

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

ADMINISTRATIVE DETAILS

TRUSTEES

No Trustee had any beneficial interest in the company during 2020. The following Trustees served during 2020

The Rt. Rev. J. Langstaff - President	
The Rt. Rev. S. Burton - Jones - Chair	Bishop's nominated representative
Miss. C. Bostock	Diocesan Synod elected - lay
Mr. D. W. Bridger (to 15 January 2021)	Diocesan Synod elected - lay
The Rev. R. Bristow	Diocesan Synod elected - clergy
Fr. J. Caster	Diocesan Synod elected - clergy
The Rev. J. Fletcher	Diocesan Synod elected - clergy
Mr. J. J. King	Co-option
Mr. L. Kings	Co-option
Mrs. A. Mepsted	Co-option (primary Headteacher)
Mr. A. Rees	Co-option (secondary Headteacher)
Ms. C. Sargent	Co-option
The Rev. M. Tariq (to 18 January 2021)	Co-option
Ms. J. Thompson	Diocesan Synod elected - lay

The 2020 Board Reconstitution composition and membership is detailed on page 8 Structure and Governance.

The charity is relying upon the guidance issued by the Charities Commission in relation to the induction and training of Trustees. In 2020, an induction meeting took place, where an information pack was issued and Senior Members of staff presented key responsibilities.

SENIOR STAFF AND ADVISERS

Director of Education	John Constanti
Deputy Director of Education	Virginia Corbyn
Lead Consultant for School Improvement	Caroline Crofts

Registered Office 1 The Sanctuary Westminster London SW1P 3JT

Principal Office Diocesan Office St. Nicholas' Church Boley Hill Rochester Kent ME1 1SL

Bankers National Westminster Bank Plc Chatham Branch 148 High Street Chatham Kent ME4 4DB

Auditors Crowe U.K. LLP Riverside House 40-46 High Street Maidstone Kent ME14 1JH

Solicitors Stone King LLP Boundary House 91 Charterhouse St. Barbican London EC1M 6HR

Investment Advisers CCLA Investment Management Ltd
Senator House, 85 Queen Victoria Street, London, EC4V 4ET
and
Sarasin & Partners LLP
Juxon House 100 St Paul's Churchyard London EC4M 8BU

Insurers Ecclesiastical Insurance Office plc, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

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The Trustees, who are also Directors for the purposes of company law, present their annual report, together with the audited financial statements for the year ended 31 December 2020.

The Directors/Trustees are one and the same and in signing as Trustees they are also signing the Strategic Report sections in their capacity as Directors.

This combined report satisfies the legal requirements for:
a Directors Report of a charitable company,
a Trustees' Annual Report under the Charities Act 2011.

MISSION STATEMENT

To support and encourage the work of schools, churches and parishes across the Diocese of Rochester in Christian distinctiveness through excellent education of children and young people.

LEGAL OBJECTS

The Incorporated Rochester Diocesan Board of Education's objects are confirmed within the objects clause of its Memorandum and Articles of Association which are:

1. To maintain and extend education in and knowledge of the Christian religion in general and the faith and practice of the Church of England in particular to all sections of the community within the Diocese of Rochester.
2. To carry out the functions of the Diocesan Board of Education for the Diocese of Rochester under the provisions of the Diocesan Boards of Education Measure 1991 and any legislation amending, supplementing or replacing the same.

The Diocese of Rochester Consolidated Educational Endowments were created by a resolution of the Board passed on 9 November 1994 and are held on the terms of the Uniform Statutory Trusts under Schedule 36 of the Education Act 1996.

In addition Trust Funds are held on behalf of schools. Please refer to note 18 in the financial statements for details of the assets held in this capacity.

STRATEGIC AIMS

The Trustees and officers have continued to work towards achieving the 2019 agreed triennial aims and objectives of the Board which can be summarised as follows.

1. To actively promote and support Christian Distinctiveness through developing high quality teaching and learning, leadership and effective governance of our Church schools.
2. To provide targeted challenge and focussed support for school effectiveness in order that 90% of our Church schools are judged "Good" or better in both the OFSTED and SIAMS inspection frameworks by 2021.
3. To improve the quality of teaching and learning of Religious Education in Church primary schools through the implementation of a revised Diocesan syllabus, sharing best practice and offering professional development opportunities for all teaching staff in Church primary schools.
4. To develop effective strategic partnerships with Local Authorities, Teaching Schools Alliances, Multi Academy Trusts and other key stakeholders ensuring that every Church school is part of an informal, formal or structural collaboration which supports their Christian Distinctiveness, school effectiveness and sustainable future.
5. To ensure the good stewardship and effective deployment of the Board of Education's resources, to ensure its sustainable future and ability to deliver its triennial aims and key priorities.
6. To take opportunities for growth through the establishment of new Church schools and maintaining existing Church schools.

