

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

Charity No: 1129776

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

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THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

REPORT OF THE TRUSTEES

31 December 2016

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

Objectives

The Trust's objectives reflect the historic purpose of King Edward's School, Birmingham: to provide an outstanding education for local boys in the city and beyond, whatever their family income. From 1944 until 1997, the government's Direct Grant and Assisted Places Schemes provided means-tested support for bright pupils who lacked the means to fund a King Edward's education. Following the abolition of this funding, the need for alternative funding routes became evident.

Although the King Edward's Foundation contributes over £1m a year to provide Assisted Places, it is unable to meet a growing demand for financial support – a demand closely linked to the demise of government funding. More funding is required to ensure that we can provide Assisted Places to all talented boys who apply to the School.

It was with this in mind that the King Edward's School Birmingham Trust was established: to generate philanthropic funding streams from alumni, trusts, and corporates for Assisted Places. The Declaration of Trust states: "The advancement of education by supporting the provision of education at King Edward's School, Birmingham ("the School") in such ways as the Trustees see fit in particular (but without prejudice to the generality of the foregoing) by providing funds to support the provision of bursaries to boys on the basis of financial need to enable them to attend the School."

To fulfil these objectives, the Development & Old Edwardians Office coordinates a range of fundraising activities on the Trust's behalf. These activities aim to secure funds for Assisted Places, to ensure that all boys with the talent are able to enjoy a King Edward's School education, irrespective of their financial circumstances. Fundraising for Assisted Places includes face-to-face, direct mail, and telephone solicitations. The Assisted Places generated as a result of this offer boys from a wide range of backgrounds a first class education at King Edward's, a leading independent school in the UK. This education plays a valuable role in facilitating the social mobility of bright boys across Birmingham.

Public benefit

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

The Trustees consider Assisted Places to be an important means of widening access to King Edward's, ensuring that talented boys can not only take up their place here, but take full advantage of the activities and trips offered by the School.

The School's extensive Outreach programme provides opportunities to promote Assisted Places, whilst raising aspirations across primary schools in the local community. In December 2015, this programme won the TES Independent School Award for partnership work between independent and state schools. This work continues: during School year 2015-2016, the School engaged with over 11,000 primary school children and 205 schools. The Outreach programme is complemented by the outstanding work done by the School's Director of Admissions, each making an important contribution to the public benefit provided by the Trust's Assisted Places Fund. They increase awareness of the School's Assisted Place provision, and thus grow a diverse pool of applicants to King Edward's School: King Edward's is seen as a place for all with the talent to attend, not just those whose parents can afford to come. As a result of this awareness, in 2016 we received our highest ever number of admissions applications: 782 applications were received, with 505 candidates applying for Assisted Places from 330 different primary schools. This helps to maintain the School's social and ethnic diversity: one of its greatest assets.

In recognition of this impact and its positive effect on social mobility throughout the region, former Chief Master John Cloughton was awarded a Lifetime Achievement Award at the Times Educational Supplement Independent School Awards 2016. The Lifetime Achievement Award was conferred to acknowledge his 'impressive and long-standing commitment to increasing access to an independent education.'

The Trust helps to unlock access to an outstanding academic programme, mirroring the School's declared aim: "to make available to the widest possible range of able boys an educational experience that is the richest, most diverse and most exciting possible in an atmosphere that provides support, encouragement and care for everyone, pupils

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and staff, here. We want our pupils to love coming here and to go from here prepared for all that human life has to offer.'

Pupils study from a wide curriculum in the first three years. In their third year, they have the chance to take up Classical Greek or German or Spanish. In almost all cases boys choose 10 GCSEs, with three or four optional subjects including Art, Classical Greek, Design and Technology, Drama, Geography, German, History, Latin, Music, Religious Studies, Spanish. In the Sixth Form, all boys study the International Baccalaureate (IB) Diploma. The IB was introduced in 2010 to replace A Levels, and has a strong philosophical and educational basis which encourages an international perspective and the development of skills and human qualities. It also requires a breadth of study: all candidates study six subjects, English, Maths, science, a language and a humanities subject are compulsory. In addition, all boys have to write an Extended Essay and study a course on Theory of Knowledge.

