteacher - King Edward VI Handsworth School for Girls

R Elcocks, Headteacher - King Edward VI Sheldon Heath Academy

S Bird, Headteacher - King Edward VI Handsworth Grammar School for Boys

Q Riaz, Headteacher - King Edward VI Handsworth Wood Girls' Academy

D McGarvey, Headteacher - King Edward VI Balaam Wood Academy

C Parker, Headteacher - King Edward VI Aston School (to 24 October 2020)

A Whittall, Interim Headteacher - King Edward VI Aston School

Independent auditor

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers

Lloyds Bank
Solihull Business Centre - GLC
Creynolds Lane
Shirley
Solihull
B90 4ES

Solicitors

Stone King LLP
Colmore Gate
2-6 Colmore Row
Birmingham
B3 2QD

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Academy Trust operates nine Academies, six selective and three non-selective, for pupils aged 11 to 18 serving the City of Birmingham. Its Academies had a combined pupil capacity of 8940 and had a roll of 9151 in the school census in October 2021.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

It is governed by its Memorandum and Articles of Association.

The Trustees of the Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company operates as King Edward VI Academy Trust Birmingham.

Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details.

b. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

c. Trustees' indemnities

The Academy Trust, through its insurance provision, indemnifies the Trustees against claims made arising from negligent acts, errors or omissions whilst on Academy Trust business. The insurance provides cover up to £1,000,000 in any one claim.

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The number of Trustees must not be less than three but shall not be subject to any maximum. The Academy Trust shall have the following Trustees:

- between six and eight Trustees from the Local Governing Bodies ("LGBs") appointed by the Trustees;
- up to six Trustees appointed by the Members;
- a minimum of two Parent Trustees elected or appointed in the event that no Local Governing Bodies are established; and
- any Co-opted Trustee; provided that at least eight of the Trustees must at all times also be members of the board of trustees of the Foundation; and

In making appointments of Trustees, the Members and Trustees (as the case may be) shall have regard to the need to ensure an appropriate mix of skills on the board, including, but without limitation, finance, HR and school improvement.

e. Policies adopted for the induction and training of Trustees

All new Trustees are provided with an induction pack which contains essential documents including the Articles of Association, Decision Making Matrix, Scheme of Governance, Scheme of Financial Delegation and Master Funding Agreement. The new Trustee will meet with the Chair and key Academy Trust personnel.

f. Organisational structure

Meetings of the Board of Trustees usually take place seven times throughout the year with extra meetings taking place as required. The Board met seven times in the year under review. The Board receive reports from the nine Local Governing Bodies on a termly basis. They also receive reports from the undemoted Academy Trust Committees:

- Finance
- Audit
- Curriculum Standards and Welfare
- HR including separate Equality, Diversity and Inclusion and Staff Liaison Committees
- Parent Liaison
- Joint Strategy

These committees meet regularly throughout the year on a cycle to complement the board meetings. Much of the detailed work is undertaken by the committees as per their terms of reference.

The Accounting Officer of the Academy Trust is the Chief Executive Officer. The Academy Trust has an executive team that oversees day to day management.

All Trustees of the Board and Governors of the LGBs are unpaid in their roles.

The Trustees are responsible for the governance and supervision of the Academy Trust, its committees (including the LGBs) and the management of the relationship with the Academy Trust Executive Team (in relation to the provision of services provided to the Academy Trust and the Academies by Foundation Office staff through the Provision of Services Agreement).

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

The Trustees have a number of duties and responsibilities relating to the management of the Academy Trust and its finances. In summary, the Trustees are responsible for:

- establishing the vision, mission and values for the Academy Trust;
- carrying on the Academy Trust in accordance with the objects of the Academy Trust (as set out in the Articles) and safeguarding the assets of the Academy Trust;
- designing strategy and structure for the operation of the Academy Trust;
- oversight of the operation of the Academies and directing the education, pastoral care, financial and other policies of the Academies in accordance with the Articles and the Funding Agreements (including the ESFA's Academies Financial Handbook);
- ensuring sound management and administration of the Academy Trust, and ensuring that managers are equipped with the relevant skills and guidance;
- financial controls and the financial management of the Academy Trust in accordance with the provisions of the Handbook, which sets out in detail provisions for the financial management of each Academy including guidance on financial systems and controls and accounting and reporting requirements;
- setting standards of conduct and values, monitoring performance and the achievement of objectives, and ensuring that plans for improvement are acted upon;
- risk management, including identifying, quantifying and devising systems to minimise the major risks affecting the Academy Trust; and
- ensuring the activities of the Academy Trust and the Academies are conducted in compliance with the general law.

The role of each Academy LGB is to:

- provide advice to the Trustees on the functioning of that Academy;
- act as a key link between the Academy Trust, parents and the Academy community;
- act as a sounding board for the Headteacher and Academy Trust Senior Leadership Team and offer challenging but positive support to the Headteacher;
- continually review the overall impact of the Academy;
- assist with and review the implementation of certain academy policies, such as student admissions and behaviour;
- set an annual budget for the Academy; and
- appoint, remove and set the remuneration of the Headteacher.

The LGB is made up of individuals who may or may not also be Trustees in accordance with the Articles. Each Academy has a leadership team in place for day-to-day management.

g. Arrangements for setting pay and remuneration of key management personnel

In line with the Academy Trust's Articles, the Academy Trust sponsor, the Schools of King Edward VI in Birmingham (the 'Foundation'), appoints the Chief Executive Officer and donates his Senior Leadership services to the Academy Trust. The Foundation Remuneration Committee sets the pay and remuneration of key leadership posts of the Foundation. The Chair of the Academy Trust is a member of the Remuneration Committee.

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

Structure, governance and management (continued)

h. Related parties and other connected charities and organisations

The Academy Trust is sponsored by the Schools of King Edward VI in Birmingham (the 'Foundation') charity. The Foundation has both a governance based and contractual relationship with the Academy Trust.

For example, the Chair of the Academy Trust's Board of Trustees from time to time is an ex-officio member of the standing committee known as the Joint Strategy Committee (JSC). The JSC recommends general strategy and a plan for the Foundation and Academy Trust as a whole; recommends educational policy and strategy for the Foundation and Academy Trust as a whole; recommends the allocation and distribution of the Foundation's resources for all purposes, in relation to the above; and keeps under review the role and performance of all the Foundation's schools.

Any recharged central service/senior leadership costs, above those that are donated from the Foundation, are recharged as part of an agreed Service Level Agreement and at no more than cost.

i. Engagement with employees (including disabled persons)

A Staff Liaison Committee was formed by the Academy Trust in 2017 and includes representatives (both teaching and non-teaching) from each of the schools within the Academy Trust. The group meet on a termly basis to consider all aspects of the Academy Trust, but in particular those relating to HR matters, and gives all staff a voice on a range of matters. During 2020/21, a staff engagement survey was rolled out across the Academy Trust.

A total of 633 employees from the Academy Trust and Foundation Office completed the staff working conditions and wellbeing survey, the first engagement survey we have run as an Academy Trust. Participant numbers varied across the schools

Infographics detailing the themes and actions arising out of the responses have been produced to provide comparisons with the national benchmark in key areas. The infographics have also been distributed to all employees and form part of an ongoing communication plan regarding the actions we have committed to.

The Equal Opportunities Policy for the Academy Trust sets out the aims of the Academy Trust to ensure that no job applicant receives less favourable treatment because of a Protected Characteristic. The policy also sets out how the Academy Trust will support an employee who becomes disabled as much as possible and to ensure that they are not treated less favourably because of something related to their disability. Recently, an Equalities, Diversity and Inclusion Committee has been set up across the Foundation to progress an equalities agenda with representation from across the Academy Trust.

Both the Staff Liaison and Equalities, Diversity and Inclusion Committees report through the Academy Trust HR Committee.

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and through the Staff Liaison Committee, staff representatives inform and canvas staff for their views and opinions on employment and people matters. Staff representatives have the opportunity to add items to agenda for discussion. The Academy Trust carries out exit interviews for staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

In accordance with the Academy Trust's Equal Opportunities policy, the Academy Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust's offices.

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

Structure, governance and management (continued)

Engagement with employees (including disabled persons) (continued)

J. Engagement with suppliers, customers and others in a business relationship with the Academy Trust

The Academy Trust has had regard to the need to foster the company's business relationship with suppliers, customers and others through the implementation of procedures to ensure that regularity, propriety and value for money is maintained for the Trust. The Academy Trust tries to achieve best value for money for all its purchases ensuring that services are delivered in the most economical, efficient and effective way, within available resources.

Wherever possible, the Academy Trust will engage with local businesses, which in turn financially supports the local communities and the families in Birmingham.

The Academy Trust also assesses in advance, where relevant the health and safety competence of contractors, taking account of the Company's policies and procedures.

Payment for supplies and services are made and within 30 days upon receipt of an invoice once it has been confirmed that goods or services have been received and are of the quality expected. Every effort is made to ensure the school benefits from early payment discounts.