OBJECTIVES FOR THE YEAR

The Trustees and officers, of the Board, have continued to work towards achieving the agreed triennial aims and objectives of the Board, as outlined above.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

1. To actively promote and support Christian Distinctiveness through developing high quality teaching and learning, leadership and effective governance of our Church schools.
 - a. The skills audit template continues to be used during the Foundation governor appointment process to ensure that those appointed have the requisite skills and experience to serve.
 - b. Officers or our associate consultants are, wherever possible, involved throughout the appointment process for new Head Teachers liaising with Local Authority officers and governors to ensure the best candidates are appointed.
 - c. We consulted over our training programme and as a result have revised the support and courses offered as can be seen on our website below. Bespoke training is also delivered to governing bodies and MATs, as requested.
<http://www.rdbe.org.uk/uploads/pdf/10.9.18%20Programme%20final.pdf>
 - d. Members of the education team and our Associates have supported our Church schools with Head Teacher appraisals, training, school advisory visits, leadership, scoping and Progress & Impact and Schools Causing Concern meetings. Associates can also be commissioned to provide coaching to head teachers and can also provide a package of mentoring / supervision support. There is increasing uptake for these services.
 - e. The education team regularly review those schools considered to be vulnerable and deploy various measures to support them.
2. To provide targeted challenge and focussed support for school effectiveness in order that 90% of our Church schools are judged "Good" or better in both the OFSTED and SIAMS inspection frameworks by 2021.
 - a. The Board, under the management of the Deputy Director of Education, currently manages national inspections, within the statutory SIAMS framework, of the distinctiveness and effectiveness of the vision and values of each Church school in the Diocese, once every three to five years. In 2020, 5 such inspections were undertaken under a new schedule for inspection. Over the course of the year, training on the latest SIAMS schedule (2018) have been delivered by the Deputy Director to support the implementation and improvement of Diocesan schools as Church schools. The Deputy Director also leads ongoing meetings for SIAMS inspectors who serve our schools and undertakes a number of inspections in neighbouring Dioceses to retain her accreditation as a SIAMS inspector.
 - b. The Board's Lead Associate for School Improvement has supported our Church schools with Head Teacher appraisals and appointments, training, school advisory visits, leadership, scoping and Progress & Impact meetings. Additionally, the Lead Associate for School Improvement regularly reviews, monitors and reports on our Church schools' performance data, identifying those that are vulnerable, reporting same to the School Effectiveness Committee, and remedial recommendations and actions implemented.
 - c. The table below confirms that the percentage of schools judged good or better in both Ofsted and SIAMS. The SIAMS totals 99% and Ofsted 93%, both of which exceeds the 90% target. This is as a direct result of the support given to schools by our Deputy Director of Education, Lead Associate for School Improvement and associate consultants.

Category	SIAS/SIAMS		Ofsted	
	No	%	No	%
Grade 1 Outstanding/Excellent	40	45	13	15
Grade 2 – Good	48	54	69	78
Grade 3 – RI/Satisfactory	1	1	4	4
Grade 4 - Inadequate	0	0	0	0
No current grade	0	0	3	3
Totals	89	100	89	100

3. To improve the quality of teaching and learning of Religious Education in Church primary schools through the implementation of a revised Diocesan syllabus, sharing best practice and offering professional development opportunities for all teaching staff in Church primary schools.
 - a. The Deputy Director of Education provided further support by undertaking SIAMS ready visits, new Head Teacher visits, bespoke training for RE subject leaders and has provided courses in relation to New to a Church School, New to Leading RE, and clergy training for those new to the Rochester Diocese.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (CONTINUED)

4. To develop effective strategic partnerships with Local Authorities, Teaching Schools Alliance, Multi Academy Trusts (MATs) and other key stakeholders ensuring that every Church school is part of an informal, formal or structural collaboration which supports their Christian Distinctiveness, school effectiveness and sustainable future.
- a. The Director of Education continued to work closely with schools and Multi Academy Trusts (MATs) in relation to their conversion and growth supporting them on the development of new Church of England school bids in areas of planned new housing development across the Rochester Diocese, and in one case another diocese.
- b. The Director of Education continued to assist in developing the national Church educational policy.
- c. The Lead Associate liaises regularly with local authorities about the performance of the schools in relation to standards. A set of information sharing protocols has been agreed with the Kent Local Authority.

