

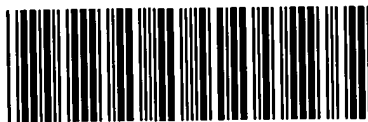
Company Registration No. 4238902
Charity Registration No: 1088030

KING EDWARD VI SCHOOL SOUTHAMPTON

**ANNUAL REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 AUGUST 2022

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KING EDWARD VI SCHOOL SOUTHAMPTON

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KING EDWARD VI SCHOOL SOUTHAMPTON

LEGAL AND ADMINISTRATIVE INFORMATION

Charity number: 1088030

Company number: 4238902

Address: King Edward VI School
Wilton Road
Southampton
Hampshire
SO15 5UQ

Telephone: 023 8070 4561
Email: bursar@kes.hants.sch.uk
Website: <http://www.kes.hants.sch.uk>

Professional advisors:

Auditors: Fiander Tovell Limited
Chartered Accountants
Registered Auditors
Stag Gates House
63/64 The Avenue
Southampton
SO17 1XS

Bankers: National Westminster Bank plc
68 Above Bar Street
Southampton
SO14 2DS

Investment advisors: Evelyn Partners
4th Floor
Portwall Place
Portwall Lane
Bristol
BS1 6NA

Solicitors: Veale Wasbrough Vizards
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

Paris Smith
Number One
London Road
Southampton
SO15 2AE

Insurance brokers: Marsh Brokers Limited
Capital House
1-5 Perrymount Road
Haywards Heath
RH16 3SY

Architects: Morse Webb
The Byre, Lantern Courtyard
The Street
Bramley
Berkshire
RG26 5DE

KING EDWARD VI SCHOOL SOUTHAMPTON

LEGAL AND ADMINISTRATIVE INFORMATION (continued)

Structural engineers:

R J Watkinson and Partners Limited
12 High Street
Lyndhurst
SO43 7BD

Governors (who are also directors):**Patron**

The Lord Lieutenant for the County of Hampshire
N Atkinson

Ex officio Governors

The Incumbent of the Church of St Mary, Southampton
Reverend J M Finch

Nominative Governors

Hampshire County Council
Councillor K Mans FRAeS BA (ceased 31 March 2022)
Councillor N Penman (appointed 15 March 2023)
Hampshire Chamber of Commerce
Vacant
The Old Edwardians Association
A J Connell
The Senate of the University of Southampton
H V Nicholson MA (Oxon) MSc
Southampton City Council
Councillor A Winning (appointed 8 September 2022)
T Bell (appointed 13 April 2022) (ceased 5 May 2022)

Co-optative Governors

N Challis CEng, BEng, MIStructE
M Chaloner
M L Chant (ceased 31 August 2022)
D S Dhanda (appointed 8 September 2022)
B E Gay BA (ceased 31 August 2022)
D Geddes (appointed 8 September 2022)
J J Gray BSc FCA
A M Holden (ceased 19 April 2022)
A S Jones
P S Kirk B. Ed, Cert.Ed.
A O Knibb
S J Mancey (ceased 31 March 2022)
Dr J E Mitchell MA (Cantab), MBBS, DRCOG, DCH
A J Morgan MA (Oxon), FCA, ATII (Chair)
C G Musker
W A Oscroft BSc (ceased 29 January 2023)
I H Rudland
W P Swinn
Dr A L Thomas MA, PhD (Cantab), CBiol, MRSB
J L Wadsworth (ceased 12 May 2022)

Officers:**Senior School Headmaster**

N T Parker MA (Oxon), M Ed

**Bursar, Clerk to the Governors and
Company Secretary**

R V Maher BA Econ (Hons), ACA

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2021

The Governors of King Edward VI School Southampton present their annual report and consolidated financial statements for the year ended 31 August 2022 and confirm that they comply with the requirements of the Charities Act 2011, the Companies Act 2006, the Charities SORP (FRS 102) and the company's Articles of Association. The annual report includes the directors' report as required by company law.

King Edward's was founded on 4 June 1553. Since 1 September 2001, it has operated as a charitable company limited by guarantee and not having any share capital.

In 2012, King Edward's completed the acquisition of Stroud School Limited and the results of that company have been included in the consolidated financial statements since that date. Stroud is King Edward's preparatory school. On 1 November 2017 King Edward's Bookings Limited was incorporated with 100% of the share capital owned by King Edward's. On 5 July 2018, it entered a framework agreement with King Edward's to hire facilities within the School to third parties. The results of King Edward's Bookings Limited have also been included in the consolidated financial statements since that date.

STRATEGIC REPORT

OVERVIEW

The Governors are confident that the strategy set out below and related detailed objectives are a sound basis to maintain the exceptional educational experience for our students over the long term. The Schools continue to be in good health not only achieving outstanding academic results but also providing a sector leading range of opportunities for our pupils in sport, the arts and in our co-curricular activities. The Schools are financially robust and we are well placed to take advantage of any opportunities which may benefit our educational aims going forward. However, the Governors are acutely aware of the challenges related to current economic uncertainty, and recognise that there is absolutely no cause for complacency. We will continue to place our pupils at the centre of everything we do, so that the young adults who leave us will continue to have the confidence and skill set to flourish in whatever field they choose.

OUR AIMS

The School is a charitable company and operates within its Articles of Association, which include regulations for the appointment of trustees.

The Object for which the company is established is to advance education and training in or near Southampton and elsewhere, including the carrying on of a school or schools or other educational establishments and ancillary or incidental educational and other associated activities for the benefit of the community.

Our primary aim is to educate boys and girls through the running of independent co-educational day school(s). On 2 July 2020, the Board approved a new joint 'Ethos and Values Statement' for King Edward's and Stroud School:

'We nurture and support our pupils, so that they flourish and exceed their expectations in their learning, interests, relationships and emotional development. Our goal is that they become intellectually curious, resilient, confident and ready for their next steps.'

The Charity aims to fulfil its ethos and values through the actions set out in paragraphs A to E below:

A: Flourishing in achievement

1. *Laying down a foundation of wellbeing, so that every pupil will exceed their own expectations both in and outside the classroom.*
2. *Providing a varied, rigorous, balanced and exciting curricular and co-curricular programme to inspire learning and engagement for all.*
3. *Offering lessons and learning experiences that challenge assumptions, foster creativity and promote independence.*
4. *Encouraging all pupils and staff to seek to improve and grow in their learning constantly, in the knowledge that this attitude will see them flourish academically.*

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

5. *Improving and developing resources and facilities to enable exceptional learning experiences.*
6. *Achieving excellence in public examinations leading to opportunities in higher education and life beyond school as a consequence of these attitudes and factors.*

The Governors, as charity trustees believe that these aims can only be attained if we...

B: Flourish emotionally

1. *Recognise that all progress in education relies upon the good mental health of everyone within our community.*
2. *Foster in every pupil a strong sense of self-worth, supported by an outstanding pastoral system.*
3. *Nurture our pupils so that they engage positively with their emotions, developing emotional resilience.*
4. *Help pupils to understand the spiritual dimension of life, and to be able to make ethical and moral choices.*

C: Flourish with engagement

1. *Encourage all pupils to explore their potential in everything they do.*
2. *Offer opportunities to pupils of all ages to develop their teamwork and leadership skills.*
3. *Recognise the importance of co-curricular activities as a means of promoting positive engagement.*
4. *Encourage our pupils to relate to the world and their fellow human beings in a tolerant, compassionate and responsible manner.*

D: Flourish in relationships

1. *Put kindness at the very centre of our community.*
2. *Understand that healthy relationships with others is key to happiness.*
3. *Teach our pupils to empathise with each other.*

E: Flourish in meaning

1. *Encourage our pupils to look beyond material goals and strive to make a positive difference to the world.*
2. *Develop in our pupils, and role-model as a whole school, an appreciation of our responsibilities to the school community and to society more widely.*

We promote the academic, moral and physical development of our students through our pastoral care, academic curriculum, and sporting and ancillary activities. The Charity prioritises wellbeing, seeking to ensure that its students flourish, being supported to achieve the highest standards of excellence thereby enabling them to operate effectively in a world marked by rapid change. They are taught to be flexible and adaptable. We prepare our students for the future, focusing on initiative, independence and responsibility, and instilling a desire to contribute to the wider community.

The Governing Body shares the common objective to keep King Edward's at the forefront of education, recognising the need for excellence and opportunity within the context of over 465 years of tradition.

In our Independent Schools Inspectorate (ISI) Educational Quality Inspection report in January 2022, we achieved the highest possible 'excellent' rating for both pupil achievement and personal development. Indeed, the inspectors further rated every single element of provision within these two broad categories as excellent. The inspectors concluded that:

The key findings for pupils' academic and other achievements were:

- Pupils' attainment in examinations and ability to secure entry to further education or destination of their choice confirm that they make excellent progress.
- Pupils secure excellent achievement in their academic and co-curricular activities.
- All pupils develop and demonstrate the skills and knowledge to enable significant success at all stages of their learning.
- Pupil progress is strong when the level of challenge is high, when activities are varied and when they take responsibility for their own learning.

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

The key findings for pupils' personal development were:

- Pupils demonstrate excellent relationships with peers and adults and exhibit a strong sense of community through an overarching ethos of nurture and support.
- Pupils demonstrate a profound appreciation of their moral responsibilities. They respect and celebrate diversity within the School community.
- Pupils across the school show excellent self-confidence and self-discipline.
- Pupils are able to make well informed decisions enabling them to stay safe and healthy.

The Senior School also underwent a statutory ISI Regulatory Compliance Inspection in January 2022, fully meeting all compliance requirements. There is no qualitative grading, schools being assessed simply as having met, or not met, the standard applicable to each area of compliance.

Copies of both reports are available on the School's website.

The success in delivering excellent academic achievement at Stroud, our preparatory school, is made clear in its most recent ISI inspection report in November 2019 which concluded that:

"The quality of the pupils' academic and other achievements is excellent. Pupils across all age groups make rapid progress from their starting points...Pupils are outstanding, articulate communicators, orally and in writing, and skilled and respectful listeners, able to build on the comments and contributions of others...Pupils' linguistic and mathematical skills are outstanding due to the many opportunities provided for them to use and develop these skills in challenging tasks...Pupils' attitudes towards learning are exceptional; across the school they demonstrate high levels of initiative and independence. A high proportion of pupils both individually and as part of a team develop their talents to a high level, gaining awards and success in sport, music and the arts at regional and national levels."

Further extracts can be found on page 24 below demonstrating the report's conclusion that the "quality of the pupils' personal development is excellent."

In addition to the above inspection, Stroud has undergone a statutory Independent Schools Inspectorate (ISI) Regulatory Compliance Only Inspection in November 2019, fully meeting all compliance requirements. Copies of both reports are available on the School's website.

As Head of the Senior School, Mr Neal Parker put in place a three-year senior school development plan from September 2020 to August 2023. Mrs Rebecca Smith became Head of the Preparatory School on 1 September 2020 and the Board agreed an updated integrated development plan for Stroud School based on the joint ethos and values statement above to run from September 2021 to August 2023.

OUR OBJECTIVES

Our objectives are set to reflect our educational aims and the ethos of the Schools. It is important to us that we maintain and enhance academic success. This objective is, however, set in the context of the broader goals we set for the Charity and its students.

In setting the objectives and planning activities, our Governors have given careful consideration to the Charity Commission's general guidance on public benefit together with its supplementary public benefit guidance on advancing education and on fee charging. The Governors have revisited our objectives and future planned activities with due regard to the September 2013 Charity Commission guidance (PB1, PB2, PB3) in accordance with their responsibilities under the Charities Act 2011.

The public benefit narrative within this report is also set out taking account of PB3. The Charity Commission guidance for fee-charging educational charities dated 22 October 2015 is also noted. Our historic and ongoing public benefit approach as evidenced in this report is wholly congruent with the increased emphasis, set out in this guidance, on sharing the Schools' facilities with our state sector partners.

The key objectives for the year included:

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

- To sustain the highest standards of pastoral care and teaching through prioritising and continuing to invest heavily in staff development.
- To maintain our extensive programme of lesson observations and peer reviews to spread best practice.
- To continue to invest heavily in our ICT infrastructure ensuring a consistently exceptional platform, 3 to 18.
- To maintain the current sector leading levels of co-curricular provision and participation.
- To continue to reflect the feedback from students and parents in the Schools' development plans both through regular liaison and formal surveys.
- To continue to expand community links consistent with our aims for mutual benefit.
- To continue to promote and develop the King Edward VI School Southampton Foundation to provide additional fee support.
- To create additional means-tested bursary support at both Schools.
- To improve the environmental sustainability at the Senior School and soften the landscaping by planting an avenue of trees.
- To provide a non-denominational chapel at the Senior School.
- To build a new sector leading £1.5 million 6th Form Centre at the Senior School.
- To expand and modernise the school gymnasium and sports centre facilities at the Senior School.
- To build and improve the examination centre and improved office space at the Senior School.
- To upgrade the security gates at the Preparatory School.
- To expand our fleet of minibuses at both schools.
- To improve our financial contingency, in light of anticipated economic challenges, by increasing investments.

In common with the rest of the sector, this year has seen ongoing challenges in meeting those objectives and more generally for our pupils, parents, staff and state school partnerships as we all continue to adapt to the post-COVID-19 pandemic world in which we now operate.

The response and adaptability of staff at our senior and preparatory schools continue to be exceptional. The dedication, initiative and expertise of our staff continues to enable our pupils to continue to be intellectually curious and to exceed their expectations in learning.

The financial performance of our Schools was well below budget for the two years to 31 August 2021. However the financial year ending 31 August 2022 has returned to relative normality. The Charity has no bank or third party loans and remains financially robust, and reserves have begun to improve from the impact of COVID-19. The Governors are not complacent in this regard, and will continue to be mindful of affordability pressures on our parents, specific cost pressures on the sector outside of our control and the importance of continuing investment in facilities and education.

COMPANIES ACT 2006, SECTION 172

The revised UK Corporate Governance Code ('2018 Code') published in July 2018 applies to accounting periods beginning on or after January 1, 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require the Board to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company.

The S172 statement below focuses on matters of strategic importance to King Edward VI School, and the level of information disclosed is consistent with the size and the complexity of our business.

General confirmation of the Board of Governors' ("Board") duties

King Edward VI School's Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its Committees. Certain financial and strategic thresholds have been determined to identify matters requiring Board consideration and approval. The School policies set out the delegation and approval process across the broader business.

When making decisions, each Governor ensures that he/she acts in the way he/she considers, in good faith, would most likely promote the Schools' success for the benefit of their stakeholders as a whole, and in doing so has regard (among other matters) to:

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

S172(1) (A) "The likely consequences of any decision in the long term"

The Board understands the Schools and the evolving environment in which we operate, based on King Edward's purpose to deliver an excellent educational environment while keeping pupil safety and social responsibility fundamental to our approach. In 2019 and 2020, to help achieve our strategic ambitions, the Board approved a refreshed development strategy for the period to August 2023. However, while investing for the future, the Board also recognises that we must meet today's changing demands. The Board recognises the complexity of the current environment and has taken the decisions believed best to promote our pupils' educational objectives. Our long-term objective remains to deliver on the aims of the Charity for the benefit of our parents, pupils and our wider community.

S172(1) (B) "The interests of the company's employees"

The Board recognises that our employees are fundamental to our Schools and to the delivery of our strategic ambitions. The success of our Schools depends on attracting, retaining and motivating the best employees. The Board factors in the implications of decisions on employees at all times, ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment.

S172(1) (C) "The need to foster the company's business relationships with suppliers, parents and others"

Delivering our strategy requires strong mutually beneficial relationships with suppliers, parents and business partners. The Board requires the promotion and application of the general principles of transparency and integrity in all such relationships.

S172(1) (D) "The impact of the company's operations on the community and the environment"

This aspect is inherent in our strategic ambitions, which include the delivery of our public benefit as one of our fundamental objectives. Also, as outlined in our development plan, the changing world continues to drive demand for environmentally friendly and sustainable practices. We recognise the need to tackle climate change and there is an active sustainability programme under-way to reduce the Schools' net carbon emissions.

S172(1) (E) "The desirability of the company maintaining a reputation for high standards of business conduct"

The Board, in accordance with best practice in Governance, periodically reviews and approves our operating practices to ensure that its high standards are maintained both within our Schools and in the third-party business relationships we maintain.

S172(1) (F) "The need to act fairly between members of the company"

The Board recognises that in an educational environment there are a significant number of stakeholders whose interests may not always be directly aligned. The Board strongly believes that our Schools will only succeed by working closely at all times with our pupils, parents, employees, volunteers, business partners and other stakeholders. This has proved to be even more critical in the last three years when society in general has been addressing the challenging and complex issues associated with the pandemic.

