

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

Charity No: 1129776

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

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THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

TRUSTEES' REPORT 31 December 2013

The Trustees are pleased to present their report and financial statements for the year ended 31 December 2013.

Reference and administration information

Charity Name	The King Edward's School Birmingham Trust
Charity Registration Number	1129776
Registered Office	King Edward's School Edgbaston Park Road Birmingham B15 2UA

Trustees

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

Mr S G Campbell	(Chairman)	Term of office expires 7 May 2014
Mr J A Claughton		Appointed by virtue of being Chief Master
Mr J P N Martin		Term of office expires 7 May 2014
Mr S M Southall		Term of office expires 7 May 2015
Mr R P M Thomson		Term of office expires 7 May 2015
Mr M J Woodward		Term of office expires 24 June 2016

Auditors

Clement Keys LLP
Chartered Accountants and Statutory Auditors
No. 8 Calthorpe Road
Edgbaston
Birmingham
B15 1QT

Bankers

Lloyds TSB
134 New Street
Birmingham
B2 4QZ

Investment Managers

Ruffer LLP
80 Victoria Street
London
SW1E 5JL

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

TRUSTEES' REPORT (continued) 31 December 2013

Structure, governance and management

Governing document

The King Edward's School Birmingham Trust is a registered charity (Number: 1129776) and is established as an independent scheme under a Declaration of Trust dated 7 May 2009.

Objectives

The mission of the Trust, as set out in the Declaration of Trust, is: "The advancement of education by supporting the provision of education at King Edward's School, Birmingham ("the School") in such ways as the Trustees see fit in particular (but without prejudice to the generality of the foregoing) by providing funds to support the provision of bursaries to boys on the basis of financial need to enable them to attend the School."

Trustee recruitment and training

The Declaration of Trust provides for a minimum of 3 Trustees to a maximum of 15 Trustees. The Chief Master of The School is normally a Trustee and both the Governors of the Schools of King Edward the Sixth in Birmingham and the Directors of the Old Edwardians Association have the right to appoint two Trustees each. New Trustees are appointed by the existing Trustees and serve for three years after which they may put themselves forward for re-appointment. When recruiting new Trustees, individuals are sought who have the skills, knowledge and experience needed for the effective management of the Trust.

New Trustees are made aware of their responsibilities and are helped to familiarise themselves with the practical and financial operations. To assist them they are provided with a copy of the Declaration of Trust, minutes of recent Trustee meetings, the latest Trust report and statement of accounts and any appropriate Charity Commission publications. All Trustees give of their time freely and no Trustee remuneration was paid in the year.

Organisational structure

All matters of policy and management are determined by the Trustees who meet three times per year and at such other times as circumstances require. The Trustees have appointed the Development Committee, working under agreed terms of reference, to advise the Trustees on fundraising matters. This committee is chaired by John Cloughton, the Chief Master and a Trustee, and also meets three times per year. All Trustees are able to attend these meetings.

Risk management

The Trustees continue to keep under review the major operational and strategic risks to which the Trust is exposed and are satisfied that systems and controls are in place to minimise exposure to such risks as may exist. Policy documents that the Trustees have put in place include an ethical policy, a systems and controls document, a gift acceptance policy and a data policy.

Public benefit

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

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

TRUSTEES' REPORT (continued) 31 December 2013

Achievements and performance

Achievements

The Trustees are very pleased with the achievements and performance of the Trust during its fourth year of operation and they are very grateful to all the donors who have supported the charity. Over £3 million was received in donations in 2013 from 743 donors (up from 646 donors in 2012). Almost all of this income was donated for the provision of Assisted Places and will be so applied. This means that the amount raised by the Trust in the last four years is now over £8 million. £2.5 million of this was for the construction of the Andrew Brode wing.

The fundraising work undertaken in 2013 has built on the success of the achievements in the previous three years. This work included face-to-face solicitations to find further sponsors to fund Assisted Places for individual boys. By the end of 2013 there were 20 such sponsors (up from 15 in 2012). It also included telephone and direct mail solicitations to find further Direct Debit donors. By the end of 2013 there were over 520 such donors (up from 450 in 2012). The fourth telephone fundraising campaign, which took place in July 2013, raised £275,000, making it one of the most successful campaigns that has been run to date.