The following tables provide details of the status of our Church schools and our Church Multi Academy Trusts (MATs) membership.

Table 1 - Church of England schools by status and sector in Diocese of Rochester

School Status	Number of Primary Schools	Number of Secondary Schools
Voluntary Aided (VA)	20	1
Voluntary Controlled (VC)	32	0
Academies & Free Schools	33	4

Table 2 - Church Multi-Academy Trusts in the Diocese of Rochester

Name of MAT	Local Authority Area	Number of academies
Aletheia Anglican Academies Trust	Kent	7
Amadeus Primary Academies Trust	Bexley	5
Aquinas Church of England Education Trust	Bromley	11
Medway Anglican School Trust	Medway	4
Pilgrim Academy Trust	Medway	3
Tenax Trust	Kent/Sussex	8
Trinitas Academy Trust	Bexley	6

5. To ensure the good stewardship and effective deployment of the Board of Education's resources, to ensure its sustainable future and ability to deliver its triennial aims and key priorities.
- a. For several different reasons financial markets were turbulent during 2020 and the Finance and Resources Committee reviewed and monitored, on a quarterly basis, investment yields and growth.
- b. The main points associated with the Board of Education's finances in 2020 can be summarised as follows:
 - i. The operational deficit decreased from £137,236 in 2019 to £76,010 in 2020.
 - ii. This operational deficit was partly offset by transfers from the Corporate Funds (£9,532) and the School Improvement Funds (£15,468).
 - iii. Investment income increased from £171,799 in 2019 to £175,004 in 2020.
 - iv. Unrealised gain on investments of £831,573 in 2019 compared to a £351,257 unrealised gain in 2020.
 - v. The Board of Education's fund balances increased from £6,010,482 in 2019 to £6,314,349 in 2020.
 - vi. The Board's income funds were £210,900 in 2019 compared to £214,115 in 2020.
- 6 In May 2019, the trustees approved to adopt the Total Return approach to investments. This now enables funds to be available to meet any annual deficits of expenditure exceeding income without breaching the requirements of the various restricted funds.
- 7 To take opportunities for growth through the establishment of new Church schools and maintaining existing Church schools.
- b. The project delivery of the new Secondary School in Ebbsfleet garden city (Alderden) with the Aletheia Anglican Academies Trust progresses.

FUTURE PLANS

The Trustees and officers, of the Board, will continue to work towards achieving the agreed strategic aims of the Board, for the triennium, as previously outlined on page 2.

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FINANCIAL REVIEW

1. Financial Performance

The COVID-19 global pandemic impacted on operations and finances during the year and the key elements are highlighted below.

A comparison of the income received for 2019 and 2020 can be summarised as follows:

- a. The subsidiary trading company surplus decreased by £23,165 from £25,697 in 2019 to £2,532 in 2020.
- b. Investment income slightly increased by £3,206 from £171,799 in 2019 to £175,004 in 2020.
- c. Unrealised gain on investments of £831,573 in 2019 compared to a £351,257 unrealised gain in 2020.

A comparison of expenditure incurred for 2019 and 2020 can be summarised as follows:

- a. Overall expenditure for schools' work decreased by £58,011 from £348,136 in 2019 to £290,125 in 2020.
- b. The schools' work expenditure from the Restricted Income fund decreased by £57,975 from £348,053 in 2019 to £290,078 in 2020.
- c. Revenue grant expenditure increased by £3,114 from (£2,216) in 2019 to £898 in 2020.
- d. Governance costs increased by £1,440 from £4,410 in 2019 to £5,850 in 2020.

The Consolidated Educational Endowments Income Fund incurred a deficit of £288,703, transfers from the School Improvement Fund (unrestricted) of £15,468 and the salary related costs and trading surplus of £9,532 within the Corporate Funds General (unrestricted) to total £25,000 transfers. There was also a transfer of £263,703 from Capital to the Income fund to cover the deficit on the restricted income fund.