Objectives and activities

a. Objects and aims

The Objects of the Academy Trust (the purposes it exists to further) are:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies"), and
- to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

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

Objectives and activities (continued)

b. Objectives, strategies and activities

King Edward VI Academy Trust Birmingham was established in 2017 with an overarching mission to make Birmingham the best place to be educated in the UK. The Academy Trust has grown since its inception, with Handsworth Wood Girls' Academy joining on 1 September 2018 and Balaam Wood Academy joining on 1 September 2019 and King Edward VI Northfield School for Girls joining on 1 September 2021. The Academy Trust intends to continue with this growth in line with new agreed strategy for the next few years.

Our core values are:

- Excellence and Opportunity
- Independence and Respect
- Community and Diversity

The pursuit of excellence is central to enable children to fulfil their potential. This is supported by ensuring that our schools meet the challenges that face them through the provision of clear strategies, strong support, scrutiny and good governance.

The main objectives for 2020/21 were to:

1. Review and refresh our objectives and priorities with the appointment of a new CEO
2. Continue to deal with the challenges posed by the Covid-19 pandemic and the impact on pupil learning, wellbeing and outcomes
3. Procure and begin to implement a new integrated HR and Payroll system
4. Procure and build new capital projects at King Edward VI Handsworth School for Girls, King Edward VI Camp Hill Girls, King Edward VI Handsworth Wood Girls and King Edward VI Aston School.
5. Develop a unified digital strategy for the Academy Trust
6. Continue with the growth of the Academy Trust.

c. Public benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission throughout the objectives, strategies and activities detailed within this report and when exercising their powers or duties.

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

The Academy Trust has achieved the following in 2020/21:

1. Governors tasked the new CEO to develop Foundation Strategy for the next 5 years. The Foundation Strategy has emerged out of a three month long Strategic Review process launched in January 2021. The Strategy was approved by the Foundation and Academy Trust Boards in April 2021. The following strategic objectives emerged from the priorities agreed as part of the Strategic Review.

- a. Strategic objective 1 (SO1): Learning with us
 - i. SO1.1 Academic Outcomes and Progress
 - ii. SO1.2 Access and Impact
 - iii. SO1.3 Pathways in Birmingham and Beyond
 - iv. SO1.4 Well-being, Character and Learning Skills
 - v. SO1.5 Curriculum and Resources
 - vi. SO1.6 Foundation Identity
- b. Strategic objective 2 (SO2): Working with us
 - i. SO2.1 Collaborative Working, Learning and Culture
 - ii. SO2.2 Innovation, Research and Performance
 - iii. SO2.3 Modern Strategy for People
 - iv. SO2.4 Equality, Diversity, and Inclusion
 - v. SO2.5 Efficient Systems and Data
 - vi. SO2.6 Working Environment, Resources and Sustainability
- c. Strategic objective 3 (SO3): Partnering with us
 - i. SO3.1 Growth and Reputation
 - ii. SO3.2 Educational Partners
 - iii. SO3.3 Civic and Corporate Partners
 - iv. SO3.4 Fund-raising and Support
 - v. SO3.5 Excellence in Governance and Compliance
 - vi. SO3.6 Heritage

- 2. The challenges posed by the Covid-19 pandemic were effectively dealt with by the Academy Trust and our academies through careful planning to ensure the safety of our pupils, provide high quality remote and blended education and utilise catch up premium and National Tutoring Programme funding to support those pupils most adversely affected.
- 3. Following a rigorous tender process, the Foundation has selected MHR's integrated HR and payroll system iTrent to replace the current systems. This change is not just one of updating the systems being used but one of transforming the way transactional HR services are delivered and consumed across the Academy Trust it will enable a culture of change in how the Academy Trust captures, stores and manages its people data strategically.
- 4. There have been several capital projects across the Trust. New dining and Design Technology facilities at Handsworth School for Girls are underway and due for completion in the next academic year. There is also a new car park and dining facilities that are both currently underway for Aston and are due for completion in the next academic year. The additional facilities and Camp Hill Boys and Sheldon Heath Academy are at planning permission stage and progress will continue in the next academic year. Handsworth Wood Girls have a new Multi Use Games Area (MUGA) and 6th form block that have been well received by pupils, parents and teachers.
- 5. The Academy Trust welcomed King Edward VI Northfield School for Girls into the Trust on 1 September 2021.

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

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

As with every Trust in the country, the impact of the COVID-19 pandemic was felt through disruption to normal ways of working. The Trust dealt with these challenges effectively in terms of providing online learning through access to devices and internet for pupils, managing the rate of infections, and ensuring that academic standards were maintained. While it is not possible to make meaningful comparisons between 2021 and previous examination results, the coherence, robustness and fairness of the Trust's delivery and assessment of its curriculum was evidenced through the acceptance of all Centre Assessed Grades across the academies and strong transition data in terms of moving on to further and higher educational setting.

Pupil-initiated activity around the promotion of equality, diversity and inclusion continued remotely throughout the academic year, supported by staff to use their voice to secure change.

The Academy Trust was able to meet the vast majority of its targets in relation to the delivery of high quality support services to our academies. In particular, the delivery of procurement savings, the quality of HR advisory services and the dedicated finance support underpinning the continued healthy financial outlook for the Academy Trust were notable successes.

b. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

c. Promoting the success of the Trust

The Trustees act in good faith to make decisions, the outcome of which, they consider will be most likely to promote the success of the company for the benefit of its members as a whole both in current periods and in the long term.

In discharging their duties above, the Trustees carefully consider amongst other matters, the impact on and interests of other stakeholders in the company and factor these into their decision making process.

Employees

Trustees receive information on various staff KPIs. The Trustees are committed to promoting a healthy workforce comprising both physical and mental wellbeing. The Trustees keep staff informed of key issues through structured communication channels, promote inclusion in the workplace and also provide training and development opportunities where they are considered of benefit to the company and employees. Using the company's recruitment and development strategies, the directors seek to attract and retain talented staff.

The Company's policy regarding disabled persons is set out in the Trustees' Report as well as further detail regarding communication with employees.

Customers

The Trustees commit considerable time, effort and resources into understanding and responding to the needs of our customers with a view to fostering long term mutually beneficial partnerships. We act to service our customers' needs to the highest standards and work quickly to resolve any isolated disagreements that may arise from time to time.

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

Strategic report (continued)

Achievements and performance (continued)

Suppliers

The Trustees have established Company procedures to ensure that external suppliers are individually verified to ensure they meet with the health and safety, regulatory and financial security standards required by the Company. The Company seeks to pay all suppliers any undisputed amounts due and that conform with the Company's billing requirements within agreed terms. The Company has established procedures for dispute resolution in a timely and fair manner.

Community and the environment

The Company takes its role within the community very seriously and promotes and encourages community and charitable contribution. The Company also recognises the importance of its environmental responsibilities and has measures in place to monitor and control its impact on the local environment and its compliance with any regulatory environmental standards. The Company seeks to implement policies aimed at reducing any potential detrimental environmental impact of its activities.

Standards and conduct

The Company have a series of defined codes of practice regarding ethical standards and the conduct of business. These are clearly communicated to every staff member, adherence to which is expected and enforced.

After making appropriate enquiries, the board of trustees is assured that the Trustees of the company have acted in a way most likely to promote the success of the company, and in doing so have had regards to:

- The likely consequences of any decision in the long term
- The interests of the company's employees
- The need to foster the company's business relationships with suppliers, customers, and others
- The impact of the company's operations on the community and the environment
- The desirability of the company maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the company

Financial review

Review of activities

Principal Funding and financial performance

The Academy Trust received income into its Unrestricted Fund, Restricted General Funds and Fixed Asset Fund during the year.

Restricted General Fund

The majority of the Academy Trust's income was received through Education and Skills Funding Agency (ESFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the Academy Trust's charitable activities, its educational operations. These revenue grants and the associated expenditure made against them are detailed in the SOFA. General Restricted Fund income for the year was £56,044,478 (2020: £51,336,896) (excluding amounts transferred on conversion); expenditure against the fund was £52,502,214 (2020: £49,433,826) excluding £1,445,000 (2020: £910,000) in relation to Actuarial movements in the LGPS pension deficit. After transfers, the restricted general fund generated an in-year surplus of £9,765,890 (2020: £6,613,736) excluding the LGPS pension deficit of £25,410,000 (2020: £22,824,000) and a Salix loan of £110,764 (2020: £130,255).

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

Strategic report (continued)

Unrestricted Funds

Income received into the Unrestricted Fund was £925,504 (2020: £2,069,659) excluding transfers of £nil (2020: £nil). Expenditure against the fund was £1,031,684 (2020: £1,832,150) for the year, giving an Unrestricted Fund surplus of £3,923,837 (2020: surplus of £4,030,017) after transfers.

Restricted Fixed Asset (Capital) Fund

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned in line with the Trust's Depreciation Policy.

Income received into the fund (excluding amounts transferred on conversion) was £3,490,630 (2020: £5,281,762). This included £1,830,173 (2020: £2,185,388) School Capital Allocation, £199,988 (2020: £196,481) of Devolved Capital Grant Funding and capital donations raised via fundraising of £560,469 (2020: £172,241). Expenditure from the fund equates to £5,446,474 (2020: £5,065,874) of depreciation. The total funds for the year after transfers is £118,423,575 (2020: £119,989,309) including the amounts transferred on conversion of £NIL (2020: £13,090,000).