Culture

The Board recognises that it has an important role in ensuring that our desired culture is embedded in the values, attitudes and behaviours that we demonstrate, including in our stakeholder relationships. The Board has established honesty, integrity and respect for people in our Schools' core values.

The Board considers that our triennial People Survey is one of our principal tools to measure the engagement, motivation, affiliation and commitment of the key stakeholders in our Schools. It provides insights into the views of our parents, pupils and staff and has a consistently high response rate. The Board utilises the results of this engagement to embed the positives and implement identified improvements for future years.

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

Student numbers and fees

Our educational activities are carried out through our Senior and Preparatory co-educational day Schools; the former is located in Southampton and the latter near Romsey.

King Edward's

The School roll for 2021/2022 averaged 961 (969) students. The Governing Body is aware of the financial challenge facing many of our parents through the continued economic uncertainty. The consistently outstanding performance of both students and staff continues to make this the School of choice for students living within commuting distance. This year has again seen outstanding results and new initiatives and as a consequence our pupil numbers remain high.

Our fees per term before means-tested and non-means-tested deductions such as bursaries and scholarships were £5,877 (£5,535) the prior year having been frozen at 2019/2020 levels for two terms, and increased to £5,712 for the summer term 2021.

As we are mindful of the ongoing imperative to maintain excellent school facilities, our significant capital expenditure over the last decade has been above the average for the independent day school sector. As trustees of an educational charity, the Governors seek to charge fees at the minimum level required to sustain the exceptional quality of education provided within a sound financial framework with appropriate investment and reserves.

Stroud

The School roll for 2021/2022 averaged 327 (319). The students' outstanding achievements in many areas of school life continue to enhance the School's reputation for excellence. The termly fees in 2021/2022 were £6,159 (Senior School), £5,654 (Middle School) and £3,838 (Pre-Prep), having been frozen the year before for the autumn and spring terms at £5,800, £5,325 and £3,615 respectively, before being increased for summer 2021 to £5,985 (Senior School), £5,495 (Middle School) and £3,730 (Pre-Prep).

The acquisition of Stroud represented a major strategic change for King Edward's as the School expanded its reach to include children from the early years. The benefits delivered in combining with our main feeder school have increased efficiencies, allowing greater investment together with shared knowledge. A number of cross-school initiatives have been a significant benefit to students in both Schools. There is a natural synergy and the Governors are delighted with their unified approach to learning.

Academic

Our pupils have enjoyed outstanding academic success in the recent external examinations in our first year after emerging from the adverse effects of the COVID-19 pandemic. This reflects the outstanding response, from our pupils and teaching staff, to the necessary adaptation of our teaching programme caused by the pandemic and it has been thanks also to the enormous contribution of the non-teaching staff who have dedicated huge amounts of time in keeping both schools running efficiently, despite all the challenges thrown at them.

As there are now clear grounds for optimism that the pandemic is behind us it is an appropriate time to reflect on our schools' response to the immensely difficult environment which was thrust upon us with very little notice or time for preparation. Over the last two years it has been immensely encouraging to see the willingness of all the stakeholders in our schools to pull together as a team to meet the challenges head on. Clearly our pupils and teaching staff were in the front line, but they were ably supported by the Heads and Senior Leadership Teams at both schools who have worked tirelessly to manage our response from day to day, in ever changing circumstances. The contribution of our Governors throughout the last couple of years should also be recognised. We have been fortunate to be able to call on so many talented individuals with a wealth of experience who have been prepared to dedicate very significant amounts of time to support the Heads.

Our parents have also provided very significant support throughout this difficult period, despite suffering their own pressures in their businesses and personal lives. The school is very much aware of the challenges of entire families working together at home during the various lockdowns. The support and encouragement which our staff have enjoyed during this period have been hugely appreciated.

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

Of course, we must now look forward. The financial consequences to our schools caused by the pandemic have been significant, we have weathered the storm and we remain in good shape financially. However, the current cost of living crisis, together with inflation levels, the like of which we have not seen for many years, are a real and ongoing concern both for our schools and our parents. The uncertainty which may be caused by a change of government in 2024 is also becoming relevant to our short-term planning. The Governors and Senior Leadership Teams will continue to have to make some really tough choices, balancing the very real pressures experienced by many of our parents, against our duty to protect the longer-term viability of our schools. These decisions will be addressed diligently and sympathetically but the choices will not be easy.

One of the more concerning legacies of the pandemic has been the adverse impact on the mental health of many of our pupils. It was decided that we should move quickly to create a new Wellbeing Centre in the heart of the senior school, which is designed to be a safe haven for our pupils with easy access to our nurses, chaplain, counsellor, curriculum support and key pastoral staff. This was opened in September 2021 and it has become a very important addition to our offer. Adolescent mental health is a key area of training for our pastoral team at the senior school and we will continue to invest in supporting our students wherever we see the need.

Co-curricular activities at King Edward's

We fundamentally believe that a wider engagement with school life beyond the classroom is a core part of the King Edward's experience.

Educational facilities

In the 2020/2021 academic year, much of our capital expenditure programme was once again deferred to preserve higher levels of working capital to protect against the additional uncertainties caused by the pandemic. The major building project that did go ahead was the creation of a new Wellbeing Centre in the heart of the School, construction of which was completed in September 2021.

During the summer of 2022 our Facilities Team was exceptionally busy. Alongside an impressive number of smaller projects at both schools, we built and opened our new Sixth Form Centre at the senior school which is designed to reflect more clearly the study and working spaces which our pupils will experience at University and in the world of work. The study area is complemented by a range of leisure facilities, including a bespoke café for the Sixth Formers' use and a completely refurbished gym. The new space does seem to be exceptionally popular amongst the highest number of Sixth Formers in the School for many years.

Alongside this major project, there have been numerous other smaller projects on all four of our sites. Notable additions include entrance and exit gates at Stroud and as the initial phase of the Forest School project and tree management programme.

The Schools have an ongoing commitment to ensure that the facilities match the aspirations of our students across all of our sites. Further details can be found in this report under "OUR OBJECTIVES" and "FUTURE PLANS".

Details of bursary and scholarship awards – policy into practice

Bursaries

This year the value of means-tested bursaries and studentships awarded by King Edward's totalled £815,949 (£880,876) representing 4.9% (5.7%) of the School's gross fees. In total, 7.5% (8.9%) of the students received means-tested support. This represents 72 (86) of the students of which 25 (26) benefitted from a full remission of fees, with the average award being 64.3% (63.6%).

An external trust accepts applications from us where appropriate to help students in receipt of bursaries to meet the cost of school trips, examination entrance fees and similar expenses as well as assisting cases of hardship. For the academic year 2021/2022 we received the sum of £24,519 (£42,231).

The desire to support a greater number of bursaries so that able pupils can attend our schools regardless of their means, remains a key objective of the Governors. The King Edward VI Foundation, under the expert guidance of Ms Hooper, has continued to grow, as old Edwardians of a variety of vintages have made donations or left legacies, and this will be an area of increased focus in the years to come.

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

Scholarships

In addition, King Edward's awarded scholarships and music awards to 146 (135) students, based on their educational merit and potential, totalling £134,686 (£116,758) and representing 0.8% (0.8%) of our gross fees.

Scholarships are separated into three areas: Sixth Form, Upper and Lower School years. Awards are made by the Academic Board and relevant Faculty Heads based on assessments made at the start of these three periods. The progress of students receiving scholarships is reviewed to ensure it remains in line with their abilities.

Policy review

The Governors seek to ensure that the bursary, studentship and scholarship awards policies maximise opportunities for able children to accept offers of places at King Edward's through the availability of means-tested fee assistance. Our policy is designed to widen access and direct resources to those in genuine need who would be unable to attend without assistance. These policies are regularly reviewed in the light of new developments to help to ensure that the objective of maintaining the current wide access continues to be achieved in the short term, and that there are increased access opportunities and means-tested assistance over the long term.

The majority of non-means-tested Senior School scholarship awards made in the current year were from restricted funds donated to the School specifically for that purpose. The external funding directed at ability rather than means, although small, is important in encouraging our students to excel in addition to creating links with local employers. The Partridge BMW Engineering Award and Peter Cooper creativity awards are two examples.

Advancing learning – including the local Partnerships programme

One of the aims and objectives of King Edward's is that we support our pupils to flourish in meaning as research evidences this as being a core aspect of positive wellbeing. We encourage our pupils proactively to look beyond material goals and to strive to make a positive difference to the world. We develop in our pupils, and role-model as a whole school, an appreciation of our responsibilities to the school community and to society more widely.

We strive towards these aims in much of what we do, and see ourselves absolutely as a school embedded in the local community. This is central to our purpose and reflects our past as a state funded grammar school. We foster a number of links with local primary schools, preparatory schools, secondary schools, colleges, sports clubs and charities.

On 16 September 2013, the Charity Commission published revised public benefit guidance. The old guidance was withdrawn by the Charity Commission following a challenge by the Independent Schools Council in 2011, after a series of assessments by the Commission of fee-charging independent schools concluded that two of the schools failed to meet the public benefit test. The current guidance is intended to be consistent with the decision of the Upper Tribunal and was published following a period of consultation with the sector.

The current guidance is less prescriptive and makes it clear that it is for the Trustees, not the Commission or the Courts, to determine how best to meet the requirements.

The current guidance therefore comes with an important shift in focus, with a far greater emphasis on the importance of Trustees reading and understanding the guidance and ensuring that it is taken into account when making decisions. On 22 October 2015, a further update was provided for fee-charging educational charities. This increased the emphasis within existing guidance on sharing facilities with state sector partners, which has been a long-standing feature of our school as evidenced below. Attempts to make this a legal requirement for independent schools have been unsuccessful but in any event our work in this area remains excellent. The School continues to make a significant contribution to the wider community and complies with the Charity Commission public benefit guidance including its latest update in October 2015.

Overall, the resources invested in this area, identified by the value of time and support costs, are considerable. The vast majority of the work done by our students and staff is voluntary and, as a result, the benefit is difficult to quantify. The feedback from partners is regularly monitored and is highly positive although there is no formal impact assessment. The observation of the work at first hand, together with the feedback from our partners, leaves us in no doubt as to the extensive mutual benefits to all involved. We know that our partners return for further programmes and that our pupils volunteer year on year, thus strengthening our belief in its value. The establishment of a system to quantify and highlight the extensive voluntary contribution has been considered but, at present, it is not felt that

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

this would merit the considerable additional work required to achieve a meaningful assessment. It also runs the risk of discouraging staff and students with potentially adverse consequences for so many of the community projects in which they so willingly participate.

It is worth noting that the direct annual saving on state sector education expenditure as a consequence of the fees paid by our parents from after-tax personal income is in excess of £8,500,000 (using 2016/2017 figures from the Office of National Statistics).

Partnerships Programme at King Edward's

Our thriving Partnerships' Programme seeks to widen access to our education resources bringing independent and state school communities together. This includes the students from both sectors working together in each other's schools. The programme has grown significantly and, having appointed a new Partnerships' Coordinator in September 2021, we expect new initiatives to continue be introduced throughout the years ahead.

The School wishes to sustain the current extensive programme but recognises that such provision is in effect a cross-subsidy and that this is something that must be considered when setting the fees. Face to face interactions resumed this year and the Partnerships spending for 2021/2022 was £5,594 compared to £293 last year when face-to-face interactions stopped as a result of COVID-19.

Activities range from regular workshops in areas as diverse as Mathematics, Computing, Art, Science, Music, Drama, Coding, Dance, and Sport. A significant number of King Edward's students help to lead these activities, developing personal attributes and experiences as well as, at times, volunteering their time as part of completing the Duke of Edinburgh Award. Primary school students benefit from the facilities and equipment available at King Edward's; the expertise of staff and students leading the groups; and the opportunity to try new activities. Projects are evaluated through regular verbal communication with the schools involved.

We were delighted to reinstate face-to-face partnership activities in 2020/2021. Guests were able to join us on the school site so the partnership workshops could resume much of their programme from the Autumn Term.

Partnership Schools worked with during 2021/2022:

- Mount Pleasant Junior School
- Sholing Junior School
- Springhill Catholic Primary School
- Wordsworth Primary School
- Hollybrook School
- St Mark's C of E Primary School

Regular Events

- Endeavour: a two-day project involving the Fourth Year. On the Thursday, students plan and prepare resources for a day of workshops to be delivered to primary schools. They then deliver the workshops on the Friday. Primary pupils have a day of sports activities at Wellington and others take part in a day of activities on the main school site including, for example, Drama, Science, Computing, Dance, and Art. As a Headteacher explained: "They came back so excited full of great stories of their adventures."
- London Mozart Players String/Woodwind Day: a day of string/woodwind workshops culminating in an afternoon concert alongside King Edward's students and the London Mozart Players. Having had to be postponed during the pandemic, this event took place in October 2022 with several local schools participating.
- Art Club: workshops for local primary schools in a 6-week block. This activity gives the able artists from these schools an opportunity to collaborate and use equipment and techniques they do not have access to in their own school as well as benefiting from an expert Art teacher. These students are supported by able artists of all ages from King Edward's. One of our Year 9 pupils ran sessions based around animal clay sculpting as part of the Art partnership in 2021. Primary pupils were able to take home all their creations at the end of the workshop.
- Maths Enrichment: this work includes a 6-week block of workshop sessions for able mathematicians at Springhill School with a focus upon challenging these students beyond the curriculum through problem solving activities.
- Science Club: a club for able students from Springhill and Wordsworth schools, allowing them to use new equipment and facilities with the aim of inspiring them towards the further study of Science.

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

- French: a French club. The club aims to increase engagement with foreign languages and support provision in a primary curriculum which only has limited space for Languages. Wordsworth primary were able to benefit from this in 2021/2022.
- Football Tournament: students from Springhill, Wordsworth and Highfield participate in an inter-schools Football Tournament.
- The Sholing Partnership: a group of Sixth Form students accompany a small group of students from Sholing Junior School on a residential visit to the School's outdoor education centre at Lovaton.
- Sustainability Hub: building on the success of our own Sustainability Team, we are looking to work with local primary schools. Many of these schools have their own fledgling sustainability groups, and we hope to engage with them through our new allotment; activities; and competitions.
- Drama performances: almost 100 Mount Pleasant pupils attended the School's production of Matilda with the aim of inspiring them to study Drama and to see the wonderful resources available at King Edward's. The Dobson Theatre is also made available at a subsidised rate for local schools to hire for their own performances.
- Workshops with Southampton Children's Hospital School: The Lower Sixth Art class, decided they would like to forge a partnership with Southampton Children's Hospital School. They visited the hospital to run workshops with the children and used their artwork to decorate a Hampshire hare that was exhibited in West Quay shopping centre. The intention is for the Hare to be transported back to the hospital to the entrance of the children's wing.

For the academic year 2022/2023, we are building upon and strengthening partnerships developed before the pandemic and also reaching out to other schools in the local community to develop new connections. We are hoping that this will culminate in the creation of a multi-school partnerships hub, connecting local schools, both independent and state, with one another. This will enable us to share resources and expertise amongst students and staff.

In 2022, we were also invited to the National Finals of the Goldsmiths' Community Engagement Award at Goldsmiths' Hall in London. This commended the widespread partnership and charity work conducted by King Edward's. We are proud that this is part of our DNA as a School and we look forward to seeing how our Partnerships work will develop in the future.

Event	Approximate total number Partnership students 2021/2022	Approximate numbers King Edward's students
Art Club	16	16
Arts Festival	180	20
Maths	15	5
Science Club	32	10
Endeavour	100	50
Production	100	40
French	15	5
Total	458	146

Prep School Liaison

Mr Gilbert continues in his role as the Director of Prep School Liaison.

A range of academic, sporting and cultural events continue to provide learning opportunities for pupils from both King Edward's and Hampshire Prep Schools. These events help King Edward's to develop its relationships with Hampshire Prep schools and to showcase our pupils and facilities to their pupils, as well as to their teachers and parents.

Some events are held at the Prep Schools whilst others bring the Prep Schools and their parents onto the Wellington and Hill Lane sites.

Creative Arts

In 2021/2022 the Creative Arts Faculty returned to being able to invite guests onsite and hold performance events, with increased safety regulations and some limitations on numbers. COVID-19 regulations affected the Carol service, which was held at Romsey Abbey, including the community choir (consisting of parents, Old Edwardians and friends), but without the usual congregation. It was live-streamed to the wider King Edward's

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

community. The Lower School Production (Matilda) was shown to both Partnership schools and to Stroud and other Prep School visitors. The Peter Folks Art Exhibition was resumed and art works were on display as part of the ongoing Prep School liaison programme. The Arts Festival, hosted in June invited 180 partnership pupils to take part in a morning of workshops including choreography, drama, music, painting, and circus skills. This was followed by time to enjoy festivities on the Hill Lane field including games, bubbleologists, caricaturists and a petting zoo. The day concluded with a concert hosted in the Dobson Theatre showcasing pupils' artistic talents. A range of skills including, dance, juggling and instrumental performing from pupils in the Lower School to Sixth Form gave partnership visitors a chance to see the talent and enthusiasm for artistic endeavour cultivated at the schools. One teacher commented: "Our Year Fives really enjoyed your arts festival last week and came back, desperate to show me their dance routine to 'Step in time!'"