The various income and expenditure movements for the year had the following impact on reserves:

- a. The Corporate Funds reserve remained unchanged at zero.
- b. The School Improvements Funds reserve increased by £27,850 from £192,564 in 2019 to £220,414 in 2020.
- c. The Restricted Income Fund reserve remained unchanged with a nil balance in 2019 and 2020.
- d. The Endowment Funds reserve increased by £276,017 from £5,817,918 in 2019 to £6,093,935 in 2020.

The Trustees were unable to prepare a balanced budget for 2021 and estimate an overall net deficit of some £149,361 although as noted in the Going Concern statement the investment and cash balances could be deployed to cover any operating deficit in the short to medium term.

The Trustees through the Finance and Resources Committee will continue to explore further options in order to increase income and decrease expenditure.

2. Reserves Policy

Reserves are an inherent part of the risk management process. The need for reserves will vary depending on our financial position and forecasts and our assessment of the risks we face at a particular time.

The Trustees have reviewed and approved the 2020 reserves policy which takes account of the predominant risks, challenges and the working capital requirements in both the short and medium term.

It is the Trustees' policy to, wherever possible, meet expenditure by generating income from the restricted funds, the trading subsidiary and from any DBF grant receipts.

The policy previously agreed was to use unrestricted funds before any other funds until those unrestricted reserves reach a nil balance.

The Trustees are aware that income annually excluding unrealised investment gains is presently insufficient to meet the expenditure annually necessary to meet the Trustees' approved activities. Unless and until the two are balanced, the Trustees recognise that they will need to use investment gains less losses each year as calculated on the Total Return fund basis and then, if necessary, utilise any unrestricted reserves and then the Unapplied Total Return Fund to cover any remaining deficit which arises.

Accordingly, they will, if necessary, agree annually an amount to be transferred from the Unapplied Total Return Fund to cover that year's deficit if any. Investment gains over and above any needed to cover a deficit for the year in question will be added to this Fund annually and a sum representing inflation on the capital funds of the Board in accordance with CPI rates will be transferred from this Fund to the Trust for Investment capital reserve.

The Diocesan Board of Education also holds restricted reserves which have generally been historically accumulated from the sale of redundant school properties. These restricted reserves can only be used towards the cost of Church of England schools (buildings, resources and advice).

Unrestricted and restricted reserves are largely invested in diversified investment funds which historically rise in value over the long term. The value is monitored regularly by the Board's Finance and Resources Committee, and Trustees have delegated to that Committee the timing and level of sales of investments in order to meet such annual deficit as calculated before unrealised investment gains/losses.

As at 31 December 2020 the total consolidated funds totalled £6,314,349 (2019 £6,010,482) of which £6,093,935 (2019 £5,817,918) were restricted and £220,414 (2019 £192,564) were unrestricted.

The 2020 reserves policy and three year aims and objectives for 2019 - 2021 have been approved by the Trustees.

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FINANCIAL REVIEW (CONTINUED)

3. Grant Making Policy

When considering school applications for financial assistance, the Trustees will adopt the following priorities:

- a. The total value of grants will be limited to the revenue income. Any grant award, which would necessitate expenditure of the endowment fund, will not normally be approved.
- b. All projects should be approved for grant aid by the DfE and supported by the LA.
- c. New Church Aided primary schools.
- d. New Church Aided secondary schools.
- e. Church Controlled schools deciding to adopt Church Aided status.
- f. Existing Church Aided schools.
- g. Schools serving socially deprived areas.
- h. The Governing Body's financial resources.
- i. Previous projects, at the school, funded by the Board of Education.

4. Investment Policy

The Board has a policy to invest in accordance with the ethical investment policy of the Church of England.

In line with this policy the Trustees considered the most appropriate vehicle for investing funds and found that specialised pooled funds, designed for the church and charity sector and managed by the Central Board of Finance (CCLA) and Sarasin & Partners meet their requirements to generate both income and capital growth.

The performance of investment markets fluctuated during the year. The investment portfolio at 31 December 2020 increased due to a gain of £354,177 (2019 - £851,573)

	2020	2019
	%	%
Actual Total Return Achieved	9.17	21.21
ARC Steady Growth Charity Index	3.80	15.10

The Charitable Company currently holds £202,641 in cash deposits with the Central Board of Finance (CCLA), which are held in order to provide cash for the charity's operations. Cash deposit interest rates remained at low levels during the year ranging between 0.20% - 0.50%.