Summary of Financial Position

Total fund balance as at 31st August 2021 was £106,703,302 (2020: £107,809,062) comprised of a surplus of £3,923,837 (2020: £4,030,017), £9,765,890 (2020: £6,613,736) and £118,423,575 (2020: £119,989,309) in Unrestricted, Restricted and Restricted Fixed Asset Funds respectively excluding the pension fund deficit of £25,410,000 (2020: £22,824,000).

Balance Sheet

The Academy Trust's assets were predominantly used for providing education to school students within the Academy Trust.

Some assets were used by the local community, predominantly for sports, but also for working with local charities to raise funds and support the elderly and disadvantaged.

The net book value of the Academy Trust's tangible fixed assets was £114,504,688 (2020: £110,804,139) as at 31 August 2021. Cash at bank at 31 August 2021 was £4,402,532 (2020: £8,027,011), which includes capital grants received, but not yet spent at the year end.

a. Reserves policy

The Trustees review the reserve levels of the Academy Trust annually and on a regular basis through the annual budgeting and business planning process. This review encompasses the nature of the income and expenditure streams, the need to match income with financial commitments and the nature of reserves. The Trustees compare the reserve levels to the target for the Academy Trust.

Reserves are classified as either restricted or unrestricted. Restricted reserves include the restricted income fund which represents any unspent balance of General Annual Grant (GAG) from the Education and Skills Funding Agency (ESFA) and the National College for Teaching and Leadership (NCTL) plus the restricted fixed asset fund. The deficit on the pension reserve representing the FRS102 pension liability for the West Midlands Local Government Pension Scheme is included within restricted reserves.

Unrestricted reserves represent any surplus funds on activities where there is no restriction on their use. These

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

funds can be carried forward without limit. The Academy Trust's free reserves are those income funds that are freely available for general purposes, which, under SORP 2015, are the unrestricted reserves of £3,923,837.

Reserves are required in order to cover the risks of an unforeseen emergency or other unexpected need for funds (e.g. unexpected repair costs or covering the cost of prolonged staff absences); to support the strategic ambitions of the Academy Trust by planning for future capital and revenue investment (e.g. new or improved school buildings); to recognise the risk that as pupil funding changes, staffing and non-staffing expenditure may not be aligned to income levels fast enough and also to hold back a contingency to cover unknown future cost increases (e.g. National Insurance and Pension Schemes).

In accordance with ESFA and Charity Commission guidance Trustees assess that the underlying viability of the Academy Trust is determined by the level of reserves within the unrestricted income funds and restricted income fund (for General Annual Grant (GAG)) less funds held in any designated fund (if applicable) and funds committed for capital projects.

For the purpose of this policy this figure is defined as "available reserves". The negative pension reserve is not deducted from available reserves. Calculating a prudent level of available reserves that the Academy Trust should hold is a matter of judgement for the Trustees. On the one hand a high level of reserves demonstrates to stakeholders that the Academy Trust is financially secure and can deal with unforeseen circumstances and events, but the counter argument is that funding may not have been directed in a timely manner to the welfare of the Academy Trust's beneficiaries – its recent, current and future pupils.

Reserves are an inherent part of the risk management process of the Academy Trust. The need for reserves will vary depending on its current and future financial position. At present given the future uncertainty around the National Funding Formula for pupil funding and the inherent risks during the early years of a new Academy Trust the Trustees have assessed that a cautious approach is required. Trustees have therefore assessed that the Academy Trust should hold a level of available reserves representing a minimum of 4 weeks of annual GAG income (i.e. 7.7% of GAG income).

The total level of reserves held at 31 August 2021 was £106,703,302 (2020: £107,809,062) as set out in the Balance Sheet and Note 17 to the accounts. Within the total reserves figure is an amount of £118,423,575 represented by the restricted fixed asset fund. This fund includes the cumulative value of the Academy Trust's capital grant and donations less depreciation and will normally equal the net book value of the Academy Trust's fixed assets, unless any amount of grant or donations have not been spent at the year-end, where in this case the net book value will be lower.

This fund cannot be spent and is therefore not a free reserve nor is it included in the calculation of the target level of available reserves.

At 31 August 2021 the available reserves of the Academy Trust were £13,689,727, representing 14 weeks of budgeted GAG income for the 2021/22 financial year. This was in line with Trustee's expectations. Some of these reserves are designated for new builds at King Edward VI Camp Hill School for Boys and King Edward VI Sheldon Heath Academy.

b. Investment policy

The Academies Financial Handbook provides the freedom to allow the Academy Trust to invest surplus funds if the investment risk is properly managed.

When considering an investment, the board of trustees must:

- act within its powers to invest as set out in its articles
- have an investment policy to manage and track its financial exposure, and ensure value for money
- exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser
- ensure that exposure to investment products is tightly controlled so that security of funds takes

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

- precedence over revenue maximisation
- ensure that investment decisions are in the best interests of the Academy Trust
- review the trust's investments and investment policy regularly

Purpose

The Academy Trust does not consider the investment of surplus funds as a primary activity, rather an opportunity to further the trust's charitable aims.

Before any cash is invested, the trust must:

- Ensure adequate cash balances are maintained in the current account to cover day to day working capital requirements
- Ensure that there is minimal risk of loss in the capital value of any cash funds invested
- Protect the capital value of any invested funds against inflation
- Optimise returns on invested funds

Guidelines

Decisions on how much to invest and how long to invest for, will be based on operational requirements, and demonstrated by cash flow forecasts produced by the Head of Finance. The cash flow forecasts will take account of the annual budget and spending plans approved by the Academy Trust Finance Committee and updated on a monthly basis.

The balance held in the current account must be sufficient for the Academy Trust's financial commitments to be met without the bank account going overdrawn. The size of the balance will be determined by a forecast of future need and kept under review.

Investments for a fixed term should not normally exceed one year in order to provide flexibility for the following year's plans, unless a clear rationale is provided for exceeding one year to the benefit of the Academy Trust.

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

c. Principal risks and uncertainties

Risks are identified, scored, reviewed and mitigated using the GRC-ONE risk management software, which has been specifically developed for academies and Academy Trusts. The Academy Trust Audit Committee reviews the risk register on a periodic basis.

Risk	Description	Mitigation Plans
The organisation suffers from a significant or prolonged governance failure	Prolonged governance failure leads to increased public and government concern over the lack of good management practice and public accountability. Good corporate governance structures encourage creation of value, provide accountability and control systems commensurate with the risks involved with the Board of Trustees being responsible for the corporate governance of their trust.	The Academy Trust has a robust governance structure in place, supported by Terms of Reference and monitoring of governor-related compliance activities (e.g. declaration of business interests). These structures and arrangements are subject to periodic review and updated to reflect any changes in the regulatory environment (e.g. GDPR).
The Trust operation is poorly managed or ineffective	Poor management can cause organisations to permanently close. Poor leadership results in high turnover of employees and low morale; the cost of recruitment and training becomes prohibitive, which can impact a business's ability to continue operations.	The Academy Trust has staff seconded to it from the Schools of King Edward VI Foundation Charity. These staff are lined managed by director-level members of the charity's senior leadership team. There is also a performance management and development system in place which links the objectives and performance of the organisation to the individual objectives and performance of leaders and members of staff.
There is a decline in the performance of one or more of the Trust's schools	A sponsored academy fails to improve and / or one or more of the Trust's academies goes into an Ofsted category following an inspection.	The Academy Trust deploys an experienced Consultant Headteacher to schools requiring additional support. A substantial School Improvement Fund has been established to support a range of school-to-school support activities, including leaders of education, subject networks and CPD. The Academy Trust is appointing a Director of Education for September 2022. In addition, the Academy Trust commissions external Safeguarding Audits and School Improvement Partner visits to identify areas for development.
There are insufficient funds to deliver the Trust services to the appropriate level	Poor management of finances may lead to the budget being overextended in comparison with revenues or contributions received. Without sufficient business reserves it may not be able to absorb consistent losses, and the organisation can fail.	The Academy Trust has a dedicated finance function which includes peripatetic finance managers who work closely with each academy to set and monitor budgets. There is a reserves policy in place and the actual position on reserves is monitored against this so that any remedial action required can be taken quickly and effectively.
The Trust fails to adequately protect its reputation	Risk to reputation is caused by a misalignment of values; the organisation failing in some way to meet stakeholder expectations, delivering significantly below expectation. As reputation is a relational concept this failure can manifest itself in a number of different ways.	A mission statement and set of values are in place, as is a Marketing and Communications team who monitor reputational risks.
The Trust fails in its compliance responsibilities and / or a serious safeguarding incident occurs in one of the Trust's schools	Failure to comply with these compliance requirements can have serious consequences for both organisations and individuals. Sanctions can include letters for improvement, fines, prosecution, imprisonment and disqualification from continuing to transact business or practice.	The Academy Trust has a robust governance structure in place. We have a compliance function which ensures that compliance responsibilities are understood and adhered to. We also use the GRC- ONE risk management system which is based on meeting the regulatory requirements of the ESFA, Ofsted and other relevant bodies. The establishment of a stronger, central educational resources and external audits in safeguarding and education will ensure that there is more focus on this area.