King Edward's Charities Commission and Charity Projects

The Charities side of school life is heavily supported at School, with four members of staff receiving remuneration for their part in the organisation of events and trips, which incurs a £9,112 cost to the school.

The number of students involved in fundraising around the school has grown considerably over the last few years with an increased number of Lower School pupils attending fundraising events on a regular basis as well as the usual large numbers from the Upper School, with the Sixth Form making up the majority of this group. The September non-uniform day and Krispy Kreme sale was held in aid of Stonewall and Show Racism the Red Card and raised over £1,100. The First Year Toy Appeal Fun Run this year was a huge success. Not only did students create the most fantastic and creative toy-inspired costumes but they managed to raise over £2,600. This money was used to buy presents which were distributed by the Scratch charity in Southampton at Christmas for children in need. For International Men's Day this year Sixth Form students sold Gingerbread men to raise money for Calm UK. There were the traditional candy canes and advent calendar sales to raise money for Society of St James with £1,000 raised for this local homeless charity. In the spring term the Commission was focused on raising money for Duchenne UK, a charity which aims to eradicate Duchenne Muscular Dystrophy. This is a progressive disease which is usually diagnosed in boys between the ages of 3 and 6. Through sales and an awareness assembly they raised over £700. In April the Commission created awareness boards in the school to ensure that these issues remained topical and reflected issues the Commission would like to be discussed further in the school community. To finish the school year the Commission held their annual shoe collection for Sal's Shoes Toe to Toe campaign. 219 pairs of shoes were collected and sorted and were delivered to Sals Shoes over the summer holidays.

There are three charitable projects running concurrently in the Sixth Form, with a selected team and member of staff. Team members are responsible for their own fundraising and organisation. Details of these three projects are as follows:

- **Portsmouth Down Syndrome Association:** Portsmouth DSA provides a range of some of the best specialist services in the UK supporting development and education, and offers training to assist families and professionals in providing effective support from the point of diagnosis, helping to teach children the skills they need to reach their developmental milestones, succeed at school, and become valued and productive members of their communities.

Our aim is for the PDSA teen group and our King Edward's students to develop and build a friendship over the course of the year. Our students undergo training on 'how to be a friend to someone with Down syndrome', given by PDSA. The selected group of sixth formers meet with the group through the year. In August 2022 we held our second PDSA Summer Week with four days of activities for the pupils and their PDSA friends. The pupils raised money throughout the year to pay for all of the activities. Day one took place at school with icebreaker activities, art and sport. The second day was at Marwell Zoo, the third day at Paulton's Theme Park and the fourth day was a games, film and BBQ day at our Wellington Sports Ground.

- **Summer Camp:** A team of Sixth Formers organise and run a holiday camp for one week in the school holidays in the New Forest, Hampshire, for youngsters (aged 8-12 years old) from the Southampton Young Carers Initiative. Due to problems at home, these children have to act as the responsible adult within their families. The Summer Camp is well established and runs every year giving them an opportunity to recapture some of their childhood and enjoy structured activities with similar children. There is no cost to any of the young carers involved as our students raise the money themselves. The monies are raised by a dedicated team of sixteen Sixth Formers who then carry out the week's holiday, looking after all aspects of the children's care, backed up by our staff. The Sixth Form team initiate and support fundraising within School and in addition each member is expected to raise £100 through personal endeavour.

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

This year's Summer Camp was based at Avon Tyrrell Campsite in Christchurch. The group of Sixth Formers ensured that the week was enjoyable and memorable for the young carers. Day one involved setting up camp and playing games. The second day they explored the Moors Valley adventure play trail and spent the afternoon at the beach finishing with fish and chips back at camp. On the third day the Sixth Formers took the Young Carers to the New Forest Wildlife Park and finished the day with a talent show back at camp.

The final day was emotional as the Sixth Formers packed up camp and spent their last morning playing games with the young carers. It was clear that the camp was a huge success and enjoyed by both the Sixth Form team and the Young Carers.

- **Partnerships Projects:** The project recruits a Sixth Form team of students who raise money and run activity days with children from Year 5 or 6 from the local Junior Schools. The children are selected by the staff at their own school; they often have life experience that is challenging but also may be those who would really benefit from both the time away and being inspired to fulfil their potential by spending time with selected Sixth Form students from King Edward's. The team initiate and support fundraising within School and in addition is expected to raise £100 through personal endeavour.

Charitable donations this year

Other smaller fundraising events took place throughout the year with donations made to the following charities:

- Southampton Hospital School £1,266
- Christmas Jumper Day - Save the Children £538
- PDSA - Odd Socks Day – Raised money that was spent on the PDSA summer activity days
- Unicef £464
- Yellow Door £134
- Royal British Legion £350
- Solent minds £396
- Breast Cancer Awareness £174

Total donations raised and donated by the King Edward's Charities Commission, excluding fundraising by the Sixth Form Charity Projects was £9,733.

Children In Need Of International Protection (CINIP)

The Governors and staff at Stroud and King Edward's Schools recognise the immense suffering of young people forced to flee from active war zones (or similar major disasters) and recognised as refugees by the UK Government.

In accordance with our aims and objectives, in which we 'develop in our pupils, and role-model as a whole School, an appreciation of our responsibilities to the School community and to society more widely', we sought to provide opportunities where possible and sustainable for displaced refugee children to receive an education at our Schools.

Places offered at our Schools under the CINIP policy are not regarded as bursary students, but rather as 'sponsored' children receiving a free temporary education at the School. We have had thirteen children attending under this policy heading. In addition to their learning needs, uniform and equipment have been provided where possible.

Other community outreach

- The Spanish Department donated several boxes of textbooks to Canford School
- The Computing Department donated ten Lego robotics kits to the Computing Department of Upper Shirley High School
- The Classics Department donated textbooks to local Southampton Schools
- The Duke of Edinburgh team donated fourteen used rucksacks to Itchen Sixth Form College

Teacher Training and CPD

- One PGCE placement for a term
- One PGCE placement for a year
- Five teachers from Teach First completing their contrasting placement at King Edward's (five days each)
- Fifteen PGCE students attending for a day's King Edward's experience

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

Community Service

Students also take part in practical voluntary service in the local community and elsewhere. Through these opportunities to serve others our students also gain educationally through a meaningful interaction with those outside our school community.

- At any one time, we have up to three hundred students enrolled in the Duke of Edinburgh Award Scheme from Bronze to Gold (ages fourteen to eighteen). As part of the Volunteering section of their Award, students involve themselves in clubs and partnerships which aid the local community, for example working in charity shops or with Brownie or Cub groups. In 2021/2022 the collective hours volunteered by our pupils was 1,547. The social value of these hours was £7,147 based on the under 18 minimum wage.
- Students are trained in the use of first aid and employ these skills in a variety of activities within the school and elsewhere.

The items above give a flavour of the variety and extent of the public benefit delivered through the important interaction of our students with the wider world and our local community. Encouraging our students to understand different perspectives and cultures whilst assisting the learning and development of others is integral to our ethos.

King Edward's Staff

In addition to direct involvement in charity work by students, several staff at King Edward's are also involved with the local community and charities. Although this work is entirely voluntary and outside of their job roles, the school seeks to support such commitments as they reinforce our ethos and links into the community. These included:

- Mr Aellen runs the Hospitality and Bible Study at Christ's Church in Southampton, where he is also a trustee and an elder.
- Mr Baker is the Assistant Football Coach for a local girls' team.
- Ms Boyle Volunteers with 'Free Cakes For Kids' which makes and delivers birthday cakes to children and families who cannot provide their own, for various reasons. They work with Social Services, Refugees, Mencap, Local Community groups and Disability Services.
- Mrs Burrows is Secretary of Netley Sailing Club in a voluntary capacity. They provide youth sailing for children in care as well as families.
- Mrs Costello-Kelly volunteers with a local Climate Action Group (RACE) working on recycling projects, clothes swaps and tree planting.
- Mr Crichton runs Junior and Senior Indoor Hockey leagues, Hampshire schools Indoor Hockey finals (boys and girls U16 and U18) and England Hockey South Central Area schools' finals. He also coaches for South Saxons and England Hockey Talent Academy at Trojans.
- Dr Dean fundraises for Portsmouth Down Syndrome Association
- Mr Diver is a Governor at Upper Shirley High School
- Mr Eriksson parents puppies in training for the Isle of Wight Charity Ability Dogs 4 Young Persons.
- Mrs Evans volunteered for the Royal Voluntary Service as a responder in relation to COVID
- Mr Gilbert is a lead coach at Trojans.
- Mr Giles is a magistrate and the School provides time for him to perform his official duties
- Mrs Gilmour volunteers at her local church as part of the supporting women's organisation, this includes organising home visits, relief to widows, elderly, sick and new mothers as well as those in financial difficulties or struggling with mental health. She participates in monthly fasts so as to give financial support to those who need welfare help.
- Mr Hall volunteers as an Explorer Scout Leader for Southampton City Scouts and trustee of 2nd Southampton Scout Group, Shirley, Southampton.
- Mr Havers is a Gold Duke of Edinburgh Award Supervisor and Assessor. He is also a Lymington Town Sailing Club Committee member and senior instructor, focusing on voluntary adult and youth training skills.
- Mrs Hayden is Chair of the Bedford Place and Polygon Residents Association.
- Mrs Henderson coaches the Junior section of Swan Netball Club.
- Miss Jordan volunteers as Senior Coach at Southampton Hockey Club.
- Mrs Kent coaches the U11 girls' cricket team at Trojans and she umpires in the South Netball league.
- Mr Kent coaches girls' hockey at Trojans.
- Mrs Kelly fundraises for 'Little Troopers' charity, supporting schools with military children and families with parents serving in the armed forces.

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REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

- Mr Lawson is a Scout Leader (Cubs) and Parkrun volunteer.
- Mr Lee is a Governor at Wimborne School.
- Mr Maher is Director and Chair of Trustees of Youth and Families Matter (YFM) (Charity No. 1128524). They help children and young people to deal with issues such as family breakdown, bullying, friendship concerns, self-harm, drink and drugs and anger management. YFM's schools and youth workers currently work in eight local schools and most of the children and young people seen are referred through the school.
- Mrs Matthews volunteers with the Southampton Ukrainian Community Support Group
- Mrs Meager volunteers with South Downs Equine Therapy at Clanfield which allows autistic children and young adults the chance to ride horses.
- Miss Mephram volunteers at City Catering, which provides healthy meals across 46 schools in Southampton providing marketing, social media planning and campaign development.
- Mrs Meredith is honorary secretary of the Southampton Branch of the Classical Association.
- Mr Miller raises money and awareness for Portsmouth Down Syndrome Association.
- Mrs Mitchell provides administration for the children's squads for Southampton Diving Academy.
- Mr Nichols organises a triathlon in Winchester called the Pedal Paddle Pace.
- Mrs Paul volunteered with the Coronavirus Community Assistance.
- Miss Phillips is a Brown Owl and runs a Girlguiding Brownie Unit in Chandlers Ford.
- Mr Piggott volunteers for the Glebe Copse Trust in Highfield, a small wood which is run as a bird sanctuary, and he is the Chair of ISADA Independent Schools Art and Design Association.
- Mrs Ramshaw is the Totton and Eling U8 Tigers Football coach.
- Mr Rokison helps to run Aquasports, a small Christian water sports charity.
- Mr Rosenberg coaches rugby and cricket at Fair Oak.
- Mrs Sheppard is a Governor at Highfield Primary School.
- Mr Sheppard is a Trojans Sports Club U14 Girls' hockey coach.
- Mr Sinclair coaches the U12 football team Greenfields Panthers in the Bournemouth Youth League.
- Mrs Taylor is an apprentice mentor for her local church and volunteers running sailing courses at Netley Sailing Club.
- Mrs Whitfield is the SEND Governor for Berrywood Primary school, a Scout leader for the Amazon Sea Scouts, a mental health swims host and provides administration for Hampshire Open Water Swimmers. She is also a trustee of Stop the Sewage Southsea Pressure group.
- Mrs Woolstenhulme volunteers at Eastleigh Library and Portchester Castle.
- Mr Wortham lectures on science communication for third year biological sciences students at Southampton University, in a voluntary capacity.

Facilities Usage at no charge or non-commercial community rates:

All of the third parties listed below have benefited from the use of our facilities during 2021/2022 at no charge or at non-commercial community rates.

Wellington Sports Ground

- Old Edwardians
- Trojans Hockey
- Trojans Rugby
- Trojans Cricket
- Southampton Hockey Summer league
- Hampshire Hockey
- England Hockey Performance Centre
- MT13 Hockey Camp
- Sport 101 Hockey
- Waterside Hockey Club
- Romsey Hockey Club
- Hampshire Cricket Performance Centre
- Totton and Eling Cricket Club
- Eastleigh Football Club
- Eastleigh Youth Football Club
- Southampton F.C
- Swan Netball Club
- Ravens Netball Club

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

- Barna Shileds Netball Club
- Whiteley Events

Dobson Theatre

- Stagecoach
- Life Church

Lovaton

- Southampton City Explorer Scouts
- We provide facilities to other local users who often use us for fundraising events but these are usually focused on the relief of poverty, rather than education and training.

Co-curricular activities at Stroud School

Stroud School's collaboration with State Schools include the following:

- Romsey Abbey School
- Romsey Juniors
- Braishfield Primary
- Awbridge Primary
- SpringHill Primary
- Wordsworth Primary
- Cupernham Juniors

Stroud Charities donated to in the year

- Jeans for Genes
- Link to Hope (annual shoe box appeal for Eastern European children)
- Poppy Appeal – Royal British Legion
- Comic Relief
- Children in Need
- Southampton City Mission and Waterside Foodbank – support at Harvest
- Youth in Romsey – one of three school section charities
- SOS Children's Villages UK – one of three school section charities
- Alfie's Wish – one of three school section charities
- WWF – Reception and Nursery raised money to sponsor two snow leopards
- The Murray Parish Trust
- dec.org – money raised for Ukraine
- Bag2School donations have generated significant funds which have been donated to our section charities

Stroud School community links

Throughout some of the 2021/2022 academic year the COVID-19 pandemic continued to have a significant impact on the collaborative community events the school would normally engage in. However the following community links were active in the year:

- Romsey Young Carers is one of the three school charities supported by Bulldogs house.
- Woodley Grange Care Home is visited twice a year by KS1 children who sing for the residents
- Romsey Football Club
- The school ELSA collaborates with a cohort of local Emotional Literacy providers.
- Stroud School provided Hants and Dorset Christian camp with 4 minibuses for two weeks in the summer

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

Stroud Staff

In addition to direct involvement in charity work by students, several Stroud staff are also involved with the local community and charities. Although this work is entirely voluntary and outside of their job roles, the School seeks to support such commitments as they reinforce our ethos and links into the community. Details are below.

- Mrs Brown volunteers for Romsey Young Carers, Silver Band and at the Romsey Show.
- Mr Case has sponsored a child in Africa for past 12 years, he gives 10% earnings to charity, including the church, and volunteers at his church leading children's groups (ages 9-11) including a residential trip in the summer half term. He also volunteers leading the "Alpha Course" at his church for those seeking to know more about Christianity and sponsors a couple on mission in Uganda for Mission Aviation Fellowship (MAF).
- Mrs Hodges volunteers as the rugby manager for the U16s Romsey Rugby team.
- Mr Hopper is a parent helper for IV Netley Sea Scouts.
- Miss Payton volunteers with the Sunday Lunch Project at St Denys Church and sponsors 3 children through World Vision.
- Mr Reid volunteers 15 days per year for the Game and Wildlife Conservation Trust in Fordingbridge and undertakes ecological surveys on behalf of the Martin Down Farm Project.
- Miss Robinson volunteers for Scripture Union and leads a children's work at church group.
- Mr Rouse regularly raises money for Simon Says, Parkinson's and Community First.
- Mrs Whitman volunteers for the charities Arrhythmia Alliance, STARS and Operation Diversity.
- Mr Preston carries out a number of roles to support St John's and St Anne's Churches in Hythe as well as being a member of the PCC.
- Mr Parker volunteers as the Lead Safeguarding and Welfare Officer for the Solent Churches Football League.
- Mrs Moody volunteers with Southampton City Art Gallery and SeaCity Museum.
- Mr Morgan is Player Care manager for Colden Common U18s Football Club.