The Finance and Resources Committee reviews and monitors the performance of the investment funds on a quarterly basis.

5. Related Parties

Employees of the Rochester Diocesan Board of Education are jointly employed by The Rochester Diocesan Society and Board of Finance '(RDBF)'. The RDBF operates both a defined benefit pension arrangement and defined contribution pension schemes, shared HR, IT, communication and financial administration services. The RDBF charge an apportionment of office and administration expenses for the shared premises. Some Trustees of the Board of Education are nominated by the Deanery Synods for the appointment by the Diocesan Synod.

During the year taxable profits of £2,532 resulted, which will be transferred from The Diocesan Schools Agency to the Incorporated Rochester Diocesan Board of Education. A £7,000 contribution towards staff costs was received from The Diocesan Schools Agency to the Incorporated Rochester Diocesan Board of Education.

The Board of Education acts as a member with a limited liability of £10 for the following Multi Academy Trusts:- Aquinas, MAST, Amadeus, Trinitas, Alethia, Pilgrim. Additionally the Rochester Diocesan Board of Education also appoints governors to Voluntary Aided and Voluntary Controlled Schools. The Diocesan Schools Agency provides services to the Multi Academy Trusts, Voluntary Aided and Voluntary Controlled Schools at an arms-length basis at the discretion of the schools.

6. Public Benefit

When considering the Incorporated Rochester Diocesan Board of Education and its subsidiary's activities, the Trustees have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. No changes to ongoing activities were considered necessary as the varied works of the Board of Education have always benefited the public in numerous ways as detailed in this report.

7. Going Concern

Accounting standards require the Trustees to consider the appropriateness of the going concern basis when preparing the financial statements. The Trustees regard the going concern basis as being appropriate as the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. The Charitable Company has adequate financing facilities based on the Trustees' review of the forecast and the current level of free reserves available given that the investment and cash balances could be deployed to cover any operating deficit in the short to medium term.

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PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees are responsible for the identification and management of risk and to achieve this, a register of identified risks is maintained and, alongside it a management strategy formed. This is subject to annual review by the Trustees with the responsibility for delivery of the identified management strategies, being delegated to the Director of Education.

In the Trustees' opinion there are established resources and review systems, which under normal conditions, should allow the identified risks to be mitigated to an acceptable level in its day to day management.

No risks were identified in the 2020 or 2019 risk register where the probability and impact of the events is considered "high".

The accounts are approved during a period where some uncertainties remain as a result of COVID-19 albeit the U.K. has successfully implemented the vaccine programme and the lockdown measures are about to be lifted which creates a much more positive landscape. The Charity was able to continue to provide its service largely via remote systems which have been well received and will probably in part remain in place as an improved communication method. Through appropriate consideration of risks as part of its normal risk management processes and mitigating actions both already taken and available to be taken, trustees consider it appropriate for the going concern basis to be adopted for these accounts.

STRUCTURE AND GOVERNANCE

Summary information about the structure of the Church of England

The Church of England is the established church with Her Majesty The Queen as its Supreme Governor. It is organised into two provinces (Canterbury and York) with a total of 42 Dioceses. Each Diocese is a See under the care of a Bishop who is charged with the cure of souls of all people within the geographical area. This charge is shared with priests within benefices and parishes which are sub divisions of the Diocese. Within each Diocese, overall leadership lies with the Diocesan Bishop, who exercises that input as Bishop within the Diocesan Synod.

The Diocese of Rochester is divided into three Archdeaconries within which there are seventeen deaneries, each with its own Deanery Synod. Within each deanery there are individual ecclesiastical parishes with their own parochial church council, which shares with the parish priest, local responsibility for the mission of the church.

Organisational structure

The Diocesan Boards of Education Measure 1991 confirms that for every Diocese there shall be a Diocesan Board of Education which shall have certain functions and shall be responsible to the Diocesan Synod. The Bishop, after consultation with the Board, shall appoint a Director of Education for the Diocese who shall act as secretary to the Board.

The Incorporated Rochester Diocesan Board of Education is a company limited by guarantee (No. 46014) and a registered charity (No. 1031550) governed by its Memorandum and Articles of Association.