Grants

The Trustees are pleased to report that they made grants totalling £457,045 during the year.

Grants included a sum of £343,852 for the funding of 53 Assisted Places within the School and the Trustees made several grants from the Assisted Places Support Fund during the year to fund extra-curricular activities (e.g. music lessons, trips) for boys at the school on such Assisted Places. The Trustees agreed in December 2013 to make available a further £60,000 per year for the purpose of funding at least seven Assisted Places for boys starting in September 2014. As a result the Trustees expect the Trust to be providing funding towards at least 60 Assisted Places by the end of 2014.

Financial review

The Trust's financial statements are set out on pages 7 to 17.

The total incoming resources received by the Trust were £3,352,958 of which £120,345 was reclaimed Gift Aid. The Trust received donations from 743 different donors during the year.

Investment policy and performance

All the investments of the Trust are managed by Ruffer LLP who were appointed in 2011 as the Trust's investment manager. Ruffer were chosen because of their charity experience, their record of consistent returns over varying market cycles and a long-held goal of protecting capital over rolling 12-month periods. All Trust investments are invested in accordance with their investment policy.

Over the calendar year covered by these accounts Ruffer achieved an investment return net of fees of 9.8%. Since their appointment the total return achieved has been 15.1%, equating to an annual return of around 5.8% per annum during a period of quite uncertain financial conditions. The Trustees receive regular reports from the investment manager and intend to carry out periodic market testing exercises. Such reviews might lead to a change of manager or to the addition of a further manager should this be required to access a particular investment expertise.

Grant making policy

The Trustees decide in December every year, based on both the received income and pledged income, the number of Assisted Places to fund for the following September. The Trustees will grant an Assisted Place over seven years based on pledged regular income, even if the income has not yet been received. However, the Trustees will only grant a place using received single cash income if the total cost of the place over the whole seven years is available. Grants are made three times per year at the Trustees' meetings in March, June and December.

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

TRUSTEES' REPORT (continued) 31 December 2013

Reserves policy

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

Plans for the future

The Trustees recognise that the first four years of the Trust have been very successful and they are hoping to build on the momentum that has now been created through the launch of the AP100 Campaign in June 2014. The aim of this Campaign is to raise £10 million to fund 100 Assisted Places across the school by the end of 2017. The Campaign will launch with two events in June in London and Birmingham, a specially commissioned film and a telephone campaign in July.

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

Responsibilities of the Trustees

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Auditors

Clement Keys LLP have expressed their willingness to continue in office and will be proposed for re-appointment at the Annual General Meeting.

Approved by the Trustees on 20 March 2014 and signed on their behalf by:



S G Campbell
Chairman of Trustees

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

We have audited the financial statements of The King Edward's School Birmingham Trust for the year ended 31 December 2013 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's Trustees, as a body, in accordance with regulations made under Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

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

Opinion on financial statements

In our opinion the financial statements:

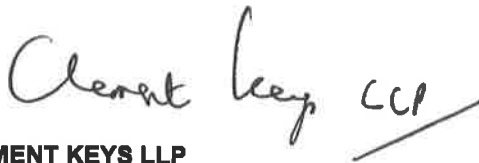
- give a true and fair view of the state of the charity's affairs as at 31 December 2013, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