Environmental Initiatives: Cutting our 'carbon footprint'

We are measuring our energy consumption as equivalent to production of an amount of carbon dioxide ('CO₂e'), in kilogrammes. Monitoring, under the government's new streamlined energy and carbon reporting regime ('SECR') has estimated energy consumption to be in excess of 520kg CO₂e per pupil. In the past year we have undertaken various environmental initiatives to reduce this level of consumption, as detailed below.

One hundred percent of the school's electricity is from green sources with the school's energy provision provided by Drax Power. The next step is to reduce gas consumption. Electrification of the kitchen infrastructure is complete. Further research is to take place into heat pump technology and Biomass. We are in the early stages of installing Photovoltaic (PV) Panels on the school roofs. We intend to install these during 2023.

We aim to instil the habit of recycling among our staff and student body (green bins are provided in every classroom for paper, and split bins for recycling and general waste have also been provided outside). Our local waste management company combines all of the general waste, and it is incinerated for energy. We are reviewing how our recycling is managed within the wider school community.

We have moved primarily to recycled paper (except publications which may be involved in marketing and where images need specialist paper for better resolution).

Food waste remains a significant issue. We have introduced a measurement and waste methodology in the kitchens to minimise preparation waste and we have installed a dehydration unit to reduce the bulk of the waste.

Travel remains an important area to minimise our carbon footprint and over three quarters of our Senior School students use the KETA bus system and additional bus routes have been provided at our Preparatory School. A strategic review of our transport system has resulted in a commitment from our contractors to lower emissions and over 80% of bus and coach pupil transport is Euro 6 compliant, with a consequent reduction in our carbon footprint. We continue to use solar voltaic cells on the Steward's house at Wellington Sports Ground.

Within the school community, the Sustainability Action Group is working hard to change mindsets and empower students to become involved in sustainable thinking. Themes each half term are enabling students to explore

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

different important issues. From slow fashion, food and travel to electric vehicles, biodiversity and air quality, students are also coming up with initiatives and actions to reduce their carbon footprint and energy consumption.

Alumni events

In the 2021/2022 academic year, we held a total of nine OE events. The belated 2020 leavers' event and the 10-year reunion took place in the autumn term and were followed in the spring by a 2-year reunion. In the summer term, we welcomed back a large group of our benefactors and donors who are members of our Capon Club. The formal dinner included a presentation from a former bursary student and this elicited a further legacy pledge and two increased regular donation amounts. The annual Poole Veterans' Luncheon took place in June and, during Sports Day, the Class of 1980 met for a 40-year reunion. An OE boys' hockey match was also hosted in June.

Fundraising and development

The 2021/2022 the School received a total of £7,848 from one-off donations and regular giving. Alongside this we received a further £4,500 in bequests. There are currently 80 members of the Capon Club, who have committed to provide legacies in their Wills for the benefit of our Development Fund.

FUTURE PLANS

The Governors intend to continue their current strategy of maintaining the Schools' position in a competitive market by investing, as required, to provide high-quality education for our students. Achieving a high standard of academic results is a constant aim whilst maintaining the breadth and depth of the education provided with a clear focus on wellbeing.

Mr Neal Parker became Head of the Senior School on 1 September 2019 and put in place a three-year senior school development plan from September 2020 to August 2023. Mrs Rebecca Smith became Head of the Preparatory School on 1 September 2020 and the board agreed an updated integrated development plan for Stroud School based on the joint ethos and values statement to run from September 2021 to August 2023.

The Senior School triennial survey of students, parents and staff by an external specialist took place in the Spring Term 2022. Stroud also conducts the same triennial surveys on a rolling annual programme. The results of both have been incorporated into our next phase of strategic planning from 2023 to 2026 following a period of review which is currently being led by the Heads.

The Governors have taken the opportunity to review and revise the pace of certain future capital expenditure plans. Having prioritised the new Wellbeing Centre which opened in September 2021, the Sixth form facilities extension and major refurbishment was completed in summer 2022.

Potential capital expenditure for the academic year 2022/2023 which is currently under discussion include:

- To provide an improved, dedicated hospitality space for Senior School functions
- To renovate and improve the Senior School pupil toilets and lockers
- To build additional theatre space in place of the previous Twigg Theatre in the Senior School
- To update the staff room at the Senior School and bring it into line with the new Sixth Form and Wellbeing Centres
- To replace and update the Senior School turnstile access and egress system

Our future plans are financed predominantly from fee income and from our reserves. The Governors need to maintain an equitable balance ensuring that our current students benefit whilst, at the same time, ensuring that a sound infrastructure and financial base are preserved for the next generation of students in the same way as our current students benefit today from the investment made in the past.

The current economic climate has had an impact on many preparatory schools and the Governors keep a watching brief on the threats and opportunities this poses. A healthy intake of students over the long term remains an important factor underpinning the Schools' development plans to maintain the high quality of educational provision. From September 2021, students at the Senior School who have a sibling that attends the Preparatory School have been eligible for a sibling discount on their fees. The duplication of our academic years 7 and 8 on both sites will cease in September 2023.

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

King Edward's has continued to develop links internationally as well as in Southampton through the development of partnerships with UK and overseas schools, charitable activity in the UK and abroad, fundraising, community work and support for local projects.

The Governors view our bursary and scholarship awards as important in both promoting excellence and widening access to the education our Schools provide. The Governors regularly review our bursary and scholarship awards policies to ensure that able children can accept offers of places at both Schools through the availability of means-tested fee assistance. This includes reviewing earning thresholds applied to our bursary awards in the light of ongoing Charity Commission guidance. We believe our current policies and procedures are well designed and effective to target the limited resources where they are most needed. This is particularly the case with the introduction of means-tested bursary awards in our Preparatory School in January 2017 and their further expansion to over £95,000 implemented in September 2021.

As set out earlier in this report, the success of the King Edward VI School Southampton Foundation is critical to increasing the funds available for means-tested awards in the long term. We hope that the commitment of our staff and in particular a dedicated role of Development Officer will help the difficult task of fundraising in the present climate. The emphasis is long term with much effort expended in relation to generating future legacy income. The Governors regard this as a key objective in our 2023 - 2026 strategic plan.

The Governors intend to continue investing in the success of the Partnerships programme by maintaining our strong links and exchanges with the state sector. In developing our plans as we move forward, we will work closely with the Heads of the schools with whom we partner ensuring that a positive contribution to our shared educational aims continues. This takes up a considerable amount of staff and student time but has always been a core part of our ethos.

The self-evaluation process under the ISI inspection arrangements continues to be regularly updated. Our students are known for their intellectual talents, being nurtured and encouraged through exceptional pastoral care. Our Schools maintain their friendly and welcoming character. The involvement of Edwardians and students from Stroud in the wider community as well as in sport, culture and charity work gives our students a strong social conscience. They are very keen to support the wider community, and the quality of the education they receive from age 3 to 18 is clearly reflected in the most recent qualitative ISI reports for both Schools which are available on our website. The implementation of the Charity's strategic planning processes, coupled with the consistent high performance of our students, underpins our reputation as one of the UK's leading educational establishments.

OUR FINANCES

Higher than forecast pupil numbers and savings within teaching costs, tempered by inflationary pressure on buses and catering costs resulted in a higher than expected operating surplus. These results are significantly better than the previous year. However, the prior year figures cover a year still impacted by COVID-19; the schools were closed in January and February 2021 and many costs and income lines were affected accordingly.

Our investments are held with Evelyn Partners (previously called Smith and Williamson Investment Management LLP), having been appointed two years ago following a three-stage tender process. The details are reported under 'Investment Policy' below. In addition to managing our restricted cash, an overdraft facility was agreed at a pre-agreed highly competitive interest rate as part of this arrangement. This allows cash balances in excess of working capital to be invested to improve returns whilst maintaining quick access to funds if and when needed.

The Governors continue to be proactive in monitoring the implementation of our longer-term strategic aims, regularly reviewing the finances, budgets, expenditure variances and cash flow as part of the effective stewardship of the Schools. Our long-term strategic approach to decision making together with the financial policies outlined in this report are necessary elements in the consistent delivery of our educational aims.

Our schools continue to be financially robust, and we are very well placed to address the new challenges which will surely come our way in the years ahead. We will continue to manage our resources carefully, placing our pupils in the centre of everything we do, and we will always strive to deliver excellence in the broad educational experience which we deliver.

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

Reserves policy and financial health

The unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Governors and are held at a level considered appropriate to cover the risks and uncertainties of operating as an independent educational establishment. Designated funds are set aside by the Governors out of unrestricted general funds and the transfers into capital reserves relate to our plans to continue to develop all our sites to a consistently high standard and to maintain our exceptional shared sports ground facilities. Our available cash reserve meets our strategic targets which are currently being increased as a result of the economic pressures anticipated within our sector. The Schools have no borrowings and the Governors believe that the Schools are financially resilient.

Investment policy and performance

The Board has assigned responsibility for the management of the investments to the Finance sub-committee, which has delegated that role to Evelyn Partners. The investments are managed on a discretionary basis but within the confines of an agreed investment policy.

The primary purpose of our investment policy is to generate monies to meet bursaries and scholarship/prize awards. In addition, the school seeks to protect the real long-term value of the investments against inflation. The long-term total return objective is CPI +3%, net of costs, implying a medium level of risk.

The assets can be invested widely including equities, bonds and property both in the UK and overseas. Evelyn Partners are committed to investing our funds responsibly and are a signatory to the United Nations Principles for Responsible Investment. Our investment manager is specifically excluded from direct investment in companies that generate more than 5% of revenue in gambling, tobacco and adult media.

At the year-end, approximately 64.7% (67.0%) of our funds are invested in UK and overseas equities through a combination of global leading companies and collective investments. The remainder is invested in a combination of short dated fixed interest securities, commercial property, infrastructure, gold and 4.2% (13.1%) is held in cash. The year to 31 August 2022 saw a return of 3.3% (20.9%), compared to the benchmark return of -2.6% (19.7%).

There is still an element of uncertainty in the market and the medium term is expected to be more challenging as the Government and central banks seek to recover from the economic shock caused by COVID .

Asset cover for funds

Note 21 to the accounts sets out an analysis of the assets attributable to the various funds. These assets are sufficient to meet the Schools' obligations on a fund-by-fund basis. The Schools' tangible fixed assets are all held for use by the Schools. Investments (including Endowed Assets) are held to create income and capital growth pending utilisation.

Pension liability

Details of our staff pension schemes are shown in Note 26. The teaching staff in both our Schools are currently eligible to join the Teachers' Pension Scheme (TPS), an unfunded multi-employer defined benefits scheme governed by the Teachers' Pension Scheme Regulations 2014. The employer contribution has remained consistent at 23.68% from September 2019. This is considered further in the 'Risks and risk management' section below. In September 2021 an additional 'Direct Contribution' pension scheme was introduced following a consultation regarding membership of the TPS. Employer contributions match those of TPS with the added benefit of flexibility in employee contributions.

Some Senior School professional services staff are in a defined benefits scheme which remains within the Hampshire Pension Fund Scheme having been de-grouped on 1 April 2017 in line with national trends on such local authority schemes. The Senior School has been graded as in the lowest risk category and our annual contributions are therefore expected to be lower than other de-grouped admitted organisations. An actuarial valuation was carried out on 31 March 2022 and the results were reported at the Hampshire Pension Fund AGM in October 2022. See Note 26 in the financial statements.

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

OUR ETHOS, STRATEGY AND POLICIES

Our Board is responsible for setting a strategy for achieving the objectives which our Governors have set. Its focus is on the development of our students, their continued high levels of academic and co-curricular achievement, and on widening further the extensive access to the education our Schools provide. In taking forward our strategy we:

- Regularly review the academic syllabus, teaching practices and pastoral care.
- Invest in technology, related infrastructure and specialist staff with a high degree of expertise.
- Monitor the number and range of trips and activities. We also monitor levels of student participation and co-curricular staff hours in addition to benchmarking success in external awards.
- Monitor and benchmark our success in student retention, public examinations, university entrance and student destinations against their individual aims.
- Monitor current community links and the development of new opportunities consistent with our aims and the Charity Commission guidance in October 2015, including co-operation and the sharing of resources with local state schools and groups promoting educational activities.
- Regularly conduct staff development reviews.
- Evaluate feedback from partners, staff and students. A parent, staff and student survey was undertaken for the Senior School in 2022 by an independent specialist company and an equivalent survey is undertaken at the Preparatory School on a rolling three-year basis.
- Regularly review activities against the agreed 3 to 18 Development Plan.
- Continue to review and develop our methods and funding for awarding means-tested fee assistance to ensure wider access to students from all backgrounds.

Our ethos: caring schools serving our local community and society

King Edward's is a charity which seeks to benefit the public through the pursuit of its stated aims. Our fees are set at a level to ensure the financial viability of the educational provision offered and at a level that is consistent with our aim of providing a first-class education to boys and girls. Our Schools welcome students from all backgrounds.

To admit a prospective student, we need to be satisfied that our Schools will be able to educate and develop them to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken in the Senior School to satisfy ourselves and parents that potential students can cope with the pace of learning and benefit from the education we provide.

An individual's economic status, sex, gender reassignment, ethnicity, race, religion, sexual orientation or disability do not form part of our assessment processes. We are an equal opportunity organisation and our policies are consistent with the Equality Act 2010. We are committed to a working environment that is free from any form of discrimination and, for the avoidance of doubt, regard all the protected categories listed above as equally valid with none taking precedence over another. We will use our best endeavours to understand and uphold the fundamental rights of all parties equally in the event of any real or perceived conflict. We seek to educate, creating an environment reflecting mutual respect, empathy and understanding and to that end encourage constructive dialogue offering differing perspectives from students and staff. We will make reasonable adjustments to meet the needs of staff or students who are or become disabled.

Our Schools are committed to safeguarding and promoting the welfare of our students and expect all staff and volunteers to share this commitment. All staff are subject to ongoing safeguarding training in accordance with DfE guidelines, the last such training took place in September 2022 for staff and in July 2022 for Governors. New staff also receive child protection training as part of their induction. All staff and Governors involved in recruitment have been trained in a National College accredited safer recruitment course which occurs triennially, the most recent one taking place in March 2021 and training for the Chair took place in February 2023. Whilst our systems and training on all safeguarding matters are robust we are not complacent. Alongside the above training, staff have previously engaged in PREVENT training delivered by the local PREVENT team on matters relating to radicalisation, to ensure their actions are proportionate and address only relevant risks. The School actively promotes creative and independent thinking, welcoming staff, parents and pupils of all faiths and none.

Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of term and year reports. We maintain regular contact with parents throughout the year both informally and through our e-bulletin and parent portal. We also have a strong pastoral system which, as well as supporting the welfare of our students, also enforces our very rigorous anti-bullying policy.

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

The most recent qualitative ISI inspection reports for both Schools demonstrate the impact of the Schools' ethos and pastoral care provided:

At King Edward's, the 2022 ISI Inspection report concluded that:

"Pupils develop strong self-understanding and self-belief. This is achieved because of the focus given to encouraging self-confidence by the school's leadership and the support provided by dedicated pastoral and academic staff."

Pupils demonstrate excellent relationships with peers and adults and exhibit a strong sense of community through the school's overarching ethos of nurture and support. Pupils show an excellent moral compass in discussions, in class and during meal times. They live out the school's ethos by clearly demonstrating the qualities of being kind and showing respect to others. Pupils showed much consideration and a sense of responsibility for the impact of their own behaviour and choices on others."

At Stroud School, the most recent 2019 ISI Inspection report concluded that:

"The quality of the pupils' personal development is excellent. Pupils are very confident and reflective learners due to the embedding of the 'Stroud Spirit' across all areas of school life...Pupils have a well-developed sense of themselves and an objective awareness of their strengths and areas for development. Pupils demonstrate exceptional levels of self-knowledge, self-esteem, self-confidence and resilience. Pupils have an excellent understanding of physical and mental health, reflected in the choices they make, due to the inspiring teaching, curriculum planning and the nurturing school environment. Strong leadership for their personal development enables pupils throughout the school to flourish. Governance takes a deep interest in all aspects of the school, contributing strongly to the health, care and welfare of the school community...Pupils' ability to work collaboratively is exceptional enabling them to have healthy, mature debate...The pupils display a strong sense of belonging and responsibility towards each other. Pupils have a strong moral compass: they are very aware of the school's expectations and their behaviour is exemplary. Pupils make an excellent contribution to the lives of others within the school, the local community and wider society, and are keen to volunteer for positions of responsibility such as form captains, section leaders and prefects. This extends to the local community and wider society, with pupils taking part in a range of events."