The School's academic performance is exceptional and amongst the very best in the country: In 2016, 27 boys received offers from Oxford and Cambridge, the highest number since 2002; 23 were later admitted to Oxbridge. Of those who applied for Oxbridge in 2016 for entry in 2017, 30% received admissions offers. One of the factors in the improved academic performance of the School has been the growth in the number of boys on Assisted Places, who clearly flourish in this academic environment.

Boys on Assisted Places do not just benefit from the educational advantages conferred by a King Edward's education; they are also able to access the School's wide-ranging and high-quality extra-curricular programme. The boys have the chance to play nearly 20 sports and to participate in around 20 different musical groups. Hundreds of boys are also involved in half a dozen major concerts each year. There are also many societies and a broad range of trips and expeditions in which they can participate, including cycling, snowshoeing, caving, and historical re-enactment. On Friday afternoons, there are no academic lessons, giving boys the chance to be involved in personal development activities including Combined Cadet Force, Leadership, sports coaching, and personal service projects. All of these activities contribute to the boys' personal and interpersonal development.

The Trust is also enabling all boys, including those on Assisted Places, to benefit from the School's exceptional facilities: for instance, the Sir Paul and Lady Ruddock Performing Arts Centre, the Andrew Brode Wing (a new modern languages and science building), and the Southall Hockey Pavilion. These philanthropically-funded resources are also available to the local community outside of school hours, and play a part in the School's Outreach work. Without the attention generated by the launch of the Trust and fundraising activity in School, it is perhaps arguable that many of these facilities may not have been established.

Grant making policy

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

Grants

The Trustees are pleased to report that they made grants totalling £668,703 during the year.

Grants included a sum of £663,076 for the funding of 90 Assisted Places within the School. The Trustees also made several grants from the Assisted Places Support Fund during the year, to fund extra-curricular activities (e.g. music lessons, trips) for boys at the School on such Assisted Places.

In December 2016, the Trustees agreed to make further funds available for the purpose of funding at least ten Assisted Places for boys starting in September 2017.

The Trustees expect the Trust to be providing funding for 100 Assisted Places by September 2017; when one compares this to September 2010, when the Trust could commit to no more than 15 Assisted Places, it is clear that the Trust is making a major impact on the lives of talented boys across Birmingham.

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31 December 2016

Achievements and performance

The Trustees are very pleased with the achievements and fundraising performance of the Trust during its sixth year of operation and remain very grateful to all the donors who have supported the charity. During 2016, over £1 million was received in donations from 944 donors. Almost all of this income was donated for the provision of Assisted Places and will be so applied.

The fundraising undertaken in 2016 built on the remarkable achievements of the previous five years. As of March 2017, the Campaign has raised £10.4 million, exceeding the Trust's £10 million target a year earlier than initially planned. A key element to this successful outcome was the decision taken by the Tolkien Trust to donate a pledge of £500,000 in a single gift, so that our target of funding 100 boys by September 2017 could be achieved.

This fundraising work included face-to-face solicitations to find further sponsors to fund Assisted Places for individual boys. The Trust has 34 such sponsors (a further 11 since 2014) and continues to fundraise to ensure that current levels of provision can be maintained in the coming years.

During 2016, fundraising also included telephone and direct mail solicitations to find further regular donors. By the end of 2016 there were over 708 such donors. A telephone fundraising campaign took place in April 2016 and raised over £118,000 with a giving percentage of 65.9% across all alumni who were called.

Financial review

The Trust's financial statements are set out on pages 13 to 27.

The total incoming resources received by the Trust were £1,110,502 of which £84,800 was reclaimed Gift Aid. The Trust received donations from 944 different donors during the year.

Investment policy and performance

All the investments of the Trust are managed by Ruffer LLP. Ruffer was chosen because of their charity experience, their record of consistent returns over varying market cycles and a long-held goal of protecting capital over rolling 12-month periods. All Trust investments are invested in accordance with their investment policy and the Trustees take professional advice from the brokers regarding the market outlook, potential risks, investment trends and yield and the prospect for future capital growth.