Matters on which we are required to report by exception

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

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



CLEMENT KEYS LLP

Chartered Accountants
Statutory Auditors

No. 8 Calthorpe Road
Edgbaston
Birmingham
B15 1QT

20 March 2014

Clement Keys LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2013

		Unrestricted funds £	Restricted funds £	Endowed funds £	2013 Total funds £	2012 Total Funds £
Incoming resources						
Incoming resources from generated funds						
<i>Voluntary income</i>	2	122,328	910,403	2,252,782	3,285,513	1,127,685
<i>Investment income</i>	2	-	67,445		67,445	93,513
Total incoming resources		<u>122,328</u>	<u>977,848</u>	<u>2,252,782</u>	<u>3,352,958</u>	<u>1,221,198</u>
Resources expended						
Costs of generating funds						
Investment management costs		-	-	32,164	32,164	7,218
Charitable activities	3	115,139	457,847	-	572,986	2,706,794
Governance costs	3	6,720	-	-	6,720	4,560
Total resources expended		<u>121,859</u>	<u>457,847</u>	<u>32,164</u>	<u>611,870</u>	<u>2,718,572</u>
Net incoming/(outgoing) resources before transfers		469	520,001	2,220,618	2,741,088	(1,497,374)
Gross transfers between funds	8	-	-	-	-	-
Net incoming/(outgoing) resources before other recognised gains		469	520,001	2,220,618	2,741,088	(1,497,374)
Other recognised gains and losses						
Gain on foreign exchange		-	-	45,161	45,161	3,009
Net gains on Investment assets	4	-	-	39,354	39,354	9,510
Net movement in funds		<u>469</u>	<u>520,001</u>	<u>2,305,133</u>	<u>2,825,603</u>	<u>(1,484,855)</u>
Funds held at 1 January 2013		<u>13,491</u>	<u>971,833</u>	<u>1,035,603</u>	<u>2,020,927</u>	<u>3,505,782</u>
Funds held at 31 December 2013	8	<u>13,960</u>	<u>1,491,834</u>	<u>3,340,736</u>	<u>4,846,530</u>	<u>2,020,927</u>

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

The notes on pages 9 to 17 form part of these financial statements.

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

BALANCE SHEET

as at 31 December 2013

	Notes	£	2013	£	2012	£
Fixed assets						
Investments	4		3,079,184		808,743	
Current assets						
Cash at bank and in hand	5	349,915		379,312		
Cash on deposit		1,300,000		760,000		
Debtors	6	133,654		80,006		
			<u>1,783,569</u>		<u>1,219,318</u>	
Creditors : amounts falling due within one year	7	(16,223)		(7,134)		
Net current assets			<u>1,767,346</u>		<u>1,212,184</u>	
Total net assets			<u><u>4,846,530</u></u>		<u><u>2,020,927</u></u>	
Represented by:						
Endowed funds						
Permanent endowment	8	1,318,915		-		
Expendable endowment	8	2,021,821		1,035,603		
Restricted funds	8	1,491,834		971,833		
Unrestricted funds	8	13,960		13,491		
			<u><u>4,846,530</u></u>		<u><u>2,020,927</u></u>	

The financial statements on pages 7 to 17 were approved by the Trustees on 20 March 2014 and signed on its behalf by:



S G Campbell
Chairman of Trustees

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2013

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention as modified for the revaluation of investments and include the results of the charity's operations which are described in the Trustees' Report.

The financial statements have been prepared in accordance with the provisions of the Charities Act 2011 and in compliance and in accordance with the provisions of the revised Statement of Recommended Practice - 'Accounting and Reporting by Charities' Issued In March 2005 and applicable accounting standards.

The charity has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cashflow statement.

1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the accounts.

Permanent endowed funds represent donations made to the Trust that are held as permanent endowments at the request of the donor. The interest and investment income generated is then spent on the purpose for which the gift was made. The trustees will seek to maintain the capital and, through prudent investment management, increase it with the aim of keeping pace with inflation or, in the case of Assisted Places, the inflation in school fees. The capital and capital growth are both protected and cannot be spent on the purpose for which the gift was made.

Expendable endowed funds represent donations made to the Trust that are held as endowments, either at the request of the donor or the decision of the trustees. The interest and investment income generated is then spent on the purpose for which the gift was made. The trustees will, in general, seek to maintain the capital and, through prudent investment management, increase it with the aim of keeping pace with inflation or, in the case of Assisted Places, the inflation in school fees. However the capital and any capital growth will be reviewed annually by the trustees and, at their discretion, some of the capital and / or capital growth can be spent on the purpose for which the gift was made.