The Board's principal activity is to maintain and extend education in and knowledge of the Christian religion in general and the faith and practice of the Church of England in particular to all sections of the community within the Diocese of Rochester. It was established in its present form on the 19 November 1895.

Governance and policy of the Board is the responsibility of the Trustees, who are also members of the company and trustees for the purposes of charity law.

The Board's composition and membership during the 2020 financial year were governed by its revised Articles of Association. In October 2016, the Diocesan Synod approved proposals for the reconstitution of the DBE. The Secretary of State for Education approved the revised Articles of Association and issued an Order in November 2017. New Board members were appointed in the autumn of 2018 and established in January 2019.

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STRUCTURE AND GOVERNANCE (CONTINUED)

Organisational structure (continued)

The Trustees' term of office is three years and those who served during the year are shown on page 1.

From January 2019 the Board's composition and membership is summarised as follows.

1. The Bishop (or the Bishop's nominated representative).
 2. One Trustee nominated by the Bishop.
 3. Six Trustees elected by Diocesan Synod (i)
 - a. 3 Clerks in Holy Orders (for each of the 3 Archdeacons).
 - b. 3 Lay persons on the electoral roll for their parish (for each of the 3 Archdeacons).
 4. At least 2 Trustees but not more than 6 Trustees co-opted by the DBE
 - a. 2 serving Headteachers at CE schools/academies (one primary and one secondary)
 - b. Up to 4 other Trustees with experience of other area of work with which the DBE is concerned including: finance, legal, HR, school improvement, charity trusteeship, school governorship, leadership or public relations.
- (i) Under 3. Diocesan Synod elected members
- a. These are nominated by Deanery Synods, reviewed by Bishop's Council and then elected by Diocesan Synod.
 - b. Such candidates must either reside or work or worship in the Diocese but need not themselves be members of the Diocesan Synod.
 - c. Any casual vacancy among the elected members (which expression includes the case where insufficient candidates have been nominated to fill the places available) shall be filled in such a manner as may be determined by the Diocesan Synod.

The following Local Authorities within the Diocese shall each be entitled to nominate one person to attend meetings of the Board on the Local Authority's behalf. These persons are not eligible to vote at such meetings and do not hold the position of Trustee or Member of the Charity:

1. The Council of the London Borough of Bexley
2. The Council of the London Borough of Bromley
3. Kent County Council and
4. Medway Council.

Decision making structure

Corporate priorities, the overall financial strategy for the Board, in accordance with its objects, are the responsibility of the Trustees as is their review and monitoring. Operational delivery of these priorities and strategies is delegated to the Director of Education.

The Board meets up to six times a year to conduct its business, approve policy and review the impact of its work. Much of the operational decision-making is delegated to a Finance and Resources Committee and a School Effectiveness Committee which both meet up to three times per year.

These sub-committees are a critical part of the Board's work and provide oversight and monitoring of the key areas of responsibility to ensure that the Diocesan Board of Education (DBE), as an independent, incorporated charitable company, remains compliant with legislation and the requirements of the Charity Commission.

The Trustees are assisted in their work by officers and the following two Committees.

1. Finance and Resources Committee
Meets up to three times per year and reviews and monitors the management and annual accounts, budget, investment performance, school building projects, reserves and risk management policies and external audit.
2. School Effectiveness Committee
Meets up to three times per year and monitors and reviews the performance of Church schools in terms of academic and Christian distinctiveness identifying those that are vulnerable.

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STRUCTURE AND GOVERNANCE (CONTINUED)

Decision making structure (continued)

Trustees are members of the Board and are selected as outlined on page 8. At the beginning of each triennium an induction meeting is arranged for Trustees led by the Director of Education to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the Induction meeting Trustees meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Charity Governance Code

The Trustees have reviewed the Governance of the Charity in light of the Charity Governance Code which was published in 2017. The Trustees have formally adopted the Code from 1 January 2019.

Funds held as Custodian Trustee

The Board is custodian trustee of assets held on behalf of church schools and others who act as managing trustees. These assets are not aggregated in the financial statements as the Board does not control them and they are segregated from the Board's own assets by means of a separate accounting system. Further details of these assets, whose market value totalled £1,843,419 at 31 December 2020 (2019 - £1,818,131), are provided in notes 18 & 19.

Key management remuneration

The pay of the key management personnel, as detailed in note 9, and all staff are reviewed annually and normally increased in accordance with average earnings to reflect a cost of living adjustment. In view of the nature of the charity, the Trustees benchmark against pay levels in other charities. The remuneration benchmark is the mid-point of the range paid for similar roles in similar charities and sizes.