Ruffer constructs portfolios to preserve capital and deliver a return ahead of the risk-free alternative. The portfolio always contains protective assets as well as growth assets; the largest protective assets in the portfolio are inflation-linked government bonds in the UK and US, which means that the portfolio continues to guard against inflation as a result of economic measures taken to avert a deflationary crisis (the reduction of interest rates to below prevailing inflation levels and quantitative easing). Few assets will protect against a rise in inflation: bond yields rise (causing their prices to fall) and equity valuations would initially be undermined, too. Ruffer retains protection from rising credit spreads and volatility introduced earlier in the year, and has now reduced the equity weight in the portfolios to meaningfully below 40%, a position last taken by Ruffer in 2008. The growth assets in the portfolio consist mainly of equities.

Over 2016, Ruffer achieved an investment return net of fees of 13.1%, despite the fall in oil prices and the volatility of the equity markets during the year. At the year end the value of the portfolio was £6,067,764. The Trust has appreciated by 38.9% (6.1% per annum on a compound basis) since inception, during a period of uncertain financial conditions.

The policy of ensuring the portfolio is composed of a high proportion of protective assets has ensured the effects of volatile equity and currency markets have been limited. The improvement of equity values towards the end of the year has made a positive contribution with Japan to the fore.

Over the same period, prices have risen by 1.7% per annum as measured by the Retail Price Index and by 0.7% per annum as measured by the Consumer Price Index. The Trustees receive regular reports from the investment manager and intend to carry out periodic market testing exercises. Such reviews might lead to a change of manager or to the addition of a further manager, should this be required to access particular investment expertise.

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Risk management

The Trustees continue to keep under review the major operational and strategic risks to which the Trust is exposed and are satisfied that systems and controls are in place to minimise exposure to such risks as may exist.

The Trustees have produced the following policy documents: an ethical policy, a systems and controls document, a gift acceptance policy, and a data policy. Details of these are outlined below and are subject to regular scrutiny.

The Trust is responsive to the guidance of the new Fundraising Regulator and awaits further details of the proposed Fundraising Preference Service, which is expected to launch in the Summer of 2017. The Trustees are working hard to ensure that the Trust complies with all relevant guidance and is registered with the Regulator, in accordance with the requirements stated, once the Fundraising Regulator's registration system opens. As the Trust does not qualify to be levied by the Fundraising Regulator under its proposed system of funding, a registration fee will be charged at the point of voluntary sign-up to the Fundraising Regulator registration system.

Ethical policy

As part of the ethical controls on fundraising, the Trustees must approve/agree to the fundraising strategy undertaken by the Development & OEA Office on the Trust's behalf. Furthermore, fundraising activity is regularly monitored and reviewed by the Development Committee, which reports back to the Trust. The ethical policy also outlines the professional code of ethics which volunteers and employees who solicit or receive funds on behalf of the Trust must adhere to.

The Trust's full ethical policy is available here: <http://www.trust.kes.org.uk/ethicalpolicy.html>.

The Development & OEA Office is a member of the Institute of Fundraising and Institute of Development Professionals in Fundraising and so keeps regularly apprised of best practice and developments in the sector.

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

Systems and controls document

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

Gift acceptance policy

The Trust's gift acceptance policy is reviewed annually, to include any new types of gifts that the Trust will accept and to ensure it complies with new legislation. The most up to date version is available at:

<http://www.trust.kes.org.uk/gift-acceptance-policy.html>.

Data policy

In order to advance the Trust's mission of providing bursaries to able boys on the basis of financial need, to enable them to attend King Edward's School, a database is held by the School. This holds information on donors and potential donors, and the Trust uses all reasonable care to keep this data up to date and secure.

The Trust and the School comply with the Data Protection Act 1998 (the "Act") and its policy in respect of any Data which it processes as the data controller. All Data is held securely by the School and Trust in accordance with the Act and will be treated confidentially.

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The Trust's data policy covers the collection, usage, sharing, accuracy and retention of data, as well as the rights of those whose data is held by the School. A full data policy is available at: <http://www.trust.kes.org.uk/data.html>.

The Trust is keeping informed of guidance issued by the Information Commissioner's Office (ICO) to ensure full compliance with subsequent and anticipated recommendations.