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2013

1 Accounting policies (continued)

1.3 Incoming resources

All Incoming resources are included in the Statement of Financial Activities.

Voluntary income received by way of grants, donations, gifts and legacies are included in full in the Statement of Financial Activities when receivable.

Income tax recoverable on gift aid donations is recognised when the income is recognised.

Investment income is recognised when receivable.

Deferred income comprises amounts received in advance where it is clear from the terms under which the funds are received that they cannot be used until future periods or there are pre-conditions to entitlement which have not yet been met.

1.4 Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Payments for Assisted Places are recognised in the period for which the award is given.

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and classified under headings that aggregate all costs related to the category.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.5 Value added tax

The charity is not registered for VAT and as such all expenses are stated inclusive of irrecoverable VAT.

1.6 Taxation

The charity was granted charitable status during 2009 and as a consequence under the provisions of section 478 of the Income and Corporation Taxes Act 2010 none of its activities are subject to corporation tax.

1.7 Grants payable

Grants payable to students are accounted for in the period to which they relate.

1.8 Fixed asset investments

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on the revaluation and disposals throughout the year.

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2013

2	Incoming resources	2013	2012
		£	£
	Unrestricted		
	<i>Voluntary Income</i>		
	Donations in kind (Note 3)	121,859	96,735
	Donations	375	360
	Gift Aid reclaimed	94	90
		<hr/>	<hr/>
	Total unrestricted fund incoming resources	122,328	97,185
		<hr/>	<hr/>
	Restricted		
	<i>Voluntary Income</i>		
	Donations	790,152	546,034
	Gift Aid reclaimed	120,251	55,783
		<hr/>	<hr/>
		910,403	601,817
		<hr/>	<hr/>
	<i>Investment income</i>		
	Interest receivable	34,333	81,559
	Income from managed portfolio	33,088	11,843
	Card sales	24	111
		<hr/>	<hr/>
		67,445	93,513
		<hr/>	<hr/>
	Total restricted fund incoming resources	977,848	695,330
		<hr/>	<hr/>
	Endowed		
	<i>Voluntary Income</i>		
	Donations	2,252,782	428,683
		<hr/>	<hr/>
	Total endowed fund incoming resources	2,252,782	428,683
		<hr/>	<hr/>
	Total Incoming resources	3,352,958	1,221,198
		<hr/>	<hr/>

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2013

3 Resources expended

	Charitable Activities	Governance	2013 Total	2012 Total
	£	£	£	£
Grants awarded				
- modern languages				
building	106,580	-	106,580	2,393,420
- Assisted Places	343,852	-	343,852	217,210
- other	7,415	-	7,415	3,989
Support costs	115,139	6,720	121,859	96,735
	<u>572,986</u>	<u>6,720</u>	<u>579,706</u>	<u>2,711,354</u>

The Assisted Places Fund has benefited a total of 53 (2012: 33) boys during the year.

No Trustee has received any remuneration or has been reimbursed for any expenses. The Trust has no employees; all administration is carried out by employees of The Schools of King Edward the Sixth in Birmingham. These amounts are shown as support costs and are made up as follows:

	2013 £	2012 £
Salaries	81,459	67,073
Communications and mailings	11,110	10,789
Travel	2,258	3,196
Database maintenance	6,860	8,059
Event expenses	12,012	3,058
Audit fees	6,720	4,560
Bank and legal fees	1,440	-
	<u>121,859</u>	<u>96,735</u>

4 Fixed Asset Investments

	2013 £	2012 £
Movement in fixed asset investments		
Market value as at 1 January 2013	808,743	555,464
Add:		
Additions to Investments at cost	3,337,816	605,510
Net gain on revaluation	39,354	9,510
Less:		
Disposals at carrying value	(1,106,729)	(361,265)
Accrued income included in market revaluation	-	(476)
	<u>3,079,184</u>	<u>808,743</u>
Market value as at 31 December 2013		