Instilling an ethos of social responsibility is at the heart of our charitable educational aims. In the light of Charity Commission guidance, the aim to develop and sustain close links with the community is fulfilled through educational and other associated activities carried out by the students and staff in the community delivering important educational and non-educational benefits to all involved. These activities are recognised and appreciated by our community. The Governors are committed to developing and sustaining this important aspect of the Schools' ethos. As such, we continue to interpret the aim in its widest sense in accordance with our objectives, resisting pressures to direct resources away from activity which results in non-educational benefits for those who do not attend the Schools. In practice, this means that we will continue to encourage activities such as visits to local retirement homes by our students or using our design technology and textile equipment to produce PPE for NHS staff during a time of national crisis.

ACCESS POLICY

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our students benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which help our students to develop an understanding of the perspectives of other people that will be vital in their adult lives.

Our bursary policy together with our "Partnerships" programme and Foundation initiative contribute to a widening of access to the education we offer and the facilities we enjoy. The Governors are committed to identifying ways to expand the current bursary opportunities across all age groups whilst recognising the need to maintain affordability for parents paying the full fee.

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

Bursary policy and overview

The Governors view our bursary awards as important in helping to widen student access to ensure that a King Edward VI School education is provided to children from a broad spectrum of society, continuing the School's long tradition of providing public benefit. The Governors are aware of their obligations under the Charities Act 2011 and the Charity Commission's guidance and seek to adhere to the public benefit principles identified by the Charity Commission. This policy is normally reviewed on an annual basis to take into consideration the latest guidance. We will continue to seek funds to increase our bursary awards whilst delivering our extensive programme of sharing our facilities with state and charitable organisations that share our aims, the details of which are listed under the extensive "Partnerships Programme" heading above.

King Edward's has a long history of providing financial assistance to students and their families and will continue to do so. While the costs of running the School require that those who can pay full fees must do so, in the current year the School has foregone 5.8% (6.5%) of gross fee income at the Senior School in fee remissions. This reflects the varying household income of recipients of bursary awards from year to year which we factor in over the longer term to the number of bursary awards offered. This figure is broken down into means-tested bursary and studentship awards totalling 4.9% (5.7%); scholarships and other non-means-tested awards make up the balance. Approximately 7.5% (8.9%) of the students at King Edward's at any one-time benefit from means-tested support, with 17% (30%) being up to 100% of fees. The bursary awards ranged from 7% to 100% remission of fees in the current year (7% to 100%).

King Edward's limited bursary funding is primarily directed towards the parents of new students with the purpose of providing ongoing support during the time in which their child is a pupil of the Senior School up to the level of support required on entry into the School, subject to the parents' continuing compliance with the terms and conditions of the bursary award and the level of bursary funds available. The scheme is designed to assist prospective parents on low incomes who, for financial reasons, might otherwise be unable to send their child to the School. In cases of hardship where an existing student's education and future prospects would otherwise be at risk, in exceptional circumstances, consideration will be given to providing financial support including the funding of school trips. Applications to an external trust may be made for support in hardship cases or to cover additional items incurred by bursary candidates such as uniform costs, bus fares, lunches and school trips.

In assessing means, we take a number of factors into consideration including family income, investments, equity, other assets and savings. We also take account of family circumstances, for example, dependent relatives and the number of siblings. However, King Edward's does not have a large endowment and in funding our awards we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

Means-tested bursaries at Stroud totalled £96,732 (£86,115). Means-tested scholarships resulted in £11,086 (£5,276) being awarded by Stroud in the current year. A local trust considers requests from King Edward's to alleviate hardship on a case-by-case basis. In the current year this amounted to £20,993 (£42,231).

In 2007 the Governors established the King Edward VI School Southampton Foundation to work with the School and the Old Edwardians Association with the primary aim of improving access to the School by providing a continuous and sustainable level of financial support for bursary development. The sum of £12,988 (£6,638) has been received during the year. We continue to increase the number of Edwardians who have made provision for the School in their will. We are indebted to the generosity of our benefactors, many of whom benefitted from a free King Edward's education at a time when the School was a state grammar school, and are committed to helping others to do the same. We were delighted to receive £200,000 from the legacy of a former teacher during the previous academic year, and a further £154,250 in 2021/2022.

We are thankful to the trustees of The EPA Cephalosporin Fund (EPA) for their ongoing support with the latest award of £500,000 over 5 years to 2023 towards the endowment of our bursary support. Maintaining exceptional science facilities is an important requirement to preserve the ongoing support from the EPA. Discussions are ongoing about renewing this support from 2023 onwards.

We view a socially diverse student population as a key component of a full and balanced education. The availability of bursaries is advertised locally and in line with the objectives of the School. The focus of the advertising reflects the fact that we wish to make low-income families aware that a King Edward's and Stroud education can be accessible to those who cannot afford the fees. It also seeks to inform those involved in the current education of potential students who may be better placed to assess the benefit to the individual child thus encouraging families

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

to look into the opportunities available for their child. Further details of our bursary policy and how to apply are available on our website.

Increased bursary provision

Following on from the significant increase in the number and quality of bursary candidates who joined in September 2010, means-tested support in the 13 years since has risen significantly including the Preparatory School. This represents an increase of 96% over the period. We will continue to seek additional bursary funding to expand awards to younger students, the first means-tested bursary awards being introduced into Stroud School in January 2017, with £349,298 awarded since that date.

The success of our bursary scheme is explained in the 'REVIEW OF ACTIVITIES AND ACHIEVEMENTS' section of the Trustees' Report above. Details of bursary awards are also set out in Notes 22, 23 and 24 to the Accounts.

OTHER POLICIES ON ASSISTANCE

Financial planning policy

Timely financial planning is often the key for many parents who are hoping to send their children to King Edward's or Stroud. The Governors are aware of the many competitive products available from specialist third parties to finance school fees through monthly payments or other payment terms tailored to the fee payer. In the light of this and the strict financial regulations governing credit agreements, the Schools do not offer comparable products to new entrants.

In the event of financial hardship, such as redundancy, individual discussions may take place to consider varying the standard payment terms where this will assist the fee payer to overcome temporary financial difficulties; any agreed variation being in accordance with the relevant regulations.

Family discounts policy

Sibling discounts are awarded in both Schools without recourse to means testing. The Governors are aware that continuity is important for families, and believe that some recognition of the increased likelihood of financial difficulty in meeting the fees of more than one child is warranted. From September 2021, siblings at both the Preparatory and Senior School are taken into account when calculating sibling discounts, to assist the affordability pressures on our families with more than one child.

PROMOTING HIGH ACADEMIC STANDARDS

Scholarship policy

The purpose of our scholarship awards is to recognise and encourage exceptional ability tangibly demonstrating our commitment to academic excellence, maximising the potential of all students including the most academically able. Awards may be subject to conditions imposed by the original donor.

At the Senior School, academic scholarships are awarded on the results of the Admissions Examination, taking into account the recommendations of Head Teachers. Awards made when progressing within the School are based on nominations by teaching staff and a shortlist is drawn up for consideration by the Academic Board.

Sports and Creative Arts scholarships in Music, Art and Drama are also available. The successful candidates are expected, during the tenure of their award, to make an important and continuing contribution to Sport or the Creative Arts at the School.

Scholarships are awarded with a fixed remission of fees of up to 25%. The level of remission awarded to a scholarship student has been reduced in recent years. Awards above 10% are only available in the Sixth Form and have been predominantly funded by historic donations given by external bodies for that purpose. Where further assistance is required, scholarship awards may be supplemented by a means-tested bursary. We advertise the availability of scholarship awards and further details of our scholarship policy are available on our website.

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

Assistance for our staff

As part of our emphasis on attracting and retaining high-calibre staff, we offer a discount scheme where staff members choose to educate their children at either School.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company is governed by its Articles of Association, which were revised on 12 December 2018.

Governing Body

The Governors (who are also directors of the company for the purpose of the Companies Act 2006) of King Edward VI School Southampton during the year are disclosed in the Legal and Administrative Information pages of the Annual Report.

Nominative Governors are appointed in accordance with the practice of the appointing body. The name of each person appointed is notified to the Clerk to the Governors. Nominative Governors hold office for up to five years and can be re-appointed by the Governing Body. Co-optative Governors are appointed by the Board and hold office for up to three years and can be re-appointed by the Governing Body. The Chair and Vice-Chair are elected to their respective posts annually by the Board.

Membership of the Governors' Committees during the year to 31 August 2022 was as follows:

Stroud:

Chair of Governors, Mr A J Morgan
Chair of the E and W Committee, Mrs M L Chant
Mrs C G Musker (Chair)
Mr B E Gay
Mrs S J Mancey
Mr W A Oscroft
Mrs W P Swinn
Mrs J L Wadsworth

Education and Welfare (E and W):

Chair of Governors, Mr A J Morgan
Mrs M L Chant (Chair)
Mr A S Jones
Miss P S Kirk
Dr J E Mitchell
Mrs C G Musker
Mrs H V L Nicholson
Dr A L Thomas

Development:

Chair of Governors, Mr A J Morgan (Chair)
Chair of the B G and S Committee, Mr I Rudland
Chair of the E and W Committee, Mrs M L Chant
Chair of the Finance Committee, Mr J J Gray
Chair of the Stroud Committee, Mrs C G Musker

Salaries:

Chair of Governors, Mr A J Morgan (Chair)
Chair of the B G and S Committee, Mr I Rudland
Chair of E and W Committee, Mrs M L Chant
Chair of Finance Committee, Mr J J Gray
Chair of the Stroud Committee, Mrs C G Musker
Mr B E Gay

Buildings, Grounds and Sports (B G and S):

Chair of Governors, Mr A J Morgan
Vice-Chair of Governors, Mr I Rudland (Chair)
Mr N Challis
Ms A M Holden
Mr A O Knibb

Finance:

Chair of Governors, Mr A J Morgan
Chair of the B G and S Committee, Mr I Rudland
Chair of the E and W Committee, Mrs M L Chant
Chair of the Stroud Committee, Mrs C G Musker
Mr J J Gray (Chair)
Mr A J Connell
Mr B E Gay

Membership:

Chair of Governors, Mr A J Morgan (Chair)
Vice Chair of Governors, Mr I Rudland
Chair of the E and W Committee, Mrs M L Chant
Chair of the Finance Committee, Mr J J Gray
Chair of the Stroud Committee, Mrs C G Musker
Mr B E Gay

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

The Board reviewed the terms of reference for all Committees on 8 December 2018 and agreed revisions to the terms of the Finance, Stroud, Membership and Salaries sub-committees. The Board has continued its proactive focus on strategic long-term governance matters, including skill mix and succession planning, having established a Membership Committee in July 2015 for that purpose. This review included a revision to the Articles in December 2018.

Governance remains strong and the Governing Body is well placed to provide wise leadership to meet the unique mix of challenges that will face the sector over the medium term. The company has made qualifying third-party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Governor recruitment and training

The Governing Body requires breadth and depth of experience to carry out its duties effectively and efficiently. New Governors are appointed by the existing Board of Governors. When recruiting new Governors, the important attribute is a passion for the work of our Schools and an understanding of education as a holistic and rounded experience of personal growth. We invite individuals to consider joining our Board where they possess these qualities and add to the breadth and quality of the existing perspectives, experience and expertise. Where possible, the Governors consider that the skills and experience of the Board should comprise the following:

- A Governor with a legal background.
- A Governor with a financial/accounting background.
- A Governor with senior leadership or business experience.
- A Governor with experience of equal opportunities or disability needs.
- Governors with education experience across the age range 3 to 18 and in higher education.
- At least five female and five male Governors.

One Governor may have one or more of these skills. Our Governors are a significant factor underpinning the exceptional record of success in recent years as recognised by the most recent ISI inspection.

New Governors are inducted into the workings of the Schools and Charity by other Governors, the Head and Clerk to the Governors and undertake external induction training as appropriate. As well as receiving regular training, the Governors remain actively involved in the Schools.

Department Heads give regular presentations directly to the Governors to aid their understanding of key aspects of the Schools. In 2021/2022 at the Senior School, there have been presentations on mathematics, marketing, music, religious studies, drama, curriculum support and child protection.

During the year we have arranged training courses in specific areas of interest for individual Governors organised by AGBIS and other leading providers to the sector. Strategic away days on 15 October 2022 and 10 December 2022 focussing on leadership and the decision-making process took place for Governors and senior members of the schools' leadership team. Governors are also provided with appropriate training materials including general guidance such as the Charity Governance Code in addition to the AGBIS guidelines for Governors. Particular care is taken with the induction of new Governors and we encourage all Governors to attend third-party training courses as part of their continuing professional development.

The Governors' intranet provides online support and has been updated to facilitate easier secure Governor access to relevant supporting documentation. This is an important source of training materials in addition to ensuring that all Governors receive timely information on governance issues affecting the Schools. Email updates on key issues and training opportunities are also circulated to all Governors on a regular basis.

An external review of our governance took place during the 2020/2021 academic year as part of our ongoing monitoring processes. This involved extensive interviews of staff and governors by two external AGBIS reviewers, followed by the presentation of a detailed report. A governance self-review is conducted annually in the Autumn Term and the 2021 summary has been discussed at length by the Board. The skills audit highlights the core competencies pertinent to running preparatory and senior day schools in a charity context.

Governance is a dynamic process and proactively maintaining the Schools' strong governance is a key factor in the success of the Charity in delivering its aims. This is clearly evidenced in the latest strategic review by the Chair of Governors ensuring the continued effective governance of the Schools.

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

Organisational management

The Governors are responsible for determining the general policy and strategic direction of the Schools. The Heads undertake the key leadership role overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day-to-day administration is undertaken within the policies and procedures approved by the Governors, which provide that only significant expenditure decisions and major capital projects need to be referred to the Governors for prior approval. The Heads oversee the recruitment of all educational staff, whilst under delegated authority the Bursar oversees the recruitment of administrative and professional services staff.

The Governors meet as a Board at least three times a year to determine the general policy of the Charity and review its overall management and control, for which they are legally responsible. The work of implementing the Board's policies is carried out by the relevant sub-committees, meeting three times a year and reporting to the Board. These regular meetings are attended by relevant members of the senior leadership teams. Detailed written reports are presented, together with verbal briefings on all governance items. Minutes set out agreed actions to be taken and are kept under review.

Clear policies are in place and the implementation of agreed objectives is monitored. The day-to-day running of the Schools is delegated to the Heads and the Bursar, supported by other members of the senior leadership team. The Heads and Bursar are invited to attend all meetings of the Governing Body and all sub-committee meetings.

The Bursar, who is also the Clerk to the Governors and Company Secretary, is responsible for co-ordinating the work of the Governors and their committees, preparing Board papers and management accounts and the review of matters arising.

The Governors commit to exercise their role in accordance with the seven principles outlined in the Charity Governance Code being part of their induction process.

- Organisational purpose – the Governors are clear about the charity's aims and ensure that these are being delivered effectively and sustainably. The actions of the executive are regularly monitored as to their impact on the achievement of the strategic aims.
- Leadership – the Governors accept collective responsibility, providing strategic leadership in line with the charity's aims and values. The Board ensures that those values are reflected in all of its work, seeking to lead by example.
- Integrity – the Governors act with integrity, in line with the values of the Schools. They are aware of the importance of the public's confidence in the running of the Schools for the public benefit and undertake their duties accordingly.
- Decision-making, risk and control – the Governors make sure that their decision-making processes are informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are set up and monitored. The Board's main focus is on strategy, performance and assurance. Its oversight of operational matters seeks to be supportive, encouraging effective innovative solutions within the agreed strategic framework.
- Board effectiveness – the Governing Body work as an effective team. The number of Governors currently on the Board is lower than the previous year but remains above average for similar organisations and reflects a proactive approach to ensuring an appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions during a period when a number of very experienced Governors are expected to retire. The Chair is active in ensuring a collective approach to strategic decision making, arranging additional meetings of the Board to allow sufficient time for full discussion to take place on key items.
- Whilst the Code provides guidance that trustees should not continue beyond nine years of service without good reason the Board believe that maintaining a diverse, experienced and skilled Governing Body takes precedence. The number of Governors with a longer period of service is kept under review with a number of long serving Governors having retired this year. This approach has been instrumental in maintaining our strong performance during a period of change in the senior leadership of the Schools and Governing Body.

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

- Diversity – the Governors' approach to diversity supports its effectiveness, leadership and decision-making. The mix of perspectives, in addition to skills and experience, reflects that of its stakeholders and wider community.
- Openness and accountability – the Governors lead the organisation in being transparent and accountable. The Board and senior leadership team are open in their work. Minutes of senior leadership meetings are circulated to all staff and teaching and professional services staff members are elected by staff to attend Governors' sub-committee meetings. The Governors visit the School Council and PTA, welcoming the involvement of parents, pupils and staff to promote a greater understanding of the governance of the Schools.