External changes and recommendations

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

Reputational risk management and fundraising

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

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

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

Reserves policy

It is the policy of the Trustees to distribute the majority, although not necessarily the total amount of received and projected Trust income. As a result, the Trustees may carry some undistributed income forward to the following financial year. At 31 December 2016, the undistributed reserves on the unrestricted fund totalled £1,952 (2015: £1,427).

Plans for the future

The Trustees are delighted by the achievements of the Trust during its first six years. They are especially pleased with the resounding success of the Assisted Places fundraising campaign (AP100). The Trust exceeded its £10 million target a year earlier than planned, enabling 100 Assisted Places to be provided across the School by the end of 2017.

The Trustees are now looking to the future and plan to relaunch the campaign for Assisted Places, in order to sustain current levels of provision into the longer term. It will be important to retain the loyalty of current supporters and generate new funding pipelines in order to grow support for the next 100 Assisted Places. The Trust's long-term aim is to secure needs-blind access to the School across endowment and expendable gifts. The Development Committee is working closely with the Development Office on the fundraising strategy for a new Campaign, which is planned to launch in September 2017. There is an annual requirement of £1 million needed to continue supporting 10 Assisted Places each year.

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Structure, governance and management

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

The Trust was established to receive donations for Assisted Places on behalf of King Edward's School. The purpose of Assisted Places is to ensure that the School continues to open its doors to bright boys who deserve a place, but cannot afford to come without some form of financial assistance.

Reference and administration information

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

Trustees

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

Mr S G Campbell (Chairman)	Reappointed 22 March 2017; Term of Office expires 7 May 2020
Mr J A Cloughton (former Chief Master)	Appointed 7 May 2009; stepped down 31 August 2016
Dr M A Fenton (Chief Master)	Appointed 1 September 2016
Mr A Kendall	Appointed 22 March 2017; Term of Office expires 22 March 2020
Mr J P N Martin	Reappointed 22 March 2017; Term of Office expires 7 May 2020
Mr S M Southall	Term of office expires 7 May 2018
Mr R P M Thomson	Term of office expires 7 May 2018
Mr M J Woodward	Appointed 24 June 2010; stepped down 24 June 2016

Auditors

PKF Cooper Parry Group Limited
Chartered Accountants and Statutory Auditors
No. 8 Calthorpe Road
Edgbaston
Birmingham
B15 1QT

Bankers

Lloyds
134 New Street
Birmingham
B2 4QZ

Investment Managers

Ruffer LLP
80 Victoria Street
London
SW1E 5JL

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Trustee recruitment and training

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

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

The Trust is a member of the British Schools and Universities Foundation (BSUF) which allows donors in the US to make tax effective gifts to the Trust. Dr Frank Booth (King Edward's, Class of 1965) is the current representative in the US.

Organisational structure

All matters of policy and management are determined by the Trustees, who meet three times per year and at such other times as circumstances require. The Development & OEA Office is managed by the Development Director, who reports to and consults with the Trustees on all fundraising activity. The Development & OEA Office conducts the operational fundraising and communications and the wider fundraising strategy is decided in concert with the Trustees.

The Trustees have appointed the Development Committee, working under agreed terms of reference, to advise and make recommendations to the Trustees on such fundraising matters. The Committee helps to plan, monitor and evaluate the fundraising undertaken by the Development & OEA Office on the Trust's behalf. The Development Committee is chaired by the Chief Master and a Trustee. All Trustees are able to attend these meetings.

The Trustees consult and share information with the Development Committee, with the intention of enhancing the fundraising campaign the long-term success of the Trust. The Development Committee meets three times per year in advance of each trustee meeting, with a paper prepared in advance of each of these meetings for the consideration of the trustees. At least one Trustee will sit on the Development Committee and any other Trustee may attend its meetings as an observer if they wish.

Responsibilities of the Trustees

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice 2015 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

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

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

Auditors

PKF Cooper Parry Group Limited has expressed its willingness to continue in office and will be proposed for re-appointment at the Annual General Meeting.

Approved by the Trustees on 29 June 2017 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'S G Campbell', is written over a light blue horizontal line.