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2013

4 Fixed asset investments (continued)

Investments at market value comprised:	2013 £	2012 £
UK equities	352,680	94,394
Overseas equities and funds	1,293,138	142,010
UK fixed interest securities	646,433	88,862
Overseas fixed interest securities	459,737	347,643
Precious metals	122,204	91,993
Credit and capital funds	204,992	43,841
	<hr/>	<hr/>
	3,079,184	808,743
	<hr/>	<hr/>

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

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

	2013 £	2012 £
1.25% Treasury Index-Linked 22/11/17	-	53,611
0.37% Treasury Index-Linked 22/03/62	-	45,356
0.125% Treasury Index-Linked 22/03/68	174,874	-
0.125% Treasury Index-Linked 22/11/19	154,072	-
1.875% Treasury Index-Linked 22/11/22	196,120	-
USA Treasury Notes 0.125% TIPS 15/04/16 USD	230,297	-
	<hr/>	<hr/>

5 Cash at bank

	2013 £	2012 £
Revenue account	25,739	176,798
Endowment fund account	65,269	10,425
Investment manager's account	258,907	192,089
	<hr/>	<hr/>
	349,915	379,312
	<hr/>	<hr/>

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS
for the year ended 31 December 2013

6	Debtors	2013	2012
		£	£
	Gift aid receivable	99,188	59,694
	Other debtors	34,466	20,312
		<hr/>	<hr/>
		133,654	80,006
		<hr/>	<hr/>
 7	 Creditors: amounts falling due within one year	 2013	 2012
		£	£
	Other creditors	9,503	2,574
	Accruals	6,720	4,560
		<hr/>	<hr/>
		16,223	7,134
		<hr/>	<hr/>

NOTES TO THE ACCOUNTS

for the year ended 31 December 2013

8 Funds	Balance at 1 January 2013 £	Incoming resources £	Outgoing resources £	Other recognised gains and losses £	Transfers £	Balance at 31 Dec. 2013 £
Restricted Funds						
Assisted Places Fund	962,211	494,750	(337,114)	-	-	1,119,847
Assisted Places Support Fund	7,622	7,663	(4,615)	-	-	10,670
The Andrew Brode Wing Fund	-	106,580	(106,580)	-	-	-
John Osborn Book Fund	2,000	-	(2,000)	-	-	-
John Osborn Revenue Fund	-	115,345	(6,738)	-	-	108,607
Southall Hockey Pavilion	-	250,713	-	-	-	250,713
Other restricted funds	-	2,797	(800)	-	-	1,997
	971,833	977,848	(457,847)	-	-	1,491,834
Endowed Funds						
<i>Permanent Endowed Funds</i>						
John Osborn Endowment Fund	-	1,302,782	(9,910)	26,043	-	1,318,915
<i>Expendable Endowed Funds</i>						
Robert Cooke Fund	30,108	-	(393)	1,032	-	30,747
Miss Margaret Davis	375,000	600,000	(10,596)	27,841	-	992,245
Jim Grant Fund	-	350,000	(3,043)	7,995	-	354,952
Old Edwardians Association	254,782	-	(3,323)	8,730	-	260,189
The Tolkien Trust	255,154	-	(3,327)	8,743	-	260,570
General Endowment Fund	120,559	-	(1,572)	4,131	-	123,118
	1,035,603	2,252,782	(32,164)	84,515	-	3,340,736
Unrestricted Fund						
	13,491	122,328	(121,859)	-	-	13,960
Total Funds	2,020,927	3,352,958	(611,870)	84,515	-	4,846,530

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2013

8 Funds (continued)

Assisted Places Fund

This Fund is used to support either full-fee or part-fee Assisted Places for boys who are academically able to attend The School but whose parents are unable to afford the school fees. The money received into this fund is normally used as expendable income.

Assisted Places Support Fund

This Fund is used to support extra-curricular activities at The School for boys who are on Assisted Places. This support may include funding for music lessons, sports trips or other school trips.

The Andrew Brode Wing Fund

This Fund is used to support the Andrew Brode Wing at The School which opened in October 2013.