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

d. Financial risk management objectives and policies

The objectives of the Academy Trust's Risk Management Procedure is to identify the principal risks facing the Academy Trust so that existing controls may be considered and further action taken if required, including external insurances.

The Board of Trustees has compiled a comprehensive risk management process to identify and monitor the risks faced by the Academy Trust within the context of the Trust constitution.

The financial risks considered include: economic/financial uncertainty, liquidity and solvency, credit risk, the risk of fraud and non-compliance with financial statutory requirements.

e. Fundraising

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Streamlined energy and carbon reporting

The Academy Trust's greenhouse gas emissions and energy consumption are as follows:

	2021	2020
Energy consumption used to calculate emissions (kWh)	15,532,419	13,630,459
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	2,363.74	1,930.72
Owned transport	-	16.86
Total scope 1	<u>2,363.74</u>	<u>1,947.58</u>
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	<u>73.57</u>	<u>1,006.36</u>
Total gross emissions (in tonnes of CO2 equivalent):	<u>2,437.31</u>	<u>2,953.94</u>
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	<u>0.27</u>	<u>0.328</u>

We have reported all of emission sources under the above legislation as required. We have calculated and reported our emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2019 and 2020.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio per pupil.

Measures taken to improve energy efficiency during the year:

- 1) Replaced ageing office equipment with energy-efficient products,
- 2) Expanded video conferencing and online meetings (as opposed to F2F meetings).
- 3) Replaced old halogen, T8 and inefficient lamps with low-energy LED's.
- 4) Upgraded to new boilers where applicable.
- 5) Replaced critical and single glazed windows with double glazed

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

As discussed above, the Trust has recently adopted a new five-year strategy with a set of strategic objectives and KPIs.

The most significant changes will be in terms of the collaborative resources and structures available to improve the quality of education that we provide. Fundamentally, more resources will be made available for cross-Trust work in developing education across all of our schools. This will include:

- Opportunity for teachers and leaders to support and learn from other schools within the Trust through a Leader of Education programme
- More collaboration between departments and subject areas across schools through enhanced subject networks with dedicated leads
- Coherent Trust-wide approaches to coaching, mentoring and career development
- An increased focus on Trust-wide educational strategy and the systems to deliver it
- A move towards a more unified digital approach in order to be able to better share educational resources and best practice
- Stronger collaboration between the Trust's sixth forms to maintain and widen the post-16 offer for learners
- Peer reviews for departments and leaders

A range of new strategies will be implemented to further the new overall direction including:

- School Improvement
- Human Resources (incl. Career Framework)
- Environmental Sustainability
- Digital
- External Relations
- Growth

In order to deliver these changes, some key appointments will be made, including a Director of Education for September 2022.

Agency arrangements

The Academy Trust acts as an agent in distributing bursary funds and grants from the ESFA and other government bodies. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In some instances, the trust can use a percentage of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 15.

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 8 December 2021 and signed on its behalf by:

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Sharon Roberts

S Roberts
Chair of Trustees

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that King Edward VI Academy Trust Birmingham has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring that financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to it in the funding agreement between King Edward VI Academy Trust Birmingham and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 7 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
H Thomas, Chair (resigned as Chair 1 September 2020)	6	7
S Roberts, Chair (appointed Chair 1 September 2020)	7	7
T Clarke	7	7
G Dupree	7	7
B Matthews	7	7
A McKerracher	5	7
F Kinkabwala	6	7
D Wheeldon, (appointed Vice Chair 1 September 2020)	7	7
P Burns	7	7
R Palmer	6	7
Dr C Ricks	5	7
L Roan	7	7
R Stephen	6	7

The Finance Committee is a sub-committee of the main board of trustees. Its purpose includes:

- developing a financial strategy for the Academy Trust and consider policies, procedures or plans required to realise such a strategy;
- considering the Academy Trust's indicative funding, once notified by the ESFA, and to assess its implications for the Academy Trust;
- considering and recommending acceptance/non-acceptance of the Academy Trust's budget to the Trustees; and
- monitoring income and expenditure.

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
B Matthews (Chair)	6	6
H Thomas	6	6
D Wheeldon	5	6
J Trafford	6	6
A Horvath	6	6
S Roberts	5	6
A McKerracher	3	5

The Audit Committee is also a sub-committee of the main board of trustees. Its purpose includes:

- reviewing, before submission to and approval by the Academy Trust Board, and before clearance by the auditors and challenge where necessary, the actions and judgements of management, in relation to the audited financial statements, operating and financial review and related formal statements;
- reviewing Internal Control and Risk management;
- considering the requirement for internal auditors annually;
- recommending to the Academy Trust Board the appointment or reappointment of the external auditors;
- reviewing the auditor's findings of their work; and
- receiving and reviewing the Academy Trust gift and hospitality register

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
G Dupree (Chair)	3	3
C Hawtin	2	3
S Yacoob	1	3
R Palmer	2	3
C Wood	3	3
L Roan	3	3
S Roberts	2	2

Review of value for money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Further improving the central services offer providing our academies with well structured, value for money support services
- Delivering procurement savings in excess of £90,000 across the Academy Trust

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in King Edward VI Academy Trust Birmingham for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Academy Trust has considered the need for a specific internal audit function and has appointed RSM Risk Assurance Services LLP to carry out reviews of the systems as determined by the Audit Committee. During the year the internal auditors carried out reviews of key operational controls and followed up on reviews of HR recruitment processes and IT cyber security.

On a termly basis, RSM Risk Assurance Services LLP reports to the board of trustees, through the audit committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor;
- the work of the internal auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 8 December 2021
their behalf by:

Sharon Roberts
S Roberts
Chair of Trustees

and signed on

J Dhesi
J Dhesi
Accounting Officer

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of King Edward VI Academy Trust Birmingham I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA.



J Dhesi
Accounting Officer
Date: 8 December 2021

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on
8 December 2021 and signed on its behalf by:

Sharn Roberts

S Roberts
Chair of Trustees

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING EDWARD VI ACADEMY TRUST BIRMINGHAM

Opinion

We have audited the financial statements of King Edward VI Academy Trust Birmingham (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

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 Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING
EDWARD VI ACADEMY TRUST BIRMINGHAM (CONTINUED)**

Other Information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING EDWARD VI ACADEMY TRUST BIRMINGHAM (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust'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 Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102) and the Companies Act. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING
EDWARD VI ACADEMY TRUST BIRMINGHAM (CONTINUED)**

regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

Use of our report

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members 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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.


Helen Drew (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 14 December 2021

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KING
EDWARD VI ACADEMY TRUST BIRMINGHAM AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 12 June 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by King Edward VI Academy Trust Birmingham during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to King Edward VI Academy Trust Birmingham and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to King Edward VI Academy Trust Birmingham and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than King Edward VI Academy Trust Birmingham and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of King Edward VI Academy Trust Birmingham's accounting officer
and the reporting accountant**

The accounting officer is responsible, under the requirements of King Edward VI Academy Trust Birmingham's funding agreement with the Secretary of State for Education dated 30 August 2017 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KING
EDWARD VI ACADEMY TRUST BIRMINGHAM AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe U.K. LLP

Reporting Accountant
Crowe U.K. LLP

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 14 December 2021

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations & capital grants:	3					
Transfer from other academies		-	-	-	-	(149,946)
Transfer from local authority on conversion		-	-	-	-	11,474,000
Other donations & capital grants		82,964	1,180,716	3,490,630	4,754,310	6,376,858
Other trading activities	6	483,362	43,200	-	526,562	665,081
Investment income		27,621	-	-	27,621	76,300
Charitable activities	4,5	331,557	54,529,322	-	54,860,879	51,364,178
Teaching schools	33	-	291,240	-	291,240	205,900
Total income		925,504	56,044,478	3,490,630	60,460,612	70,012,371
Expenditure on:						
Raising funds		695,415	-	-	695,415	693,022
Charitable activities		336,269	53,705,237	5,446,474	59,487,980	56,337,494
Teaching schools	33	-	241,977	-	241,977	211,334
Total expenditure	7	1,031,684	53,947,214	5,446,474	60,425,372	57,241,850
Net (expenditure)/income		(106,180)	2,097,264	(1,955,844)	35,240	12,770,521
Transfers between funds	19	-	(390,110)	390,110	-	-
Net movement in funds before other recognised gains/(losses)		(106,180)	1,707,154	(1,565,734)	35,240	12,770,521
Actuarial losses on defined benefit pension schemes	28	-	(1,141,000)	-	(1,141,000)	(5,786,000)
Net movement in funds		(106,180)	566,154	(1,565,734)	(1,105,760)	6,984,521

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Note					
Reconciliation of funds:					
Total funds brought forward	4,030,017	(16,210,264)	119,989,309	107,809,062	100,824,541
Total funds carried forward	3,923,837	(15,644,110)	118,423,575	106,703,302	107,809,062

The notes on pages 37 to 75 form part of these financial statements.