S G Campbell
Chairman of Trustees

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

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

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

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

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

Scope of the audit of the financial statements

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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2016, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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

Matters on which we are required to report by exception

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

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

PKF Cooper Parry Group Limited

PKF Cooper Parry Group Limited

Chartered Accountants
Statutory Auditors

No. 8 Calthorpe Road
Edgbaston Birmingham
B15 1QT

Date: *11 August 2017*

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

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2016**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2016 Total funds £	2015 Total funds £
Income and endowments from:						
Donations and legacies	2	101,445	530,937	431,581	1,063,963	1,851,819
Investments	2	-	46,539	-	46,539	45,247
Total income and endowments		101,445	577,476	431,581	1,110,502	1,897,066
Expenditure on:						
Raising funds		-	-	(56,707)	(56,707)	(49,458)
Charitable activities	3	(100,920)	(668,703)	-	(769,623)	(830,074)
Total expenditure		(100,920)	(668,703)	(56,707)	(826,330)	(879,530)
Net loss on carry value of investments		-	-	(95,126)	(95,126)	(30,047)
Net increase in market value of investments	5	-	-	729,405	729,405	57,611
Net movement in funds	9	525	(91,227)	1,009,152	918,450	1,045,100
Reconciliation of funds:						
Total funds brought forward	9	1,427	2,281,225	4,347,422	6,630,074	5,584,947
Total funds carried forward	9	1,952	2,189,998	5,356,574	7,548,524	6,630,074

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

The notes on pages 17 to 27 form part of these financial statements.

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

	Note	2016 £	2015 £
Income		1,063,963	1,851,819
Gains on Investments		637,278	27,564
Interest and investment Income	2	46,539	45,247
Gross Income		<u>1,748,780</u>	<u>1,924,630</u>
Expenditure		826,330	879,530
Total expenditure		<u>826,330</u>	<u>879,530</u>
Net income for the financial year		<u><u>918,450</u></u>	<u><u>1,045,100</u></u>

The notes on pages 17 to 27 form part of these financial statements.

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

BALANCE SHEET

as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	5	5,738,342	4,337,475
		<u>5,738,342</u>	<u>4,337,475</u>
Current assets			
Debtors	7	69,140	818,032
Cash at bank and in hand	6	1,793,113	1,495,135
		<u>1,862,253</u>	<u>2,313,167</u>
Creditors: amounts falling due within one year	8	(52,071)	(20,568)
Net current assets		<u>1,810,182</u>	<u>2,292,599</u>
Total assets less current liabilities		<u>7,548,524</u>	<u>6,630,074</u>
Creditors: amounts falling due after more than one year		-	-
Net assets		<u>7,548,524</u>	<u>6,630,074</u>
Charity Funds			
Endowment funds			
Permanent endowment	9	1,543,218	1,369,048
Expendable endowment	9	3,813,356	2,978,374
Restricted funds	9	2,189,998	2,281,225
Unrestricted funds	9	1,952	1,427
Total charity funds		<u>7,548,524</u>	<u>6,630,074</u>

The financial statements on pages 13 to 27 were approved by the Trustees on 29 June 2017 and signed on its behalf by:



S G Campbell
Chairman of Trustees

The notes on pages 17 to 27 form part of these financial statements.

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STATEMENT OF CASH FLOWS

as at 31 December 2016

	Note	2016 £	2015 £
Cash flow from operating activities	13	1,072,503	404,977
Cash flow from investing activities			
Interest paid		(741)	(1,986)
Interest received		580	8,195
Payments to acquire investments		(3,580,860)	(2,743,061)
Receipts from sales of investments		2,909,398	2,338,550
Settlements of investments		(95,126)	30,047
Dividends received		45,446	39,113
Investment manager costs		(53,221)	(47,956)
Net cash flow from investing activities		<u>774,525</u>	<u>(437,192)</u>
Net increase/(decrease) in cash and cash equivalents		297,978	(32,215)
Cash and cash equivalents at 1 January 2016		1,495,135	1,527,350
Cash and cash equivalents at 31 December 2016		<u>1,793,113</u>	<u>1,495,135</u>
Cash and cash equivalents consists of:			
Cash at bank in hand		632,277	264,040
Investment manager account		834,939	396,511
Endowment fund account		325,897	834,584
Cash and cash equivalents at 31 December 2016		<u>1,793,113</u>	<u>1,495,135</u>