John Osborn Book Fund

This Fund is used to fund new books for the library at The School. In particular this money is being used to fund new books for the teaching of the IB syllabuses in History and Classics.

John Osborn Revenue Fund

This Fund is used to support either full-fee or part-fee Assisted Places for boys who are academically able to attend The School but whose parents are unable to afford the school fees. Preference will be given, where possible, to candidates with marked musical ability. The money received into this fund is normally used as expendable income.

Hockey Pavillion Fund

This Fund is used to support the new Southall Pavillion at The School, construction of which will begin during 2014.

Permanent Endowed Funds

These funds represent donations made to the Trust that are held as permanent endowments at the request of the donor. The interest and investment income generated is then spent on the purpose for which the gift was made. The trustees will seek to maintain the capital and, through prudent investment management, increase it with the aim of keeping pace with inflation or, in the case of Assisted Places, the inflation in school fees. The capital and capital growth are both protected and cannot be spent on the purpose for which the gift was made.

Expendable Endowed Funds

These funds represent donations made to the Trust that are held as endowments, either at the request of the donor or the decision of the trustees. The interest and investment income generated is then spent on the purpose for which the gift was made. The trustees will, in general, seek to maintain the capital and, through prudent investment management, increase it with the aim of keeping pace with inflation or, in the case of Assisted Places, the inflation in school fees. However the capital and any capital growth will be reviewed annually by the trustees and, at their discretion, some of the capital and / or capital growth can be spent on the purpose for which the gift was made.

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2013

9	Net assets of the funds	Investments	Net current Assets	Total
		£	£	£
	The charity's net assets belong to the various funds as follows:			
	Unrestricted funds	-	13,960	13,960
	Restricted funds	-	1,491,834	1,491,834
	Permanent endowed funds	1,318,915	-	1,318,915
	Expendable endowed funds	1,760,269	261,552	2,021,821
		<hr/>	<hr/>	<hr/>
		3,079,184	1,767,346	4,846,530
		<hr/>	<hr/>	<hr/>

10 Related parties

The administration duties of the Trust are carried out by employees of The Schools of King Edward the Sixth in Birmingham. The Schools of King Edward the Sixth in Birmingham also reimburse the Trust for administration costs. During the year, administration costs of £121,859 (2012: £96,735) were paid for by The Schools of King Edward the Sixth in Birmingham on behalf of the Trust and are reflected as a donation in kind in these accounts. At the year end, The Schools of King Edward the Sixth in Birmingham owed the Trust £7,758 (2012: £5,920).

Mr S G Campbell and Mr S M Southall, both Trustees of this charity, are also a Governor of The Schools of King Edward the Sixth in Birmingham and a member of the Independent Schools Governing Body of the Schools of King Edward the Sixth in Birmingham respectively. Transactions between the charities are detailed above. Mr J P N Martin and Mr R P M Thomson, both Trustees of this charity, are former Chairmen of the Old Edwardians Association. They are both on the committee of the Old Edwardians Association. Mr J A Cloughton, a Trustee of this charity, is Chief Master of The School and President of the Old Edwardians Association.

11 Legacy

On 1 March 2013, the Trust was notified of a legacy from the estate of Miss Margaret Davis, an alumna of King Edward VI High School for Girls. An interim distribution of £375,000 was paid in December 2012 and was recognised in the previous year's financial statements. The balance of the distribution of £600,000 has been recognised in the financial statements to 31 December 2013.

12 Commitments

At 31 December 2013, the Trust was committed to funding 53 (2012: 33) Assisted Places at a total cost of £2,379,869 (2012: £1,591,250) over the pupils' time at the School.

Of this commitment, £916,632 (2012: £674,670) will be met by the donations made under Deeds of Gift entered into by individuals who are sponsoring specific Assisted Places. A further £539,244 (2012: £336,756) will be met by other single donations that have already been received by the Trust. In addition, the Trust expects to receive income from its investments of at least £55,000 per year (based on a 2% return) and, as at 31 December 2013, the Trust has regular commitments, mainly in the form of Direct Debt giving, in the region of £192,000 (2012: £150,000) per year.