The Trustees note the recent revision to the Charities Governance Code, in particular the 'Equality, Diversity and Inclusion (EDI) Principle' and 'Integrity Principle' and during the last year have taken proactive steps to add diversity to the Board and to reinforce the duty to provide a safe environment for everyone who has contact with the charity.

These principles underpin the actions of Governors, ensuring they act in the best interests of the Charity, within its Objects and the powers set out in its Articles. They seek to exercise reasonable skill and care to achieve the strategic aims.

All Governors, as trustees give of their time freely and no remuneration was paid in the year. Expenses legitimately incurred on School business paid to Governors in the year totalled £706 (£59). No Governor or person connected with a Governor received any benefit from either means-tested bursaries or scholarships awarded to our students.

The pay of the senior leadership team across both Schools is approved by the Chair of Governors in consultation with senior Governors including the Chair of the Finance Committee and Vice-Chair of Governors. Regular sector benchmarking is undertaken on a 3-yearly cycle and discussed at the Finance Committee, the last discussion being in March 2023.

Organisational structure and relationships

King Edward's is an active member of ISC, ISBA, Solent and Trinity Groups for the promotion and maintenance of school standards generally.

The Head of King Edward's is a member of the Headmasters' and Headmistresses' Conference, which provides the opportunity to share expertise, knowledge and experience across the independent school sector. The Conference also facilitates appropriate sector representation to government and regulators. Mrs Rebecca Smith was appointed in September 2020 and is a member of the Independent Association of Preparatory Schools (IAPS) which enables her to keep abreast of all matters relevant to the Preparatory School. She reports to the Senior School Head.

Risks and risk management

The Governors are responsible for the overseeing of the risks faced by the Schools. The detailed consideration of risk is delegated to the senior leadership of the Schools. Risks are identified, assessed and controls established throughout the year. A formal review of the Charity's risks and risk management processes is undertaken annually and in compliance with the Charity Commission risk management guidance (CC26) and with regard to their February 2016 risk framework document. Risk is managed by reviewing in excess of 90 specific factors under the broad headings of governance, operational, financial, environmental, external, compliance and legal.

IT risks and cyber-fraud continue to be a significant risk with many independent schools having recently been targeted.

The cost of defined benefit staff pensions and the risk that they could compromise the financial viability of the Charity have increased significantly. During the year, the Governors working party, the Pensions Working Group, continued to monitor the implications of the recent changes to the Teachers' Pension Scheme. The threat of losing business rates relief and the potential imposition of VAT on our school fees could have serious implications for the potential size of both Schools in the short to medium term. Affordability remains an issue for our parents. The Governors continue to keep these risks to the Charity under close review.

The risk of economic and political uncertainty due to conflict in Europe and the impact of wellbeing and inflationary pressure on the organisation, rose significantly this year. The impact on pupils and staff continues to be monitored, alongside the impact on pricing and supplies relevant to the schools' business.

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022

Leaving the European Union at the end of 2020 continues to create significant economic uncertainty for our parents. The Governors recognise the uncertainties, and have responded by maintaining and increasing our current reserve policies reinforcing our commitment to strong financial resilience. The ongoing impact on parents is being monitored, as is the impact on staffing and key supplies.

It is also recognised that the inability to recruit and retain high-calibre staff, particularly teachers, continues to be a key risk to such a people-dependent organisation and considerable focus and resource has been placed on this area including staff training. Coupled with this we have seen the continued growth of regulatory requirements increasing the risk of compliance failure. Specific Governor training, covering their responsibilities on compliance is provided on an ongoing basis and formally updated every three years.

Transporting pupils in and out of Southampton in a cost effective, environmentally friendly and timely manner continues to be difficult. The Governors are keeping a watching brief on plans to introduce local congestion zones and the general pressure of affordability on both transport providers and parents. A strategic review of our transport system has resulted in a commitment from our contractors to adopt a single live tracking system for our buses and in excess of 80% of the transportation is in Euro 6 compliant vehicles.

This pandemic has severely impacted the transport sector and in particular our smaller operators who have delayed their vehicle investment cycle as a consequence. Routes are also regularly reviewed to manage predictable roadwork delays. These changes will improve the experience and convenience for pupils and parents whilst significantly reducing our carbon footprint. The Schools are also working very hard to avoid above inflation cost increases for our parents.

The Governors are also mindful of the long-term strategic benefits of taking opportunities for integration with other educational establishments that will add value to the educational experience of our students. This is managed through main Governors meetings, strategic away days and the Development sub-committee which meets as required.

Through the risk management processes established for the Schools, the Governors are satisfied that the major risks identified have been addressed and mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed, particularly in a post-Brexit and COVID-19 world. The Governors believe that both Schools are well placed to meet future challenges and will continue to excel in the delivery of the Charity's aims.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The financial risk assessment has been updated to reflect the current and potential impact of changes to the Teachers' Pension Scheme, parent affordability and the COVID-19 pandemic. The balance sheet remains strong with healthy cash balances, no bank loans and access to a £2million drawdown facility at short notice at competitive rates if required.

Governors' responsibilities for the financial statements

The Governors (who are also directors of King Edward VI School Southampton for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and 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;

KING EDWARD VI SCHOOL SOUTHAMPTON

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2022


- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Governors are aware:

- there is no relevant audit information of which the auditors are unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The above Strategic Report and Trustees' Report are approved by the Board on 21 March 2023 and signed on its behalf.



A J MORGAN
Chair of Governors

KING EDWARD VI SCHOOL SOUTHAMPTON

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the financial statements of King Edward VI School Southampton (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and the Parent Charitable Company Balance Sheet, the Consolidated Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2022 and of the group's 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 Companies Act 2006.

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

KING EDWARD VI SCHOOL SOUTHAMPTON

INDEPENDENT AUDITOR'S REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2022

Opinions 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 Report of the Governors which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Report of the Governors 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Report of the Governors.

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

Responsibilities of Governors

As explained more fully in the governors' responsibilities statement set out on page 32, the governors 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 governors 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 governors are responsible for assessing the group's and the parent charitable company'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 governors either intend to liquidate the group or the parent charitable company 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.

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

**INDEPENDENT AUDITOR'S REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022**

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the charity through discussions with governors and other management, and from our commercial knowledge and experience.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- tested a sample of BACS payments to identify payments being made to unexpected accounts.
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation.
- reading the minutes of meetings of those charged with governance.
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

KING EDWARD VI SCHOOL SOUTHAMPTON

INDEPENDENT AUDITOR'S REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2022

Use of our report

This report is made solely to the company's Governors, 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 charitable company's Governors 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 charitable company and the charitable company's Governors as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Paul Meacher FCA (Senior Statutory Auditor)
for and on behalf of Fiander Tovell Limited

Chartered Accountants
Registered Auditors

4 May 2023.

Stag Gates House
63/64 The Avenue
Southampton
Hampshire
SO17 1XS

KING EDWARD VI SCHOOL SOUTHAMPTON
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds				Restricted funds	Endowed funds	Total funds 2022	Total funds 2021
		Revenue fund £	Capital reserve £	Other designated funds £	Self-financing activities £	£	£	£	£
INCOMING RESOURCES									
Income from donations and legacies	6	-	-	50,500	-	112,193	54,250	216,943	166,943
Income from charitable activities:									
Fees	4(a)	21,114,455	-	-	-	-	-	21,114,455	19,517,985
Additional school activities		64,341	-	-	-	-	-	64,341	43,542
Catering income		652,564	-	-	-	-	-	652,564	476,549
Bus income		875,601	-	-	-	-	-	875,601	631,499
Other school income	5	241,063	-	-	-	-	-	241,063	180,932
Income from other trading activities:									
Self-financing activities		207,449	-	-	508,273	-	-	715,722	312,178
Income from property and ancillary activities		82,623	-	-	-	1,100	-	83,723	54,952
Investment income:									
Bank and other interest		-	-	-	-	52,854	-	52,854	49,701
Investment income		92,969	-	9,770	-	164,153	-	266,892	226,329
Total incoming resources		23,331,065	-	60,270	508,273	330,300	54,250	24,284,158	21,660,610
RESOURCES EXPENDED									
Expenditure on raising funds:									
Fund raising for voluntary income		185,752	-	-	-	-	-	185,752	104,819
Self-financing activities		-	-	-	451,789	-	-	451,789	329,127
Charitable activities									
School operating costs		19,842,652	-	-	-	-	-	19,842,652	18,205,202
Bus costs		907,916	-	-	-	-	-	907,916	640,532
Scholarships, bursaries and prizes	4(b)	-	-	798,375	-	185,985	-	984,360	987,084
Ancillary activities' costs		304,236	-	-	-	-	-	304,236	263,101
Other resources expended									
Taxation of subsidiary	11	-	-	-	-	-	-	-	-
Total resources expended	12	21,240,556	-	798,375	451,789	185,985	-	22,676,705	20,529,865

KING EDWARD VI SCHOOL SOUTHAMPTON
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds				Restricted funds	Endowed funds	Total funds 2022	Total funds 2021
		Revenue fund	Capital reserve	Other designated funds	Self-financing activities				
		£	£	£	£	£	£	£	£
Net incoming/(outgoing) resources before transfers		2,090,509	-	(738,105)	56,484	144,315	54,250	1,607,453	1,130,745
Transfers between funds	13	(2,026,206)	1,225,867	800,339	-	-	-	-	-
Net incoming/(outgoing) resources before other recognised gains/(losses)		64,303	1,225,867	62,234	56,484	144,315	54,250	1,607,453	1,130,745
Realised gains/(losses) on disposal of investment assets		-	-	(18,231)	-	(12,351)	(10,420)	(41,002)	196,837
Net income/(expenditure) for the year		64,303	1,225,867	44,003	56,484	131,964	43,830	1,566,451	1,327,582
Actuarial gains/(losses) on defined benefit pension schemes		3,868,000	-	-	-	-	-	3,868,000	1,117,000
Unrealised gains/(losses) on investment assets		-	-	(202,645)	-	(166,309)	(172,551)	(541,505)	1,340,454
Net movement in funds for the year		3,932,303	1,225,867	(158,642)	56,484	(34,345)	(128,721)	4,892,946	3,785,036
Balances at 1 September 2021		3,546,768	26,538,488	1,162,866	48,879	4,243,006	3,598,666	39,138,673	35,353,637
Balances at 31 August 2022		7,479,071	27,764,355	1,004,224	105,363	4,208,661	3,469,945	44,031,619	39,138,673

All operations are continuing operations.

KING EDWARD VI SCHOOL SOUTHAMPTON
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds				Restricted funds	Endowed funds	Total funds 2021
		Revenue fund £	Capital reserve £	Other designated funds £	Self-financing activities £	£	£	£
INCOMING RESOURCES								
Income from donations and legacies	6	-	-	60,000	-	106,943	-	166,943
Income from charitable activities:								-
Fees	4(a)	19,517,985	-	-	-	-	-	19,517,985
Additional school activities		43,542	-	-	-	-	-	43,542
Catering income		476,549	-	-	-	-	-	476,549
Bus income		631,499	-	-	-	-	-	631,499
Other school income	5	180,932	-	-	-	-	-	180,932
Income from other trading activities:								-
Self-financing activities		6,672	-	-	305,506	-	-	312,178
Income from property and ancillary activities		52,611	-	-	-	2,341	-	54,952
Investment income:								-
Bank and other interest		-	-	-	-	49,701	-	49,701
Investment income		86,206	-	7,872	-	132,251	-	226,329
Total incoming resources		20,995,996	-	67,872	305,506	291,236	-	21,660,610
RESOURCES EXPENDED								
Expenditure on raising funds:								-
Fund raising for voluntary income		104,819	-	-	-	-	-	104,819
Self-financing activities		-	-	-	329,127	-	-	329,127
Charitable activities								-
School operating costs		18,205,202	-	-	-	-	-	18,205,202
Bus costs		640,532	-	-	-	-	-	640,532
Scholarships, bursaries and prizes	4(b)	979,584	-	6,097	-	1,403	-	987,084
Ancillary activities' costs		263,101	-	-	-	-	-	263,101
Other resources expended								-
Taxation of subsidiary	11	-	-	-	-	-	-	-
Total resources expended	12	20,193,238	-	6,097	329,127	1,403	-	20,529,865

KING EDWARD VI SCHOOL SOUTHAMPTON
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds				Restricted funds	Endowed funds	Total funds 2021
		Revenue fund £	Capital reserve £	Other designated funds £	Self-financing activities £	£	£	£
Net incoming/(outgoing) resources before transfers		802,758	-	61,775	(23,621)	289,833	-	1,130,745
Transfers between funds	13	(975,866)	975,866	-	-	-	-	-
Net incoming/(outgoing) resources before other recognised gains/(losses)		(173,108)	975,866	61,775	(23,621)	289,833	-	1,130,745
Realised gains/(losses) on disposal of investment assets		-	-	62,898	-	66,120	67,819	196,837
Net income/(expenditure) for the year		(173,108)	975,866	124,673	(23,621)	355,953	67,819	1,327,582
Actuarial gains/(losses) on defined benefit pension schemes		1,117,000	-	-	-	-	-	1,117,000
Unrealised gains/(losses) on investment assets		-	-	426,284	-	450,161	464,009	1,340,454
Net movement in funds for the year		943,892	975,866	550,957	(23,621)	806,114	531,828	3,785,036
Balances at 1 September 2020 as restated		2,602,876	25,562,622	611,909	72,500	3,436,892	3,066,838	35,353,637
Balances at 31 August 2021		3,546,768	26,538,488	1,162,866	48,879	4,243,006	3,598,666	39,138,673

All operations are continuing operations.

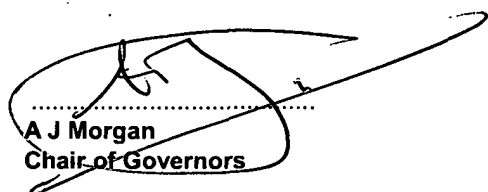
KING EDWARD VI SCHOOL SOUTHAMPTON

CONSOLIDATED BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	15		30,728,454		29,728,528
Investments	16		10,309,727		9,785,611
			<u>41,038,181</u>		<u>39,514,139</u>
Current Assets					
Debtors	17	498,101		432,951	
Cash at bank and in hand		<u>4,982,880</u>		<u>4,593,909</u>	
		5,480,981		5,026,860	
Creditors: amounts falling due within one year	18	<u>(2,377,560)</u>		<u>(1,615,492)</u>	
Net current assets			3,103,421		3,411,368
Total assets less current liabilities			<u>44,141,602</u>		<u>42,925,507</u>
Creditors: amounts falling due after more than one year	19		(215,346)		(219,713)
Self-financing activities' net assets			105,363		48,879
Defined benefit pension scheme liability	26		-		(3,616,000)
Net assets			<u>44,031,619</u>		<u>39,138,673</u>
Funds					
Endowed funds	22		3,469,945		3,598,666
Restricted funds	23		4,208,661		4,243,006
Designated funds	24		28,873,942		27,750,233
Revenue fund:	25				
Revaluation reserve		263,258		263,258	
Other funds		<u>7,215,813</u>		<u>3,283,510</u>	
			7,479,071		3,546,768
			<u>44,031,619</u>		<u>39,138,673</u>

The financial statements were approved by the Governors on 21.3.23


A J Morgan
Chair of Governors

Company registration no.: 4238902

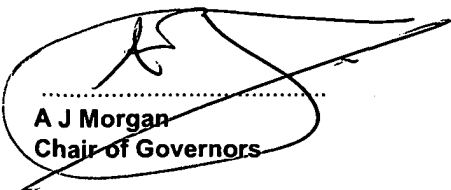
KING EDWARD VI SCHOOL SOUTHAMPTON

BALANCE SHEET - PARENT ONLY

AS AT 31 AUGUST 2022

	Notes	2022	2021
		£	£
Fixed assets			
Tangible assets	15	22,487,136	21,564,865
Investments	16	12,798,275	12,274,159
		<u>35,285,411</u>	<u>33,839,024</u>
Current Assets			
Debtors	17	6,767,806	6,480,786
Cash at bank and in hand		4,761,322	4,545,382
		<u>11,529,128</u>	<u>11,026,168</u>
Creditors: amounts falling due within one year	18	<u>(1,778,994)</u>	<u>(1,275,270)</u>
Net current assets		<u>9,750,134</u>	<u>9,750,898</u>
Total assets less current liabilities		<u>45,035,545</u>	<u>43,589,922</u>
Creditors: amounts falling due after more than one year	19	(169,746)	(163,152)
Self-financing activities' net assets		105,363	48,879
Defined benefit pension scheme liability	26	-	(3,616,000)
Net assets		<u>44,971,162</u>	<u>39,859,649</u>
Funds			
Endowed funds	22	3,469,945	3,598,666
Restricted funds	23	4,208,661	4,243,006
Designated funds	24	28,873,942	27,750,233
Revenue fund	25	8,418,614	4,267,744
		<u>44,971,162</u>	<u>39,859,649</u>

The financial statements were approved by the Governors on 21.3.23


A J Morgan
Chair of Governors

Company registration no.: 4238902

KING EDWARD VI SCHOOL SOUTHAMPTON

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

	2022	2021
	£	£
Cash generated by operating activities	3,715,265	2,557,181
Cash flows from investing activities		
Investment income	319,746	276,030
Payments to acquire fixed asset investments	(1,274,872)	(1,071,514)
Proceeds from sale of fixed asset investments	161,693	906,669
Payments to acquire tangible fixed assets	(2,539,792)	(1,508,239)
Receipts from sale of tangible fixed assets	6,931	7,286
Cash generated by/(used in) investing activities	(3,326,294)	(1,389,768)
Cash used in financing activities	-	-
(Decrease) / Increase in cash in the year	388,971	1,167,413
Cash and cash equivalents at the beginning of the reporting period	4,593,909	3,426,496
Cash and cash equivalents at the end of the reporting period	4,982,880	4,593,909
Reconciliation of net income/(expenditure) to net cash flow from operating activities:		
Net income/(expenditure) for the reporting period	4,892,946	3,785,036
Adjustments for:		
Depreciation charges	1,532,935	1,485,146
Profit/loss on disposal of fixed assets	6,556	1,285
Unrealised (gains)/losses on investment assets	541,505	(1,340,454)
Realised (gains)/losses on investment assets	41,002	(196,837)
Investment income	(319,746)	(276,030)
(Increase)/decrease in debtors	(65,150)	389,399
Increase/(decrease) in creditors	757,701	(446,985)
Net (gains)/losses on pension schemes	(3,476,000)	(720,000)
Employer contributions to funded defined benefit pension schemes	(140,000)	(147,000)
Decrease/(increase) in self financing activities' net assets	(56,484)	23,621
Net cash generated by operating activities	3,715,265	2,557,181

KING EDWARD VI SCHOOL SOUTHAMPTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting Policies

Charity information

King Edward VI School Southampton is a private charitable company limited by guarantee, established under its Memorandum and Articles of Association and registered with the Charity Commission and Companies House in England and Wales. The principal address is Wilton Road, Southampton, Hampshire, SO15 5UQ. The charity is a public benefit entity.