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2016

1 Summary of significant accounting policies

(a) General information and basis of preparation

The King Edward's School Birmingham Trust is a registered unincorporated charity in the United Kingdom. The address of the registered office is given in the charity information on page 8 of these financial statements. The nature of the charity's operations and principal activities are to advance education by supporting the provision of education at King Edward's School Birmingham ("the School") in such ways that the Trustees see fit in particular by providing funds to support the provision of bursaries to boys on the basis of financial need to enable them to attend school.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

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

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

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

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

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2016

1 Summary of significant accounting policies (continued)

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds
- Expenditure on charitable activities

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative and payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

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

The analysis of these costs is included in note 3.

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2016

1 Summary of significant accounting policies (continued)

(f) Fixed Asset Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

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

(g) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(h) Tax

The charity meets the definition of a charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(i) Going concern

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

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2016

2 Income and endowments from:	2016	2015
	£	£
Unrestricted		
<i>Donations and legacies</i>		
Donations in kind (Note 3)	100,920	138,319
Donations	420	-
Gift Aid reclaimed	105	525
Total unrestricted fund income	<u>101,445</u>	<u>138,844</u>
Restricted		
<i>Donations and legacies</i>		
Donations	446,242	1,239,122
Gift Aid reclaimed	84,695	109,229
	<u>530,937</u>	<u>1,348,351</u>
<i>Investments</i>		
Bank interest receivable	580	5,444
Income from managed portfolio	45,959	39,803
	<u>46,539</u>	<u>45,247</u>
Total restricted fund income	<u>577,476</u>	<u>1,393,598</u>
Endowed		
<i>Donations and legacies</i>		
Donations	431,581	364,624
Total endowed fund income	<u>431,581</u>	<u>364,624</u>
Total income	<u>1,110,502</u>	<u>1,897,066</u>

During the year ended 31 December 2015, the trustees of the Tolkien Trust pledged a donation of £500,000, which was to be paid in instalments. However, the acceleration of the AP100 campaign and good stewardship incentivised them to donate the full pledge in a single instalment, thus ensuring that the AP100 target could be met a year earlier than planned.

In accordance with the requirements of SORP 2015 (FRS102), the single gift was recognised as income in the accounts to 31 December 2015. The funds were transferred into the Trust on 20 May 2016.

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2016

3 Resources expended

	Charitable Activities £	Governance £	2016 Total £	2015 Total £
Grants awarded				
- Old Edwardians	-	-	-	106,442
- Assisted Places	633,076	-	663,076	572,652
- Southall Pavillion	-	-	-	1,570
- Scholarship	1,786	-	1,786	8,928
- Other	3,841	-	3,841	2,260
Support costs	95,580	5,340	100,920	138,319
Reversal of prior year bank charge	-	-	-	(87)
	<u>764,283</u>	<u>5,340</u>	<u>769,623</u>	<u>830,074</u>

£100,920 (2015: £138,232) of the above costs were attributable to unrestricted funds, £668,703 (2015: £585,400) were attributable to restricted funds and £Nil (2015: £106,442) were attributable to endowment funds.

The Assisted Places Fund has benefited a total of 90 (2015: 75) boys during the year.

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

	2016 £	2015 £
Salaries	54,097	99,337
Communications and mailings	21,273	17,732
Travel	1,891	2,055
Database maintenance	12,608	3,980
Event expenses	4,970	7,202
Audit fees	5,340	5,940
Bank and legal fees	741	2,073
	<u>100,920</u>	<u>138,319</u>

4 Auditor's remuneration

	2016 £	2015 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	<u>5,340</u>	<u>5,940</u>