Funds held on behalf of church schools

The Board receives contributions from governors of church voluntary aided schools within the Diocese in connection with their major repair and capital projects and also government grants in connection with same. The Board administers these monies as managing agent and makes appropriate payments to consultants and contractors for work undertaken. These monies do not belong to the Board and therefore these receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held, or due at the balance sheet date are treated as debtors or creditors on the balance sheet, as shown in notes 12 and 13.

Total return

On 20 May 2019 the Trustees voted to exercise the power granted under section 104A(2) of the Charities Act 2011 and to adopt a total return approach to investments. The Total Return approach identifies those cumulative investment gains (known as the unapplied total return) which are available if necessary to offset any annual deficits of income (excluding unrealised investment gains) against expenditure not covered by other available reserves.

The date that the initial value of the Trust for Investment and the initial value of the unapplied total return were established was 31 December 1996

In order to identify the initial amounts of the trust for investment the Trustees have used the valuation of investments at 31 December 1996. The unapplied total return has been calculated from this point onwards by (a) an annual reduction for the inflationary increase in the initial Trust for Investment using CPI and (b) any annual deficits since 1996 not covered by other available reserves.

In 2020, there was a deficit of £288,703 which was partly covered by a transfer from Capital to Revenue, proving the total return approach to be bene

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TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial period in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net income for that period. In preparing these financial statements, the Trustees are required to:

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

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

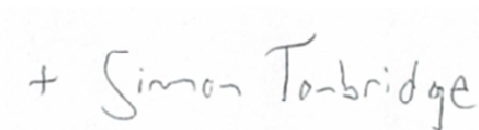
In determining how amounts are presented within items in the statement of financial activities and balance sheet, the Trustees have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

So far as each of the Trustees is aware at the time the report is approved:

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

The re-appointment of Crowe U.K. LLP as auditors will be proposed at the Annual General Meeting.

The Annual Report was approved by the Board on 8 June 2021 and signed on its behalf by

A handwritten signature in blue ink that reads "+ Simon Tonbridge". The signature is written in a cursive, slightly informal style.

The Rt. Rev. S. Burton - Jones
Chair of the Board

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

Independent Auditor's Report to the Trustees of the Incorporated Rochester Diocesan Board of Education

Opinion

We have audited the financial statements of the Incorporated Rochester Diocesan Board of Education for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet 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 charitable company's affairs as at 31 December 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement [set out on page 10], the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 trustees either intend to liquidate the 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (CONTINUED)

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- reading minutes of meetings of those charged with governance; and,
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates, and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the charity's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of Board meetings throughout the period; and
- considering the effectiveness of control environment

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for twelve months from the date the Accounts are signed.

Other information

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

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.

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 Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Use of Our Report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Weekes (Senior statutory auditor)

For and on behalf of

Crowe U.K. LLP

Statutory Auditors
Riverside House
40-46 High Street
Maidstone
Kent ME14 1JH

Date: 9 June 2021

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted Funds Corporate Funds General £	Unrestricted Funds School Improvements £	Restricted Funds Consolidated Educational Income £	Endowment Funds Endowments Capital £	Total 2020 £	Total 2019 as restated £
INCOME FROM:							
Donations and legacies		-	-	-	-	-	-
Charitable activities	3	-	-	898	-	898	(2,216)
Other trading activities	4	9,532	-	-	-	9,532	32,635
Investments	6	47	5,936	875	168,545	175,404	171,799
Other income	7	-	-	-	-	-	1
Rents Receivable		-	-	-	8,681	8,681	8,681
Sale proceeds - Sevenoaks St John school land sale		-	-	-	20,000	20,000	-
TOTAL INCOME		9,579	5,936	1,773	197,226	214,515	210,900
EXPENDITURE ON:							
Charitable activities							
Schools' work	8	47	-	290,078	-	290,124	348,136
TOTAL EXPENDITURE		47	-	290,078	-	290,124	348,136
Net income/(expenditure) for the year before gains/losses on investments		9,532	5,936	(288,305)	197,226	(75,610)	(137,236)
Unrealised gains / (losses) on investments	11		11,683	-	339,574	351,257	831,573
Realised gains / (losses) on investment redemption	11	-	-	-	2,920	2,920	-
Net income/(expenditure) for the year		9,532	17,619	(288,305)	539,720	278,567	694,337
Transfers between funds	14	(9,532)	(15,468)	25,000		-	-
Transfers between funds - Total Unapplied Return	17			263,703	(263,703)	-	-
Net movement in funds		-	2,151	-	276,017	278,567	694,337
Fund balances brought forward as previously stated		-	192,564	-	5,817,918	6,010,482	5,341,780
Effect of prior year adjustment		-	25,700	-	-	25,700	(25,635)
		-	218,264	-	5,817,918	6,036,182	5,316,145
Fund balances carried forward		-	220,416	-	6,093,935	6,314,749	6,010,482