1.1 Basis of preparation

The Financial Statements have been prepared under the historic cost convention, with the exception of certain fixed assets which are included at market value. The Financial Statements have been prepared in accordance with the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (SORP2019) issued in October 2019, applicable UK accounting standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the Financial Statements are set out below.

The Financial Statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts are rounded to the nearest £.

The parent entity has taken advantage of the reduced disclosure framework exemption in connection with its own results. This gives exemption from the following disclosures: statement of cash flows and key management personnel remuneration.

1.2 Basis of consolidation

These accounts incorporate the results of the Charity, King Edward VI School Southampton, and its subsidiary companies, Stroud School Limited and KES Bookings Limited, on a line for line basis. The results of subsidiaries sold or acquired are included in the statement of financial activities up to or from the date control passes. All intra group transactions have been eliminated on consolidation.

1.3 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Fees and similar income

Fees received and receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees are stated after deducting allowances, scholarships and other remissions granted by King Edward's and Stroud. Amounts invoiced in advance are deferred and carried forward within creditors, whilst amounts due but not yet received in the year are shown within debtors.

KING EDWARD VI SCHOOL SOUTHAMPTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting Policies (continued)

1.5 Investments and investment income

Equity investments and government stocks are valued at market value at the balance sheet date. Gains or losses on disposal and revaluation of investments are charged or credited to the Statement of Financial Activities.

Investments in subsidiary undertakings are stated at cost in the parent company's financial statements.

Investment income from listed investments is accounted for when received. Interest on deposits is accounted for on an accruals basis.

1.6 Donations

Donations received for the general purposes of King Edward's and Stroud are credited to the Revenue fund. Donations subject to specific wishes of the donors are carried to relevant restricted funds or to endowed funds where the amount is required to be held as permanent capital.

1.7 Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities. The irrecoverable element of VAT is included with the item of expense to which it relates. Construction costs charged to King Edward's and Stroud that are capitalised are excluded from trading expenditure.

1.8 Fixed assets

Fixed assets of the parent company are included at valuation at 1 September 1979 or subsequent cost. Freehold land and buildings were valued by the Governors at that date for insurance purposes with the exception of land which was revalued at its estimated market value. The surplus arising on the valuation has been transferred to Capital Reserve.

The land and buildings of the subsidiary undertaking include assets shown at their fair value as at 21 May 2012.

Fully depreciated assets are written out of the financial statements at the end of their depreciation period.

Single items costing less than £1,000 are written off as an expense as acquired.

1.9 Depreciation

Depreciation is provided on all tangible fixed assets in use, other than freehold land and assets in the course of construction, at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected life as follows:

Freehold buildings	Over 50 years
General plant and equipment	Over 3 to 10 years
Furniture, fixtures and fittings	Over 3 to 10 years
Motor vehicles	Over 4 to 5 years
Computer and audio-visual equipment	Over 3 to 4 years
Sailing boats and equipment	Over 4 years
Portable computer equipment including laptops	Over 3 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively

KING EDWARD VI SCHOOL SOUTHAMPTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting Policies (continued)

1.9 Depreciation (continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the Statement of Financial Activities.

1.10 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.11 Debtors

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

1.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts.

1.13 Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that is likely to result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.14 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.15 Self-financing activities

Receipts collected and payments made by King Edward's and Stroud in connection with self-financing activities are accounted for in the Statement of Financial Activities as the schools ultimately retain any surplus or deficit arising. These balances are a reflection of the large number of activities and trips which the pupils undertake.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.17 Taxation

The subsidiary companies are subject to corporation tax but liability to tax can be relieved by way of a Gift Aid distribution to the parent charity.

KING EDWARD VI SCHOOL SOUTHAMPTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting Policies (continued)

1.18 Pension schemes

King Edward's and Stroud participate in the superannuation scheme operated by the Department for Children, Schools and Families. This is a multi-employer defined benefit pension scheme. The pension liability is the responsibility of the fund. As a result it is not possible to identify the assets and liabilities of the scheme that are attributable to King Edward's and Stroud. Accordingly, under FRS 102, the scheme is accounted for as if it were a defined contribution scheme.

King Edward's is an admitted body to the superannuation scheme operated by the Hampshire County Council which is a multi-employer defined benefit pension scheme. The assets of the scheme are measured using closing market values. Liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period, the expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time, and actuarial gains and losses are all recognised in the Statement of Financial Activities.

All other pension arrangements are defined contribution schemes where the assets of the schemes are held separately from those of King Edward's and Stroud in independently administered funds. The pension cost charge represents contributions payable by King Edward's and Stroud to the funds.

1.19 Funds and reserves

The endowed funds represent donations to fund scholarships, bursaries, prizes and other awards from the income derived and which cannot be expended as revenue. The income from these funds, together with accumulated unspent income from prior years, is restricted.

Restricted funds are to be used for specific purposes as laid down by the donor.

The unrestricted funds can be used in accordance with the charitable objects at the discretion of the Governors and are held at a level considered practicable and achievable to cover the risks and uncertainties of operating as an independent educational establishment. Designated funds are set aside by the Governors out of unrestricted general funds for specific future projects.

1.20 Government grants

Government grants in the prior year relate to furlough claims and are recognised in the profit and loss account in the same period as the costs to which they relate.

2 Key estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Charity's accounting policies.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next twelve months are as follows:

Defined benefit pension scheme liability

Provision is made for the deficit on the Hampshire County Council superannuation defined benefit pension scheme. The deficit is an estimate based on calculations and valuations made by independent actuaries.

As at 31 August 2022, the scheme position is that of an asset of £332,000 (2021: deficit of £3,616,000). The surplus has not been recognised in these financial statements on the basis that it would be unable to recover the surplus.

KING EDWARD VI SCHOOL SOUTHAMPTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

3 Subsidiary companies

The Charity has an interest in two wholly owned subsidiaries, Stroud School Limited (company no: 00616684), which provides education for 3 to 13 year olds and a trading subsidiary, KES Bookings Limited (KBL) (company no: 11043126). The results of these companies up to 31 August 2022 are included in the group financial statements as detailed below:

	£ Stroud	£ KBL
Turnover	4,704,777	66,753
Rent receivable	2,189	-
Interest receivable	194	-
Other operating income	50,720	-
Operating expenses	(4,909,078)	(33,460)
Interest payable	(90,364)	-
Net profit/(loss) before taxation	(241,562)	33,293
Taxation credit	-	-
Net profit/(loss) after taxation	(241,562)	33,293
Donation to parent charity	-	(10,470)
Retained loss for the year	(241,562)	22,823

At 31 August 2022, the aggregate amount of net assets and reserves was as follows:

	£	£
Fixed assets	7,709,030	-
Current assets	250,580	98,159
Current liabilities	(6,936,138)	(59,866)
Liabilities due in more than one year	(45,600)	-
	977,872	38,293

Represented by:

	£	£
Share capital	5,945	5,000
Revaluation reserve	263,258	-
Other reserves	708,669	33,293
	977,872	38,293

KING EDWARD VI SCHOOL SOUTHAMPTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

4 Fees

	2022	2021
(a) Fees consists of:		
	£	£
Gross fees	21,969,746	20,490,339
Less: total bursaries, grants and allowances	(1,839,651)	(1,951,938)
	20,130,095	18,538,401
Add back: scholarships, grants etc. paid from unrestricted, restricted and designated funds	984,360	979,584
	21,114,455	19,517,985

(b) The total grants, awards and prizes paid for by Trust Funds consist of:

	2022	2021
	£	£
Scholarships, grants etc. paid from restricted and designated funds	968,919	979,584
Prizes and leaving awards	15,441	7,500
	984,360	987,084

KING EDWARD VI SCHOOL SOUTHAMPTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

5 Other income	2022	2021
	£	£
Insurance commission	1,412	15,892
Entrance and registration fees	22,975	24,394
Other school income	216,676	140,646
	241,063	180,932
6 Donations and legacies	2022	2021
Unrestricted:	£	£
Other	50,500	60,000
Restricted:		
EPA Cephalosporin Fund	100,000	100,000
KES Foundation	11,888	6,638
Other	305	305
Endowed:		
Other	54,250	-
	216,943	166,943
7 Expenditure	2022	2021
	£	£
Total expenditure includes:		
Auditors' remuneration:		
- Fees payable for the audit of the parent and consolidated accounts	16,560	14,400
Fees payable to the charitable company's auditor for other services:		
- Audit of the charitable company's subsidiaries	9,280	8,070
- Taxation compliance	1,650	1,440
- Advisory and other services	1,780	1,500
Operating lease rentals		
- Plant and machinery	6,270	19,200
- Land and buildings	-	10,400
8 Employees	2022	2021
	£	£
Total staff costs:		
Wages and salaries	10,984,066	10,010,844
Social security costs	1,148,667	1,005,421
Pension contributions - defined contribution and multi-employer defined benefit schemes	1,848,219	1,753,568
Operating costs of defined benefit pension schemes	331,000	327,000
	14,311,952	13,096,833
Private medical insurance	32,300	31,707
	14,344,252	13,128,540

KING EDWARD VI SCHOOL SOUTHAMPTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

8 Employees (continued)

The average monthly number of employees in the year was:

	Total		Full time equivalents	
	2022	2021	2022	2021
	Number	Number	Number	Number
Teaching	225	220	180	175
Non-teaching	125	116	79	75
	<u>350</u>	<u>336</u>	<u>259</u>	<u>250</u>
			2022	2021
			Number	Number
Full time			190	183
Part time			160	153
			<u>350</u>	<u>336</u>

The number of employees who had total employee benefits excluding employer pension contributions above £60,000 were:

	2022	2021
	Number	Number
£60,001 - £70,000	15	13
£70,001 - £80,000	6	3
£80,001 - £90,000	1	2
£90,001 - £100,000	2	1
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
£120,001 - £130,000	-	1
£130,001 - £140,000	<u>1</u>	<u>-</u>

There were 26 (2021 - 21) higher paid employees to whom retirement benefits were accruing under defined benefit pension schemes.

9 Key management remuneration

	2022	2021
	£	£
The remuneration of key management personnel is as follows:	<u>858,019</u>	<u>758,059</u>

10 Governors

Neither the governors nor any other person connected with them received any remuneration. Nine governors were reimbursed expenses of £706 (2021 - seven governors, £59).

KING EDWARD VI SCHOOL SOUTHAMPTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

11 Taxation	2022 £	2021 £
Domestic current year tax		
U.K. corporation tax	-	-
Total current tax	-	-
Factors affecting the tax (credit)/charge for the year		
Loss of subsidiary undertakings on ordinary activities before taxation	(208,269)	(347,388)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2021 - 19%)	(39,571)	(66,004)
Effects of:		
Change in unrecognised deferred tax	20,457	47,580
Permanent disallowable expenditure	-	-
Adjustments to previous periods	-	-
Depreciation on assets not qualifying for tax allowances	25,439	20,413
Losses	-	-
Gift Aid transfer to parent	(6,325)	(1,989)
	39,571	66,004
Current tax (credit)/charge for the year	-	-

All taxable profits of the subsidiary undertakings are donated to the parent charity by way of a gift aid transfer. Therefore, no tax charge arises.

KING EDWARD VI SCHOOL SOUTHAMPTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

12 Analysis of total resources expended

	Staff costs 2022 £	Depreciation 2022 £	Other 2022 £	Total 2022 £
Charitable activities:				
Bus costs	-	-	907,916	907,916
Teaching costs	12,013,950	296,591	1,159,508	13,470,049
Welfare costs	129,280	87,339	1,222,599	1,439,218
School premises	580,455	1,146,532	1,087,802	2,814,789
Other premises	138,003	-	166,233	304,236
Support costs	1,479,136	-	588,827	2,067,963
Bursaries, grants, awards and prizes	-	-	984,360	984,360
	14,340,824	1,530,462	6,117,245	21,988,531
Governance costs	-	-	50,633	50,633
Costs of generating funds:				
Marketing and publicity	-	-	185,752	185,752
Self-financing activities	-	-	451,789	451,789
	-	-	637,541	637,541
Other resources expended:				
Taxation of subsidiary	-	-	-	-
Total resources expended	14,340,824	1,530,462	6,805,419	22,676,705
	Staff costs 2021 £	Depreciation 2021 £	Other 2021 £	Total 2021 £
Charitable activities:				
Bus costs	-	-	640,532	640,532
Teaching costs	11,018,401	261,086	985,694	12,265,181
Welfare costs	96,931	66,664	1,008,753	1,172,348
School premises	534,338	1,157,397	1,073,799	2,765,534
Other premises	132,931	-	130,170	263,101
Support costs	1,471,663	-	485,959	1,957,622
Bursaries, grants, awards and prizes	-	-	987,084	987,084
	13,254,264	1,485,147	5,311,991	20,051,402
Governance costs	-	-	44,517	44,517
Costs of generating funds:				
Marketing and publicity	-	-	104,819	104,819
Self-financing activities	-	-	329,127	329,127
	-	-	433,946	433,946
Other resources expended:				
Taxation of subsidiary	-	-	-	-
Total resources expended	13,254,264	1,485,147	5,790,454	20,529,865

KING EDWARD VI SCHOOL SOUTHAMPTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

13 Transfers	2022	2021
	£	£
From Revenue fund to:		
Capital reserve	1,225,867	975,866
Bursary grants and allowances	800,339	-
Net transfers from Revenue fund	2,026,206	975,866
From Endowed to Designated funds:		
School contribution to bursaries paid from endowed funds	-	-
14 Government grants	2022	2021
	£	£
Government grants receivable	-	96,675

KING EDWARD VI SCHOOL SOUTHAMPTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

15 Tangible fixed assets

Group:	Assets in the course of construction £	Freehold land and buildings £	Furniture and fittings £	Ground equipment £	Motor vehicles £	Computer and a-v equipment £	Sailing boats and equipment £	Total £
Cost or valuation								
At 1 September 2021	719,843	31,199,342	11,656,431	1,969,484	420,999	4,068,911	29,477	50,064,487
Additions	1,661,937	-	594,290	88,927	-	194,638	-	2,539,792
Reclassification	(182,920)	-	-	136,382	-	46,538	-	-
Disposals	-	-	(3,521)	(17,658)	-	-	-	(21,179)
At 31 August 2022	2,198,860	31,199,342	12,247,200	2,177,135	420,999	4,310,087	29,477	52,583,100
Depreciation								
At 1 September 2021	-	7,072,466	7,726,925	1,542,024	386,064	3,579,004	29,476	20,335,959
Charge for the year	-	504,772	534,730	166,694	27,674	299,065	-	1,532,935
Disposals	-	-	(2,545)	(11,703)	-	-	-	(14,248)
At 31 August 2022	-	7,577,238	8,259,110	1,697,015	413,738	3,878,069	29,476	21,854,646
Net book value at 31 August 2022	2,198,860	23,622,104	3,988,090	480,120	7,261	432,018	1	30,728,454
Net book value at 31 August 2021	719,843	24,126,876	3,929,506	427,460	34,935	489,907	1	29,728,528

Freehold land and buildings includes land at estimated market value on 1 September 1979 of £435,000. Buildings include assets valued by the Governors as at 1 September 1979 at £2,400,000 for insurance purposes. The assets of the subsidiary undertaking include a property valued at £325,000 in 1986, which had a historic cost of £61,742. The group has adopted transitional rules under FRS 102 not to update the valuation. No depreciation has been charged on land and buildings of £2,674,234 (2021 - £2,674,234).