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2016

5 Fixed Asset Investments

	2016 £	2015 £
Movement in fixed asset investments		
Market value as at 1 January 2016	4,337,475	3,875,353
Add:		
Additions to investments at cost	3,580,860	2,743,061
Net gain on revaluation	729,405	57,611
Less:		
Disposals at carrying value	(2,909,398)	(2,338,550)
Market value as at 31 December 2016	<u>5,738,342</u>	<u>4,337,475</u>
Investments at market value comprised:		
UK equities	570,328	345,285
Overseas equities and funds	1,779,701	1,431,957
UK fixed interest securities	1,845,420	1,150,073
Overseas fixed interest securities	909,951	958,656
Precious metals	261,948	173,799
Credit and capital funds	370,995	277,705
	<u>5,738,995</u>	<u>4,337,475</u>

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

	2016 £	2015 £
0.125% Treasury Index-Linked 22/03/68	608,502	374,465
0.125% Treasury Index-Linked 22/11/19	524,062	431,244
Ruffer Illiquid Multi Strategies Fund 2015	-	221,332
USA Treasury Notes 1.25% TIPS 15/07/20 USD	300,757	215,406
USA Treasury Notes 0.625% TIPS 15/07/21 USD	463,670	323,319
UK Government 0% T Bill 06/02/2017 GBP0.01	312,634	-

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

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

Ruffer follows the same approach across all of its account, constructing portfolios to preserve capital and deliver a return ahead of the risk-free alternative. On this basis Ruffer considers all of their clients to be medium risk.

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2016

5 Fixed Asset Investments – cont

The portfolio always contains protective assets as well as growth assets.

Over the year the proportion of protective assets rose to 63% of the portfolio. The largest protective assets in the portfolio are inflation-linked bonds in the UK and US. An increased investment in gold has also added stability to the portfolio during a volatile period in the equity markets. Ruffer also makes use of derivatives to protect the portfolio against falls in equities and bonds.

Ruffer retains 37% of the portfolio in conventional and corporate bonds, and "safe" equities, to take advantage of the expected steady rise in interest rates, whilst avoiding investments with over-valued income streams.

6 Cash at bank

	2016	2015
	£	£
Revenue account	632,277	264,040
Endowment fund account	834,939	834,584
Investment manager's account	325,897	396,511
	<u>1,793,113</u>	<u>1,495,136</u>

7 Debtors

	2016	2015
	£	£
Gift aid receivable	57,215	303,204
Other debtors	11,925	514,828
	<u>69,140</u>	<u>818,032</u>

8 Creditors: amounts falling due within one year

	2016	2015
	£	£
Other creditors	46,731	14,628
Accruals	5,340	5,940
	<u>52,071</u>	<u>20,568</u>

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2016

9 Funds	Balance at 1 January 2016 £	Incoming resources £	Outgoing resources £	Other recognised gains and losses £	Transfers £	Balance at 31 Dec 2016 £
Restricted Funds						
Assisted Places Fund	1,635,761	553,902	(663,076)	-	(1,311)	1,525,276
Assisted Places Support Fund	2,375	23,574	(3,841)	-	1,311	23,419
John Osborn Revenue Fund	108,607	-	-	-	-	108,607
Scholarship Fund	34,286	-	(1,786)	-	-	32,500
The Tolkien Trust Matched Fund	500,000	-	-	-	-	500,000
Other restricted funds	196	-	-	-	-	196
	<u>2,281,225</u>	<u>577,476</u>	<u>(668,703)</u>			<u>2,189,998</u>
Endowed Funds						
<i>Permanent Endowed Funds</i>						
John Osborn Endowment Funds	1,369,048	-	(17,096)	191,266	-	1,543,218
<i>Expendable Endowed Funds</i>						
Robert Cooke Fund	31,917	-	(399)	4,459	-	35,977
Miss Margaret Davis Fund	1,537,323	-	(19,197)	214,776	-	1,732,902
Jim Grant Fund	368,443	-	(4,601)	51,474	-	415,316
Old Edwardians Association	275,368	-	(3,439)	38,471	-	310,400
The Tolkien Trust	270,475	-	(3,378)	37,787	-	304,885
Wesley & Sheila Cummings Trust	154,087	-	(1,924)	21,527	-	173,690
Cloughton Scholarship Fund	135,251	426,571	(4,090)	45,605	-	603,338
General Endowment Fund	205,510	5,010	(2,586)	28,913	-	236,848
	<u>4,347,422</u>	<u>431,581</u>	<u>(56,707)</u>	<u>634,278</u>		<u>5,356,574</u>
Unrestricted Fund	1,427	101,445	(100,920)	-	-	1,952
Total Funds	<u>6,630,074</u>	<u>1,110,502</u>	<u>(826,330)</u>	<u>634,278</u>		<u>7,548,524</u>