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
(A company limited by guarantee)
REGISTERED NUMBER: 10654935

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	114,504,688	110,804,139
Current assets			
Debtors	13	3,343,590	7,961,077
Investments	14	15,952,710	8,949,323
Cash at bank and in hand		4,402,532	8,027,011
		<u>23,698,832</u>	<u>24,937,411</u>
Creditors: amounts falling due within one year	15	(5,999,045)	(4,996,876)
Net current assets		<u>17,699,787</u>	<u>19,940,535</u>
Total assets less current liabilities		<u>132,204,475</u>	<u>130,744,674</u>
Creditors: amounts falling due after more than one year	16	(91,173)	(111,612)
Net assets excluding pension liability		<u>132,113,302</u>	<u>130,633,062</u>
Defined benefit pension scheme liability	28	(25,410,000)	(22,824,000)
Total net assets		<u><u>106,703,302</u></u>	<u><u>107,809,062</u></u>

KING EDWARD VI ACADEMY TRUST BIRMINGHAM

(A company limited by guarantee)

REGISTERED NUMBER: 10654935

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	118,423,575	119,989,309
Restricted income funds	19	9,765,890	6,613,736
Restricted funds excluding pension reserve	19	128,189,465	126,603,045
Pension reserve	19	(25,410,000)	(22,824,000)
Total restricted funds	19	102,779,465	103,779,045
Unrestricted income funds	19	3,923,837	4,030,017
Total funds		106,703,302	107,809,062

The financial statements on pages 32 to 75 were approved by the Trustees, and authorised for issue on 8 December 2021 and are signed on their behalf, by:

Sharon Roberts

S Roberts
Chair of Trustees

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(3,018,032)	1,601,849
Cash flows from investing activities	24	(586,856)	(482,320)
Cash flows from financing activities	23	(19,591)	(19,591)
Change in cash and cash equivalents in the year		(3,624,479)	1,099,938
Cash and cash equivalents at the beginning of the year		8,027,011	6,927,073
Cash and cash equivalents at the end of the year	25, 26	<u>4,402,532</u>	<u>8,027,011</u>

The notes on pages 37 to 75 form part of these financial statements

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the 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) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements represent the financial results and financial position of King Edward VI Academy Trust Birmingham ("the Academy Trust"), which comprised the following member academies at the 31 August 2021:

King Edward VI Aston School
King Edward VI Camp Hill School for Boys
King Edward VI Camp Hill School for Girls
King Edward VI Five Ways School
King Edward VI Handsworth School
King Edward VI Handsworth Grammar School for Boys
King Edward VI Sheldon Heath Academy
King Edward VI Handsworth Wood Girls' Academy
King Edward VI Balaam Wood Academy

1.2 Company status

The Academy Trust is a company limited by guarantee and was incorporated in England and Wales (registered number 10654935). The address of the registered office is Foundation Office, Edgbaston Park Road, Birmingham, B15 2UD. The members of the company are named in the reference and administration pages. In the event of the Academy Trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy Trust.

1.3 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, therefore they continue to adopt the going concern basis of accounting in preparing the financial statements.

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.4 Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

- **Donated goods, facilities and services**

Goods and services that are received as donations in kind are recognised in the SOFA as incoming resources. A corresponding expenditure of the same amount is also recognised.

- **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

1.6 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

1.7 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.9 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following bases:

Licence to occupy	- 2% - 10%
Long leasehold property	- 0.8% - 2%
Long leasehold improvements	- 5%
Furniture and fixtures	- 10%
Motor vehicles	- 20%
Computer equipment	- 33.33%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

1.10 Current asset investments

Short term investments comprise funds held on Money Market and Call Notice deposit accounts and are not readily accessible within 3 months or 32 days respectively.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.14 Agency arrangements

The Academy Trust acts as an agent in distributing bursary funds and grants from ESFA, other government bodies and King Edward VI Sheldon Heath Charitable Fund. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the Academy Trust does not have control over the charitable application of the funds. In some instances the trust can use a percentage of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in the notes to the financial statements.

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.15 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.16 Conversion to an academy trust

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from King Edward VI Balaam Wood Academy to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note .

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.17 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Academy Trust receives donated services from Schools of King Edward VI in Birmingham (the 'Foundation') valued at £998,478 (2020: £1,017,248) which is an approximation of the service costs provided to the Academy Trust, this has been included as both income and expenditure.

Critical areas of judgment:

There are no further critical judgments which would have a material impact on the financial statements.

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	82,964	1,180,716	560,469	1,824,149
Capital grants - ESFA	-	-	2,030,161	2,030,161
Capital donations - Foundation	-	-	900,000	900,000
Selective Schools Expansion Fund Grant	-	-	-	-
	<u>82,964</u>	<u>1,180,716</u>	<u>3,490,630</u>	<u>4,754,310</u>
Other donations & capital grants				
	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Transfers				
Transfer from other academies	-	(149,946)	-	(149,946)
Transfer from other academies	-	(1,616,000)	13,090,000	11,474,000
Total transfers	<u>-</u>	<u>(1,765,946)</u>	<u>13,090,000</u>	<u>11,324,054</u>
Donations	77,035	1,018,061	172,241	1,267,337
Capital grants - ESFA	-	-	2,381,869	2,381,869
Capital donations - Foundation	-	-	-	-
Selective Schools Expansion Fund Grant	-	-	2,727,652	2,727,652
Other donations & capital grants	<u>77,035</u>	<u>1,018,061</u>	<u>5,281,762</u>	<u>6,376,858</u>
Total 2020	<u><u>77,035</u></u>	<u><u>(747,885)</u></u>	<u><u>18,371,762</u></u>	<u><u>17,700,912</u></u>

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Funding for educational operations (note 5)	-	54,241,598	54,241,598
Revenue grants - Foundation	-	58,500	58,500
Other grants	-	229,224	229,224
Catering income	133,845	-	133,845
Trips income	197,712	-	197,712
Total 2021	331,557	54,529,322	54,860,879

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Funding for educational operations (note 5)	-	49,853,973	49,853,973
Revenue grants - Foundation	-	7,066	7,066
Other grants	-	177,200	177,200
Catering income	343,375	-	343,375
Trips income	982,564	-	982,564
Total 2020	1,325,939	50,038,239	51,364,178

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. Funding for Academy Trust's Educational Operations

	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants		
General Annual Grant	48,242,942	48,242,942
Other DfE/ESFA grants		
Others	1,022,785	1,022,785
Pupil Premium	2,083,130	2,083,130
Teachers Pay Grant	1,795,322	1,795,322
	<u>53,144,179</u>	<u>53,144,179</u>
Other Government grants		
Local authority grants	180,059	180,059
	<u>180,059</u>	<u>180,059</u>
COVID-19 additional funding (DfE/ESFA)		
Catch-up Premium	541,280	541,280
Other DfE/ESFA COVID-19 funding	372,914	372,914
	<u>914,194</u>	<u>914,194</u>
COVID-19 additional funding (non-DfE/ESFA)		
Coronavirus Job Retention Scheme grant	3,166	3,166
	<u>54,241,598</u>	<u>54,241,598</u>
Total 2021	<u><u>54,241,598</u></u>	<u><u>54,241,598</u></u>

The academy trust received £541,280 (2020: Nil) of funding for catch-up premium and costs incurred in respect of this funding totalled £401,311 (2020: Nil), with the remaining £139,969 to be spent in 2021/22.

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "Other DfE/ESFA COVID-19 funding" and includes:

- Covid summer school funding of £247,410 (2020: £NIL)
- Covid mass testing grant of £125,504 (2020: £NIL)
- Covid exceptional support grant £NIL (2020: £7,735)

The academy trust furloughed some of its ancillary staff under the government's CJRS. The funding received of £3,166 (2020: £62,327) relates to staff costs which are included within note 9 below as appropriate.