KING EDWARD VI SCHOOL SOUTHAMPTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

15 Tangible fixed assets (continued)

Parent:	Assets in the course of construction £	Freehold land and buildings £	Furniture and fittings £	Ground equipment £	Motor vehicles £	Computer and a-v equipment £	Sailing boats and equipment £	Total £
Cost or valuation								
At 1 September 2021	494,126	24,127,285	9,910,939	1,896,380	401,222	3,499,227	29,477	40,358,656
Additions	1,405,071	-	592,912	61,846	-	181,598	-	2,241,427
Reclassification	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
At 31 August 2022	1,899,197	24,127,285	10,503,851	1,958,226	401,222	3,680,825	29,477	42,600,083
Depreciation								
At 1 September 2021	-	6,901,428	7,245,961	1,188,554	366,287	3,062,085	29,476	18,793,791
Charge for the year	-	451,734	475,066	117,224	27,674	247,458	-	1,319,156
Disposals	-	-	-	-	-	-	-	-
At 31 August 2022	-	7,353,162	7,721,027	1,305,778	393,961	3,309,543	29,476	20,112,947
Net book value at 31 August 2022	1,899,197	16,774,123	2,782,824	652,448	7,261	371,282	1	22,487,136
Net book value at 31 August 2021	494,126	17,225,857	2,664,978	707,826	34,935	437,142	1	21,564,865

Freehold land and buildings includes land at estimated market value on 1 September 1979 of £435,000. Buildings include assets valued by the Governors as at 1 September 1979 at £2,400,000 for insurance purposes. Included within land and buildings is land of £1,384,234 (2021 - £1,384,234), which is not being depreciated.

KING EDWARD VI SCHOOL SOUTHAMPTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

16 Investments

Group:

	Managed funds	Other listed investments	Shares in group undertakings	Total 2022	Total 2021
	£	£	£	£	£
Market value					
At 1 September 2021	9,785,611	-	-	9,785,611	8,084,760
Disposal	(202,695)	-	-	(202,695)	(709,832)
Additions	1,268,316	-	-	1,268,316	1,070,229
Change in market value	(541,505)	-	-	(541,505)	1,340,454
At 31 August 2022	10,309,727	-	-	10,309,727	9,785,611
Historical cost	9,371,121	-	-	9,371,121	8,305,500

Parent:

	Managed funds	Other listed investments	Shares in group undertakings	Total 2022	Total 2021
	£	£	£	£	£
Market value					
At 1 September 2021	9,785,611	-	2,488,548	12,274,159	10,573,308
Disposal	(202,695)	-	-	(202,695)	(709,832)
Additions	1,268,316	-	-	1,268,316	1,070,229
Change in market value	(541,505)	-	-	(541,505)	1,340,454
At 31 August 2022	10,309,727	-	2,488,548	12,798,275	12,274,159
Historical cost	9,371,121	-	2,488,548	11,859,669	10,794,048

Holdings of more than 20%

The charitable company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Principal activity	Class	Shares held %
Subsidiary undertakings				
Stroud School Limited	England & Wales	School	Ordinary	100
KES Bookings Limited	England & Wales	Facility hire	Ordinary	100

KING EDWARD VI SCHOOL SOUTHAMPTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

17 Debtors

	Group		Parent	
	2022	2021	2022	2021
	£	£	£	£
Fees	73,220	45,219	17,887	20,689
Other debtors	181,835	180,505	190,428	175,267
Amounts owed by group undertakings	-	-	6,405,819	6,144,352
Prepayments	243,046	206,948	153,672	140,199
Accrued interest receivable	-	279	-	279
	498,101	432,951	6,767,806	6,480,786

Amounts owed by group undertakings are unsecured and repayable on demand. The interest rate charged on the loan is 1.5%.

18 Creditors: amounts falling due within one year

	Group		Parent	
	2022	2021	2022	2021
	£	£	£	£
Amounts owing to suppliers	605,274	206,844	495,117	179,646
Fees in advance	515,796	705,071	515,796	513,520
Taxation and social security	627,787	24,444	296,826	23,505
Other creditors and accruals	628,703	679,133	471,255	558,599
	2,377,560	1,615,492	1,778,994	1,275,270

KING EDWARD VI SCHOOL SOUTHAMPTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

19 Creditors: amounts falling due after more than one year

	Group		Parent	
	2022	2021	2022	2021
	£	£	£	£
Other creditors	215,346	219,713	169,746	163,152
	215,346	219,713	169,746	163,152

Included in other creditors due after more than one year are the following balances which are due after more than five years:

	Group		Parent	
	2022	2021	2022	2021
	£	£	£	£
Returnable deposits	51,088	63,084	37,488	38,940

20 Financial instruments

	Group		Parent	
	2022	2021	2022	2021
	£	£	£	£
Carrying amount of financial assets				
Equity instruments measured at fair value	10,309,727	9,785,611	10,309,727	9,785,611
Equity instruments measured at cost less impairment	-	-	2,488,548	2,488,548

KING EDWARD VI SCHOOL SOUTHAMPTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

21 Allocation of net assets

Group:

	Fixed assets 2022 £	Investments 2022 £	Other net assets/ (liabilities) 2022 £	Total 2022 £
Endowed funds	-	3,469,945	-	3,469,945
Restricted funds	-	3,290,418	918,243	4,208,661
Unrestricted funds	30,728,454	3,549,364	2,075,195	36,353,013
	30,728,454	10,309,727	2,993,438	44,031,619

	Fixed assets 2021 £	Investments 2021 £	Other net assets/ (liabilities) 2021 £	Total 2021 £
Endowed funds	-	3,598,666	-	3,598,666
Restricted funds	-	3,290,418	952,588	4,243,006
Unrestricted funds	29,728,528	2,896,527	(1,328,054)	31,297,001
	29,728,528	9,785,611	(375,466)	39,138,673

Parent:

	Fixed assets 2022 £	Investments 2022 £	Other net assets/ (liabilities) 2022 £	Total 2022 £
Endowed funds	-	3,469,945	-	3,469,945
Restricted funds	-	3,290,418	918,243	4,208,661
Unrestricted funds	22,487,136	6,037,912	8,767,508	37,292,556
	22,487,136	12,798,275	9,685,751	44,971,162

	Fixed assets 2021 £	Investments 2021 £	Other net assets/ (liabilities) 2021 £	Total 2021 £
Endowed funds	-	3,598,666	-	3,598,666
Restricted funds	-	3,290,418	952,588	4,243,006
Unrestricted funds	21,564,865	5,385,075	5,068,037	32,017,977
	21,564,865	12,274,159	6,020,625	39,859,649

KING EDWARD VI SCHOOL SOUTHAMPTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

22 Endowed funds

Group and parent	Scholarships & bursaries £	Prizes and other funds £	Total £
At 1 September 2021	3,562,858	35,808	3,598,666
Incoming resources	54,250	-	54,250
Investment gains/(losses)	(182,971)	-	(182,971)
Resources expended	-	-	-
Transfers	-	-	-
At 31 August 2022	3,434,137	35,808	3,469,945

These funds were set up by individual donors. Each fund is allocated its proportion of the investment income and bears its own expenses.

23 Restricted funds

Group and parent	KES Foundation £	Scholarships & bursaries £	Prizes and other funds £	Total £
At 1 September 2021	997,800	2,728,500	516,706	4,243,006
Incoming resources	35,951	268,773	25,576	330,300
Resources expended	-	(183,875)	(2,110)	(185,985)
Investment gains/(losses)	-	(178,660)	-	(178,660)
Transfers	-	-	-	-
At 31 August 2022	1,033,751	2,634,738	540,172	4,208,661

The King Edward VI School Foundation is a restricted income fund to provide additional fee support over the long term primarily from legacy funds. In accordance with the terms of the Foundation its administration costs are met by the School.

KING EDWARD VI SCHOOL SOUTHAMPTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

24 Designated funds

Group and parent:	Foundation scholarships & bursaries £	Capital reserve £	Self- financing activities £	Total £
At 1 September 2021	1,162,866	26,538,488	48,879	27,750,233
Incoming resources	60,270	-	508,273	568,543
Resources expended	(798,375)	-	(451,789)	(1,250,164)
Transfers in	800,339	1,225,867	-	2,026,206
Investment gains and losses	(220,876)	-	-	(220,876)
At 31 August 2022	1,004,224	27,764,355	105,363	28,873,942

Transfers into the Capital Reserve represent £225,867 (2021 - £225,866) in respect of fixed asset replacements and £1,000,000 (2021 - £750,000) in respect of the continuing development programme. This programme is reviewed on a regular basis to ensure ongoing total Capital Reserves are consistent with our updated ten-year strategic plan for the Schools

25 Revenue fund

	Group £	Parent £
At 1 September 2021	3,546,768	4,267,744
Net incoming resources	2,090,509	2,309,076
Net transfers	(2,026,206)	(2,026,206)
Actuarial gains/(losses) on defined benefit pension schemes	3,868,000	3,868,000
Investment gains/ (losses)	-	-
At 31 August 2022	7,479,071	8,418,614

26 Pension commitments

King Edward's is an admitted body to the superannuation scheme operated by the Hampshire County Council, and King Edward's and Stroud participate in the superannuation scheme operated by the Department for Children, Schools and Families. Both of these schemes are defined benefit pension schemes. The Schools also operate a number of defined contribution pension schemes.

KING EDWARD VI SCHOOL SOUTHAMPTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

26 Pension commitments (continued)

(a) Hampshire County Council Superannuation Scheme

The Local Government Pension Scheme Regulations require a full actuarial valuation every third year. This is to establish that the Hampshire Pension Fund can meet its liabilities to past and present contributors, and to review employer contribution rates. The last full actuarial investigation into the financial position of the Fund was completed at 31 March 2019 by Aon Hewitt Limited. The valuation at 31 March 2019 showed that the Fund's financial position had improved since the previous valuation at 31 March 2016 in relation to benefits promised for membership before the valuation date. The value of the Fund's assets was sufficient to cover 98.9% of the value of the benefits earned to date (£7.260 billion) by the Fund's members (that is, a 98.9% funding level).

The actuarial valuation determined that as an admitted body the School's employer contribution rate would increase to 22.3% for the year commencing 1 April 2020.

The following information is based upon the 2019 full actuarial valuation, updated to 31 August 2022 by a qualified independent actuary.

Principal Actuarial Assumptions	2022	2021
Discount rate	4.10%	1.70%
Rate of increase in salaries	3.80%	3.70%
RPI inflation		
CPI inflation	2.80%	2.70%
Pension increases	2.80%	2.70%

The mortality assumptions are based on the recent actual mortality experience of members within the fund and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below.

	2022	2021
Retiring today:		
Males	22.9	23.1
Females	25.4	25.5
Retiring in 20 years:		
Males	24.7	24.8
Females	27.1	27.3

The allocation of the group's share of the scheme's assets between categories was:

	2022	2021
Equities	57.90%	57.40%
Property	7.80%	6.10%
Government bonds	15.20%	18.10%
Corporate bonds	0.00%	0.00%
Multi Asset Credit	8.80%	
Cash	0.90%	0.70%
Other	9.40%	17.70%
	100.00%	100.00%

KING EDWARD VI SCHOOL SOUTHAMPTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

26 Pension commitments (continued)

The return on plan assets is:

	2022	2021
Interest income on assets	175,000	141,000
Gain/(loss) on assets	(937,000)	1,480,000
	<u>(762,000)</u>	<u>1,621,000</u>

The reconciliation of funded status to the balance sheet is:

	2022	2021
Fair value of assets	9,519,000	10,349,000
Present value of funded defined benefit obligation	(9,187,000)	(13,965,000)
	<u>332,000</u>	<u>(3,616,000)</u>

The movement in fair value of assets is analysed as:

	2022	2021
Opening fair value of assets	10,349,000	8,853,000
Interest income on assets	175,000	141,000
Remeasurement gains/(losses) on assets	(937,000)	1,480,000
Contributions by the employer	140,000	147,000
Contributions by participants	48,000	50,000
Net benefits paid out	(256,000)	(322,000)
	<u>9,519,000</u>	<u>10,349,000</u>

The movement in present value of funded defined benefit obligations is analysed as:

	2022	2021
Opening defined benefit obligation	13,965,000	13,336,000
Current service cost	331,000	327,000
Interest expense on defined benefit obligation	236,000	211,000
Contributions by participants	48,000	50,000
Actuarial (gains)/losses on liabilities	(5,137,000)	363,000
Net benefits paid out	(256,000)	(322,000)
Past service cost	-	-
	<u>9,187,000</u>	<u>13,965,000</u>

Amounts recognised in the Statement of Financial Activities are as follows:

	2022	2021
Employer service cost	331,000	327,000
Financing cost	61,000	70,000
	<u>392,000</u>	<u>397,000</u>
Amounts included in charitable activities expenditure	392,000	397,000
(Gains)/losses arising on scheme assets	937,000	(1,480,000)
Liability (gains)/losses	(5,137,000)	363,000
Less: asset cap	332,000	-
	<u>(3,868,000)</u>	<u>(1,117,000)</u>
Total unrealised (gain)/loss per SOFA	(3,868,000)	(1,117,000)
	<u>(3,476,000)</u>	<u>(720,000)</u>

KING EDWARD VI SCHOOL SOUTHAMPTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

26 Pension commitments (continued)

There were pension contributions outstanding at the year end of £15,048 (2021: £23,210) in respect of this scheme.

On 26 October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs (Guaranteed Minimum Pensions) is required. The calculated pension deficit therefore includes an additional liability as at 31 August 2021 relating to this matter which has been allowed for as a Past Service Cost.

(b) Government's Teachers Pension Defined Benefits Scheme

King Edward's and Stroud participate in the Teachers Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

On 7 October 2021, the government published the final directions of the cost control mechanism, that will allow completion of 2016 valuations. The publication confirms that the McCloud remedy will be captured as a member cost in the completion of the 2016 valuations and any ceiling breaches found when schemes complete the 2016 valuations will be waived. The impact for the Teachers' Pension Scheme is likely to be that member benefits will be unaltered, which is contrary to the position pre the McCloud judgement, when it looked like the mechanism would lead to an improvement in benefits.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme and the schools are not able to identify the assets and liabilities of the schemes that are attributable to King Edward's and Stroud. Accordingly, under FRS 102 the schemes are accounted for as if they were a defined contribution scheme.

KING EDWARD VI SCHOOL SOUTHAMPTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

26 Pension commitments (continued)

The pension charge for the year includes contributions payable to the schemes, details of which can be found in note 8. There were pension contributions outstanding at the year-end of £206,993 (2021: £Nil).

(c) Other Defined Contribution Schemes

King Edward's and Stroud also contribute to other defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the funds. The pension charge for the year includes contributions payable to the schemes, details of which can be found in note 8. There were pension contributions outstanding at the year end of £Nil (2021: £Nil) in respect of the above schemes.

27 Surplus for the financial year

The parent charity has taken advantage of the exemptions allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities.

The net movement in funds of the parent charity for the year was a surplus of £5,111,513 (2021: £4,153,007).

The parent charity's gross income for the year was £19,566,839 (2021: £17,603,888).

28 Capital and other financial commitments

The group had capital commitments at 31 August 2022 of £Nil (2021: £127,756).

29 Contingent liabilities

There were no contingent liabilities at 31 August 2022 or 31 August 2021.

30 Operating lease commitments

At 31 August 2022 the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	8,094	18,473
Between two and five years	7,294	6,270
In over five years	-	-
	<hr/>	<hr/>
	15,388	24,743
	<hr/>	<hr/>

31 Related parties

There are no related party transactions that require disclosure.