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2016

9 Funds (continued)

Assisted Places Fund

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

Assisted Places Support Fund

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

John Osborn Revenue Fund

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

Southall Hockey Pavillion Fund

This Fund was used to support the construction of the Southall Hockey Pavillion at the School, which opened in autumn 2015.

Scholarship Fund

This Fund is used to support Scholarships for academically able boys attending the School. The money received into this fund is normally used as expendable income.

Tolkien Trust Matched Fund

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

Permanent Endowed Funds

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

Expendable Endowed Funds

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

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2016

10	Net assess of the funds	Investments	Net current Assets	Total
	The charity's net assets belong to the various funds as follows:	£	£	£
	Unrestricted funds	-	1,952	1,952
	Restricted funds	381,768	1,808,230	2,189,998
	Permanent endowed funds	1,543,218	-	1,543,218
	Expendable endowed funds	3,813,356	-	3,813,356
		5,738,342	1,810,182	7,548,524

11 Related Parties

The administration duties of the Trust are carried out by employees of The Schools of King Edward the Sixth in Birmingham. The Schools of King Edward the Sixth in Birmingham also reimburse the Trust for administration costs. During the year, administration costs of £100,920 (2015: £138,319) were paid for by The Schools of King Edward the Sixth in Birmingham on behalf of the Trust and are reflected as a donation in kind in these accounts. At the year end, The Schools of King Edward the Sixth in Birmingham owed the Trust £8,403 (2015: £8,261).

Mr S G Campbell, a Trustee of this charity, is former Chairman of Governors of the Independent Schools Governing Body of the Schools of King Edward the Sixth in Birmingham and former Governor of the King Edward's Foundation Board. Mr S M Southall, a Trustee of this charity, is a non-Board member of the Independent Schools Governing Body of the Schools of King Edward the Sixth in Birmingham. Transactions between the charities are detailed above.

Mr J P N Martin and Mr R P M Thomson, both Trustees of this charity, are the Chairman and former Chairman of the Old Edwardians Association. They are both on the committee of the Old Edwardians Association. Dr M A Fenton, a Trustee of this charity, is Chief Master of The School and President of the Old Edwardians Association.

During the year a donation of £107,500 was received in cash from the Old Edwardians Association.

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

	£
Mr S G Campbell	240
Mr J A Cloughton	2,100
Mr J P N Martin	600
Mr S M Southall	1,800
Mr R P M Thomson	300
Mr M J Woodward	190

THE KING EDWARD'S SCHOOL BIRMINGHAM TRUST

NOTES TO THE ACCOUNTS

for the year ended 31 December 2016

12 Commitments

At 31 December 2016, the Trust was committed to funding 90 (2015: 75) Assisted Places at a total cost of £3,557,846 (2015: £4,128,659) over the pupil's time at the School.

Of this commitment, £2,133,293 (2015: £2,019,995) will be met by the donations made under Deeds of Gift entered into by individuals who are sponsoring specific Assisted Places. A further £1,424,553 (2015: £582,015) will be met by other single donations that have already been received by the Trust. In addition, the Trust expects to receive income from its investments of at least £45,000 per year (based on a prior year returns) and, as at 31 December 2016, the Trust has regular commitments, mainly in the form of Direct Debit giving, in the region of £299,315 (2015: £260,000) per year.

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

	2016	2015
	£	£
Net income for the year	918,450	1,045,100
Dividends received	(45,446)	(39,113)
Interest receivable	(580)	(8,195)
Interest payable	741	1,986
Gains on investments	(634,278)	(27,564)
Investments Manager Costs	53,221	47,956
Decrease/increase in debtors	748,892	(616,038)
Increase in creditors	31,503	845
Net cash flow from operating activities	<u>1,072,503</u>	<u>404,977</u>