KING EDWARD VI ACADEMY TRUST BIRMINGHAM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. Funding for Academy Trust's Educational Operations (continued)

	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants		
General Annual Grant	44,934,118	44,934,118
Other DfE/ESFA grants		
Other DfE/ESFA Grants	943,360	943,360
Pupil Premium	2,013,372	2,013,372
Teachers Pay Grant	1,745,776	1,745,776
	<u>49,636,626</u>	<u>49,636,626</u>
Other Government grants		
Local authority grants	147,285	147,285
	<u>147,285</u>	<u>147,285</u>
COVID-19 additional funding (non-DfE/ESFA)		
Coronavirus Job Retention Scheme grant	62,327	62,327
Coronavirus exceptional support	7,735	7,735
	<u>70,062</u>	<u>70,062</u>
Total 2020	<u><u>49,853,973</u></u>	<u><u>49,853,973</u></u>

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

6. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Lettings income	59,220	-	59,220
Income from other trading activities	345,876	-	345,876
Income from other ancillary activities	78,266	43,200	121,466
Total 2021	<u><u>483,362</u></u>	<u><u>43,200</u></u>	<u><u>526,562</u></u>

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FOR THE YEAR ENDED 31 AUGUST 2021**

6. Income from other trading activities (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Lettings income	96,129	-	96,129
Income from other trading activities	402,370	-	402,370
Income from other ancillary activities	91,886	74,696	166,582
<i>Total 2020</i>	<u>590,385</u>	<u>74,696</u>	<u>665,081</u>

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on fundraising trading activities:				
Direct costs	563,820	-	131,595	695,415
Charitable Activities:				
Direct costs	34,657,357	5,446,474	4,299,545	44,403,376
Support costs	10,179,757	2,964,963	1,939,884	15,084,604
Teaching school	144,514	-	97,463	241,977
	<u>45,545,448</u>	<u>8,411,437</u>	<u>6,468,487</u>	<u>60,425,372</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure (continued)

	<i>Staff Costs</i> 2020 £	<i>Premises</i> 2020 £	<i>Other</i> 2020 £	<i>Total</i> 2020 £
Expenditure on fundraising trading activities:				
Direct costs	432,325	-	260,697	693,022
Charitable Activities				
Direct costs	33,708,267	5,065,874	3,428,599	42,202,740
Support costs	8,396,469	3,101,617	2,636,668	14,134,754
Teaching school	143,559	-	67,775	211,334
	<u>42,680,620</u>	<u>8,167,491</u>	<u>6,393,739</u>	<u>57,241,850</u>

8. Support costs

	2021 £	2020 £
Staff costs	10,179,757	8,396,469
Technology costs	524,271	551,126
School trip expenditure	305,522	1,106,463
Legal costs	122,966	123,149
Governance costs	52,598	69,190
Recruitment and support	156,612	148,430
Premises costs	2,964,962	3,101,617
Other support costs	777,920	638,310
	<u>15,084,608</u>	<u>14,134,754</u>

During the year the trust incurred governance costs in relation to statutory audit fees and professional fees.

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9. Net (income)/expenditure

Net (expenditure)/income for the year includes:

	2021 £	2020 £
Operating lease rentals	67,068	44,970
Depreciation of tangible fixed assets	5,306,785	5,065,874
Fees paid to auditor for:		
- audit	37,685	37,130
- other services	7,760	7,650
	<u> </u>	<u> </u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	33,049,574	31,275,978
Social security costs	3,291,871	3,121,277
Pension costs	8,637,247	7,706,697
	<u>44,978,692</u>	<u>42,103,952</u>
Agency staff costs	456,976	510,912
Staff restructuring costs	109,780	65,756
	<u>45,545,448</u>	<u>42,680,620</u>

b. Non-statutory/non-contractual staff severance payments

There were 4 non-statutory/non-contractual severance payment during the year amounting to £109,780. Individually the payments were £30,451, £38,263, £32,176 and £8,890. (2020: four for £65,756 individually the payments were £16,500, £25,919, £8,622 and £14,715).

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10. Staff (continued)

c. Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2021 No.	2020 No.
Management	67	60
Teachers	519	516
Support	402	414
	<u>988</u>	<u>990</u>

d. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	26	21
In the band £70,001 - £80,000	11	8
In the band £80,001 - £90,000	2	3
In the band £90,001 - £100,000	1	3
In the band £100,001 - £110,000	5	3
In the band £110,001 - £120,000	1	-
	<u>1</u>	<u>-</u>

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,113,547 (2020: £1,169,406).

In addition to the above is the Foundation donation for the provision of Key Management Personnel (listed on page 1) to the Trust, this year it amounted to £225,145 (2020: £247,023) of the donated services.

Included in staff costs is £1,593,478 (2020: £1,017,248) relating to off payroll arrangements for the cost of staff employed by the Foundation providing services to the Academy Trust.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Trustees' remuneration and expenses (continued)

During the year ended 31 August 2021, Trustees received reimbursement of expenses for £NIL (2020 - £268).

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12. Tangible fixed assets

	Licence to occupy properties £	Long Leasehold property £	Long leasehold improvements £	Furniture and fixtures £	Motor vehicles £
Cost or valuation					
At 1 September 2020	54,729,352	62,462,805	3,234,685	915,829	102,401
Additions	869,268	798,802	1,124,084	31,175	-
Disposals	-	-	-	(8,303)	-
Transfers between classes	-	121,015	-	-	-
At 31 August 2021	55,598,620	63,382,622	4,358,769	938,701	102,401
Depreciation					
At 1 September 2020	9,997,952	2,932,031	332,271	290,058	71,888
Charge for the year	3,493,997	1,239,532	165,466	113,431	15,550
On disposals	-	-	-	(8,303)	-
At 31 August 2021	13,491,949	4,171,563	497,737	395,186	87,438
Net book value					
At 31 August 2021	42,106,671	59,211,059	3,861,032	543,515	14,963
At 31 August 2020	44,731,400	59,530,774	2,902,414	625,771	30,513

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Computer equipment £	Assets under construction £	Total £
973,052	2,425,203	124,843,327
957,431	5,366,263	9,147,023
(9,079)	-	(17,382)
-	(121,015)	-
1,921,404	7,670,451	133,972,968
414,988	-	14,039,188
418,498	-	5,446,474
(9,079)	-	(17,382)
824,407	-	19,468,280
1,096,997	7,670,451	114,504,688
558,064	2,425,203	110,804,139

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12. Tangible fixed assets (continued)

Leasehold

The long-leasehold land and buildings for King Edward VI Sheldon Heath Academy, built under the Buildings Schools for the Future programme, were transferred to the Academy on a peppercorn lease of 125 years. The lease is not yet signed due to snagging works still to be resolved but it is the intention of the Trustees that the lease will be signed upon satisfactory completion of the snagging works.

The long-leasehold land and buildings for King Edward VI Handsworth Grammar School for Boys were transferred to the Academy on a peppercorn lease of 125 years. The legal owners of the leasehold properties are The Trustees of the Charity called Handsworth Grammar School.

The long-leasehold land and buildings for King Edward VI Handsworth Wood Girls' Academy and King Edward VI Balaam Wood Academy were transferred to the Academy on a peppercorn lease of 125 years. The legal owners of the leasehold properties are Birmingham City Council.

Licence to occupy

The licence to occupy properties represent the value of the land and buildings that were transferred to the schools from the registered charity The Schools of King Edward VI in Birmingham and which each school has use of on a 21 year licence to occupy that commenced 1 September 2017. The value of the land and buildings was independently valued in 2012 by GVA Grimley Ltd, Birmingham using the depreciated replacement cost method of valuation and the net book value was transferred in on conversion at 1 September 2017.

13. Debtors

	2021 £	2020 £
Trade debtors	61,245	247,689
Other debtors	1,472,316	882,542
Prepayments and accrued income	962,207	913,487
Accrued capital grants	847,822	5,917,359
	<u>3,343,590</u>	<u>7,961,077</u>

14. Current asset investments

	2021 £	2020 £
Short term deposits	15,952,710	8,949,323
	<u>15,952,710</u>	<u>8,949,323</u>

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15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Salix loans	19,591	18,743
Trade creditors	963,982	785,301
Other taxation and social security	800,442	764,490
Other creditors	1,349,479	1,396,172
Accruals and deferred income	2,865,551	2,032,170
	<u>5,999,045</u>	<u>4,996,876</u>
	2021 £	2020 £
Deferred income at 1 September 2020	482,106	865,010
Resources deferred during the year	336,607	482,106
Amounts released from previous periods	(482,106)	(865,010)
	<u>336,607</u>	<u>482,106</u>

Included in deferred income are grants and other trip income received in advance of entitlement for the 21/22 academic year.

16. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Salix loans	<u>91,173</u>	<u>111,612</u>

Salix loans

The loans amounting to £110,764 are interest free Salix loans which were agreed as part of the CIF applications before the constituent schools joined the Trust. The loans are due for repayment by instalments of which £16,200 is due for repayment after more than 5 years.

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17. Agency arrangements

The Academy Trust distributes bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2021 the Academy Trust received £267,223 (2020: £222,548), disbursed £252,192 (2020: £214,874) and £nil (2020: £nil) was transferred in on conversion in relation to this fund. An amount of £339,171 (2020: £324,140) is included in other creditors relating to undistributed funds.

The Academy Trust distributes PGCE training bursaries to students as an agent for the NCTL. In the accounting period ending 31 August 2021 the academy received £549,000 (2020: £411,000) and disbursed £549,000 (2020: £411,000) from the fund. An amount of £nil (2020: £nil) is included in other creditors relating to amounts due to the NCTL.

The Academy Trust distributes funds on behalf of King Edward VI Sheldon Heath Charitable Fund. The Charitable Fund reimburses the Academy Trust on a regular basis. In the accounting period ending 31 August 2021 the academy received £13,328 (2020: £5,768) and disbursed £887 (2020: £13,328) from the fund. An amount of £596 (2020: £4,286) is included in other debtors relating to amounts due from the Charitable Fund.

18. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2021 was £26,844 (2020 - £18,417). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	598,869	925,504	(1,031,684)	-	-	492,689
Transfer on conversion	3,431,148	-	-	-	-	3,431,148
	<u>4,030,017</u>	<u>925,504</u>	<u>(1,031,684)</u>	<u>-</u>	<u>-</u>	<u>3,923,837</u>
Restricted general funds						
General Annual Grant (GAG)	1,462,029	48,242,942	(44,749,941)	(409,701)	-	4,545,329
Other DfE/ESFA grants	-	5,815,431	(5,815,431)	-	-	-
LA grants	-	180,059	(180,059)	-	-	-
Other income	-	287,724	(287,724)	-	-	-
Funds inherited on conversion	5,125,815	-	-	-	-	5,125,815
Government funding	-	3,166	(3,166)	-	-	-
Teaching school	156,247	291,240	(241,977)	-	-	205,510
Donations	-	1,180,716	(1,180,716)	-	-	-
Other funds	-	43,200	(43,200)	-	-	-
SALIX loans	(130,355)	-	-	19,591	-	(110,764)
Pension reserve	(22,824,000)	-	(1,445,000)	-	(1,141,000)	(25,410,000)
	<u>(16,210,264)</u>	<u>56,044,478</u>	<u>(53,947,214)</u>	<u>(390,110)</u>	<u>(1,141,000)</u>	<u>(15,644,110)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

**Restricted fixed
asset funds**

ESFA Capital grants	2,973,807	2,030,161	-	(1,929,470)	-	3,074,498
Tangible fixed assets	110,804,139	-	(5,446,474)	9,147,023	-	114,504,688
Foundation donation	3,483,711	900,000	-	(3,564,583)	-	819,128
Other donations	-	560,469	-	(535,208)	-	25,261
Selective Schools Expansion Fund Grant	2,727,652	-	-	(2,727,652)	-	-
	<u>119,989,309</u>	<u>3,490,630</u>	<u>(5,446,474)</u>	<u>390,110</u>	<u>-</u>	<u>118,423,575</u>
Total Restricted funds	<u>103,779,045</u>	<u>59,535,108</u>	<u>(59,393,688)</u>	<u>-</u>	<u>(1,141,000)</u>	<u>102,779,465</u>
Total funds	<u>107,809,062</u>	<u>60,460,612</u>	<u>(60,425,372)</u>	<u>-</u>	<u>(1,141,000)</u>	<u>106,703,302</u>

The specific purposes for which the funds are to be applied are as follows:

Unrestricted funds

These funds represent those resources which may be used towards meeting any of the charitable objects of the charitable company at the discretion of the Trustees.

Restricted funds

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education and the Local Authority(ies).

Restricted fixed asset funds

These funds represents the carrying value of fixed assets that have either been received upon conversion of constituent Academies of the Trust or have been purchased from grants received from the ESFA or from The Schools of King Edward VI in Birmingham. It also includes grants from the ESFA plus other amounts received which have yet to be spent on future capital assets.

Transfers between funds

Transfers between funds represent capital items purchased from GAG and other capital funds and offset by capital grants spent on revenue expenditure along with other expenditure transfers.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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19. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	361,360	2,069,659	(1,832,150)	-	-	598,869
Transfer on conversion	3,431,148	-	-	-	-	3,431,148
	<u>3,792,508</u>	<u>2,069,659</u>	<u>(1,832,150)</u>	<u>-</u>	<u>-</u>	<u>4,030,017</u>
Restricted general funds						
General Annual Grant (GAG)	844,580	44,934,118	(43,025,614)	(1,291,055)	-	1,462,029
Other DfE/ESFA grants	-	4,702,508	(4,702,508)	-	-	-
LA grants	-	147,285	(147,285)	-	-	-
Other income	-	184,266	(184,266)	-	-	-
Funds inherited on conversion	5,125,815	-	-	-	-	5,125,815
Government funding	-	70,062	(70,062)	-	-	-
Teaching school	161,681	205,900	(211,334)	-	-	156,247
Donations	-	1,018,061	(1,018,061)	-	-	-
Other funds	-	74,696	(74,696)	-	-	-
SALIX loans	-	(149,946)	-	19,591	-	(130,355)
Pension reserve	(14,512,000)	(1,616,000)	(910,000)	-	(5,786,000)	(22,824,000)
	<u>(8,379,924)</u>	<u>49,570,950</u>	<u>(50,343,826)</u>	<u>(1,271,464)</u>	<u>(5,786,000)</u>	<u>(16,210,264)</u>

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19. Statement of funds (continued)

**Restricted fixed
asset funds**

ESFA Capital grants	2,478,667	2,381,869	-	(1,886,729)	-	2,973,807
Tangible fixed assets	98,033,290	13,090,000	(5,065,874)	4,746,723	-	110,804,139
Foundation donation	4,900,000	-	-	(1,416,289)	-	3,483,711
Other donations	-	172,241	-	(172,241)	-	-
Selective Schools Expansion Fund Grant	-	2,727,652	-	-	-	2,727,652
	<u>105,411,957</u>	<u>18,371,762</u>	<u>(5,065,874)</u>	<u>1,271,464</u>	<u>-</u>	<u>119,989,309</u>
Total Restricted funds	<u>97,032,033</u>	<u>67,942,712</u>	<u>(55,409,700)</u>	<u>-</u>	<u>(5,786,000)</u>	<u>103,779,045</u>
Total funds	<u><u>100,824,541</u></u>	<u><u>70,012,371</u></u>	<u><u>(57,241,850)</u></u>	<u><u>-</u></u>	<u><u>(5,786,000)</u></u>	<u><u>107,809,062</u></u>

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19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
King Edward VI Aston School	945,408	(203,950)
King Edward VI Camp Hill School for Boys	1,533,774	1,212,380
King Edward VI Camp Hill School for Girls	1,201,988	867,795
King Edward VI Five Ways School	1,356,357	1,127,184
King Edward VI Handsworth School	2,551,285	2,328,369
King Edward VI Handsworth Grammar School for Boys	1,359,948	1,016,277
King Edward VI Sheldon Heath Academy	2,865,549	2,555,529
Central Services	642,803	178,128
King Edward Consortium	205,965	156,702
King Edward VI Handsworth Wood Girls' Academy	948,433	1,358,082
King Edward VI Balaam Wood Academy	78,217	47,257
Total before fixed asset funds and pension reserve	13,689,727	10,643,753
Restricted fixed asset fund	118,423,575	119,989,309
Pension reserve	(25,410,000)	(22,824,000)
Total	106,703,302	107,809,062

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19. Statement of funds (continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £
King Edward VI Aston School	3,728,359	998,156	92,782	918,783	5,738,080
King Edward VI Camp Hill School for Boys	3,279,669	911,947	131,724	949,630	5,272,970
King Edward VI Camp Hill School for Girls	3,926,600	802,607	73,880	825,046	5,628,133
King Edward VI Five Ways School	4,521,051	1,052,695	132,022	1,130,162	6,835,930
King Edward VI Handsworth School	4,148,565	941,258	118,262	896,505	6,104,590
King Edward VI Handsworth Grammar School for Boys	3,771,330	899,648	123,113	853,100	5,647,191
King Edward VI Sheldon Heath Academy	5,397,757	1,254,540	174,306	974,512	7,801,115
Central Services	-	1,668,576	10,311	460,734	2,139,621
King Edward Consortium Teaching school	-	144,514	-	97,463	241,977
King Edward VI Handsworth Wood Girls' Academy	4,366,733	969,891	105,743	875,210	6,317,577
King Edward VI Balaam Wood Academy	2,081,113	680,439	34,613	455,549	3,251,714
Academy Trust	35,221,177	10,324,271	996,756	8,436,694	54,978,898

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19. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	<i>Teaching and educational support staff costs £</i>	<i>Other support staff costs £</i>	<i>Educational supplies £</i>	<i>Other costs excluding depreciation £</i>	<i>Total 2020 £</i>
King Edward VI Aston School	3,529,875	774,223	76,945	903,066	5,284,109
King Edward VI Camp Hill School for Boys	3,152,248	654,322	100,593	842,948	4,750,111
King Edward VI Camp Hill School for Girls	3,682,673	616,143	75,645	1,005,847	5,380,308
King Edward VI Five Ways School	4,512,331	860,592	112,066	1,292,113	6,777,102
King Edward VI Handsworth School	3,911,158	724,288	84,867	836,743	5,557,056
King Edward VI Handsworth Grammar School for Boys	3,856,111	768,274	140,366	1,005,686	5,770,437
King Edward VI Sheldon Heath Academy	5,349,287	1,183,799	181,278	900,014	7,614,378
Central Services	2,000	1,443,788	19,270	545,654	2,010,712
King Edward Consortium	-	143,559	-	67,775	211,334
King Edward VI Handsworth Wood Girls' Academy	4,171,426	854,531	85,158	760,737	5,871,852
King Edward VI Balaam Wood Academy	1,973,483	516,509	27,622	430,963	2,948,577
Academy Trust	34,140,592	8,540,028	903,810	8,591,546	52,175,976

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	114,504,688	114,504,688
Current assets	3,923,837	13,979,215	5,795,780	23,698,832
Creditors due within one year	-	(4,122,152)	(1,876,893)	(5,999,045)
Creditors due after one year	-	(91,173)	-	(91,173)
Provisions for liabilities and charges	-	(25,410,000)	-	(25,410,000)
Total	3,923,837	(15,644,110)	118,423,575	106,703,302

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	110,804,139	110,804,139
Current assets	4,030,017	10,866,712	10,040,682	24,937,411
Creditors due within one year	-	(4,141,364)	(855,512)	(4,996,876)
Creditors due in more than one year	-	(111,612)	-	(111,612)
Provisions for liabilities and charges	-	(22,824,000)	-	(22,824,000)
Total	4,030,017	(16,210,264)	119,989,309	107,809,062

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NOTES TO THE FINANCIAL STATEMENTS
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21. Central services

The Academy Trust has provided the following central services to its academies during the year:

- strategic support;
- governance, including the provision of a Company Secretary and Clerks;
- finance support, including dedicated Finance Managers;
- human resources and payroll, including dedicated HR Business Partners;
- estates, including support for capital projects, health and safety and the co-ordination of central contracts (e.g. insurance)
- marketing and communications; and
- admissions (where applicable).

The Academy Trust charges for these services on the following basis:

Each academy pays a contribution to central services. For 2020/21 this was based on a standard figure of £90,000 which was then adjusted downwards for some Academies to reflect the fact that some (new joiners) still had their own legacy payroll arrangements and some (non-selective) received an admissions service from the local authority.

The actual amounts charged during the year were as follows:

	2021 £	2020 £
King Edward VI Aston School	90,000	70,000
King Edward VI Camp Hill School for Boys	90,000	70,000
King Edward VI Camp Hill School for Girls	90,000	70,000
King Edward VI Five Ways School	90,000	70,000
King Edward VI Handsworth School	90,000	70,000
King Edward VI Handsworth Grammar School for Boys	87,000	67,000
King Edward VI Sheldon Heath	86,603	61,668
King Edward VI Handsworth Wood Girls Academy	84,997	63,500
King Edward VI Balaam Wood Academy	84,997	65,000
Total	793,597	607,168

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22. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of financial activities)	35,240	12,770,521
Adjustments for:		
Depreciation	5,446,474	5,065,874
Capital grants from DfE and other capital income	(3,490,630)	(5,281,762)
Pension scheme liabilities assumed on conversion	-	1,616,000
Defined benefit pension scheme service cost	353,000	313,000
LGPS pension scheme adjustment - finance cost	1,092,000	597,000
(Increase)/decrease in debtors	(452,050)	191,627
Increase in creditors	1,001,321	781,823
Fixed assets transferred on conversion	-	(13,090,000)
Current asset investment gains	(7,003,387)	(1,512,180)
Loan transferred on conversion/from existing academies	-	149,946
Net cash (used in)/provided by operating activities	(3,018,032)	1,601,849

23. Cash flows from financing activities

	2021 £	2020 £
Repayments of borrowing	(19,591)	(19,591)
Net cash used in financing activities	(19,591)	(19,591)

24. Cash flows from investing activities

	2021 £	2020 £
Purchase of tangible fixed assets	(9,147,023)	(4,746,723)
Capital funding received from sponsors and others	8,560,167	4,264,403
Net cash used in investing activities	(586,856)	(482,320)

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	<u>4,402,532</u>	<u>8,027,011</u>

26. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	8,027,011	(3,624,479)	4,402,532
Debt due within 1 year	(18,743)	(848)	(19,591)
Debt due after 1 year	(111,612)	20,439	(91,173)
Liquid investments	8,949,323	7,003,387	15,952,710
	<u>16,845,979</u>	<u>3,398,499</u>	<u>20,244,478</u>

27. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements	<u>1,445,919</u>	<u>2,432,466</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £5,554,895 (2020 - £5,216,509).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

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28. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,988,000 (2020 - £1,988,000), of which employer's contributions totalled £1,662,000 (2020 - £1,444,000) and employees' contributions totalled £ 326,000 (2020 - £296,000). The agreed contribution rates for future years are 21.7% per cent for employers and between 5.5% and 12.5% per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The trust has entered into an agreement to make contributions in addition to normal funding levels due to the scheme being in deficit. It is anticipated that the additional contributions will be paid over the following year as follows:

2021/22: **£493,986**

2022/23: **£511,989**

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.90	3.30
Rate of increase for pensions in payment/inflation	2.90	2.30
Discount rate for scheme liabilities	1.65	1.60

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.6	21.9
Females	24.0	24.1
<i>Retiring in 20 years</i>		
Males	23.4	23.8
Females	25.8	26.0

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28. Pension commitments (continued)

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	49,824,000	42,004,000
Discount rate -0.1%	52,232,000	44,035,000
Mortality assumption - 1 year increase	53,295,000	44,793,000
Mortality assumption - 1 year decrease	48,831,000	41,294,000
CPI rate +0.1%	52,088,000	43,915,000
CPI rate -0.1%	49,963,000	42,121,000

Share of scheme assets

The Academy Trust's share of the assets in the scheme was:

	2021	2020
	£	£
Equities	15,595,000	11,338,000
Gilts	2,116,000	2,190,000
Corporate bonds	1,567,000	783,000
Property	1,799,000	1,521,000
Cash and other liquid assets	943,000	1,339,000
Other	3,583,000	3,012,000
Total market value of assets	25,603,000	20,183,000

The actual return on scheme assets was £3,713,000 (2020 - £1,723,000).

The amounts recognised in the Statement of financial activities are as follows:

	2021	2020
	£	£
Current and past service cost	2,754,000	2,041,000
Net interest on defined liability	351,000	303,000
Administrative expenses	2,000	10,000
Transfer on conversion	-	1,616,000
Total amount recognised in the Statement of financial activities	3,107,000	3,970,000

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28. Pension commitments (continued)

Changes in the present value of the defined benefit obligations were as follows:

	2021 £	2020 £
At 1 September	43,007,000	30,877,000
Transferred in on existing academies joining the trust	-	2,565,000
Interest cost	688,000	619,000
Employee contributions	326,000	296,000
Actuarial losses	4,517,000	6,886,000
Benefits paid	(279,000)	(277,000)
Past service costs	-	3,000
Current service cost	2,754,000	2,038,000
At 31 August	51,013,000	43,007,000

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2021 £	2020 £
At 1 September	20,183,000	16,365,000
Transferred in on existing academies joining the trust	-	949,000
Interest income	337,000	316,000
Actuarial gains	3,376,000	1,100,000
Employer contributions	1,662,000	1,444,000
Employee contributions	326,000	296,000
Benefits paid	(279,000)	(277,000)
Administration expenses	(2,000)	(10,000)
At 31 August	25,603,000	20,183,000

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**NOTES TO THE FINANCIAL STATEMENTS
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29. Operating lease commitments

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	32,338	37,952
Later than 1 year and not later than 5 years	24,539	32,238
	<u>56,877</u>	<u>70,190</u>

30. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £NIL for the debts and liabilities contracted before he/she ceases to be a member.

31. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

	2021 £	2020 £
Grants from the Foundation to the Academy Trust	958,500	10,200
Fees received for KES Teacher training at KEC	13,000	1,000
Costs incurred by the Academy Trust and reimbursed by the Foundation	3,199	30,936
Payments made from Foundation Restricted Funds to the Academy Trust	345	8,300
Other income received by Foundation and passed over to the Academy Trust	-	1,000
	<u>975,044</u>	<u>51,436</u>

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	2021 £	2020 £
Expenditure		
Costs incurred by the Foundation and recharged to the Academy Trust	11,931	31,629
Contribution to the Foundation for services	-	-
Secondment of Staff to the Academy Trust	668,554	416,490
	<u>680,485</u>	<u>448,119</u>
	2020 £	2020 £
Balance Sheet		
Amounts owed by the Foundation at 31 August 2021 (Funds held by the Foundation on behalf of the Academy Trust):		
Grants due to the Academy Trust but not yet received from the Foundation	-	3,049,356
Other income paid to the Academy Trust after the year-end	6,310	6,686
Recharge amounts due to the Foundation at 31 August 2021	14,977	1,161
	<u>21,287</u>	<u>3,057,203</u>

32. Post balance sheet events

King Edward VI Northfield School for Girls (formerly known as Turves Green Girls School) joined the Trust 1 September 2021.

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33. Teaching school trading account

	2021 £	2021 £	2020 £	2020 £
Income				
Direct income				
Tuition fees	281,200		181,700	
Other income				
Grant income	10,040		24,200	
Total income		291,240		205,900
Expenditure				
Direct expenditure				
Direct staff costs	107,353		104,579	
Other direct costs	46,398		30,700	
Total direct expenditure	153,751		135,279	
Other expenditure				
Other staff costs	37,162		38,980	
Other costs	51,064		37,075	
Total other expenditure	88,226		76,055	
Total expenditure		241,977		211,334
Surplus/(deficit) from all sources		49,263		(5,434)
Teaching school balances at 1 September 2020		156,247		161,681
Teaching school balances at 31 August 2021		205,510		156,247