The above statement contains all the gains and losses recognised in the current and preceding year.

All income and expenditure relates to continuing operations.

The Companies Act 2006 requires a separate income and expenditure account to be prepared to exclude transactions relating to Endowment Funds. No such income and expenditure account has been included in these statements as the relevant exclusions from this Statement of Financial Activities are clearly shown above. These are: Endowment funds income £197,226 (2019 - £172,804).

The notes on pages 16 to 30 form part of these financial statements.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

BALANCE SHEET - COMPANY NUMBER 46014

AS AT 31 DECEMBER 2020

		Unrestricted Funds	Unrestricted Funds	Restricted Funds	Endowment Funds		
		Corporate Funds General	School Improvements	Consolidated Educational Income	Endowments Capital	Total 2020	Total 2019 as restated
	Note	£	£	£	£	£	£
Fixed Assets							
Tangible Fixed Assets	10	-	-	10,007	220,385	230,392	241,259
Investments	11	51	198,206	-	5,847,927	6,046,184	5,761,852
		51	198,206	10,007	6,068,312	6,276,576	6,003,111
Current Assets							
Debtors	12	-	2,532	67,769	-	70,301	8,701
CBF Deposits		11,227	10,896	202,641	-	224,764	49,838
Sarasin Deposits		-	392	-	-	392	574
Bank Deposits		61,170	8,388	-	-	69,558	688
Cash at Bank - Current Account		-	-	25,000	-	25,000	(982)
Cash at Bank - Business Reserve		-	-	193,982	25,623	219,605	204,083
		72,397	22,208	489,392	25,623	609,620	262,902
Current Liabilities							
Bank overdraft		-	-	-	-	-	8,992
Creditors	13	72,448	-	499,399	-	571,847	246,539
		72,448	-	499,399	-	571,847	255,531
Net Current Assets / (Liabilities)		(51)	22,208	(10,007)	25,623	37,773	7,371
Total Assets Less Current Liabilities		-	220,414	-	6,093,935	6,314,349	6,010,482
Net Assets		-	220,414	-	6,093,935	6,314,349	6,010,482
Funds							
Unrestricted	17	-	220,414	-	-	220,414	192,564
Restricted	17	-	-	-	-	-	-
Endowment	17	-	-	-	6,093,935	6,093,935	5,817,918
		-	220,414	-	6,093,935	6,314,349	6,010,482

Approved and authorised for issue by the Board on 8 June 2021

+ Simon Tonbridge

The Rt. Rev. S. Burton - Jones
Chair of the Board

The notes on pages 16 to 30 form part of these financial statements.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard 102, the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective January 2019) and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policy note.

In preparing the financial statements, the Trustees are required to make certain judgements and estimates. The key judgements and estimates are considered to be the valuation of investment property. The Trustees consider that the carrying value of the social investment property at £205,857 is a fair representation of the open market value of that property.

These accounts present the results of the Rochester Diocesan Board of Education and do not include the results of its subsidiary, the Diocesan Schools Agency Limited. The Trustees have taken the exemption under section 24.6 of FRS 102 SORP 2015 not to produce consolidated accounts on the basis that the total group income is less than £1million.

The charity constitutes a public benefit entity as defined by FRS 102.

Accounting standards require the Trustees to consider the appropriateness of the going concern basis when preparing the financial statements. The Trustees confirm they consider the going concern basis remains appropriate as the company has adequate resources to continue in operational existence for the foreseeable future. The Charitable Company has adequate financing facilities based on the Trustees' review and the current level of free reserves available.

a) Income

Donations and legacies are accounted for as soon as their amount and receipt are certain. In the case of donations this is usually when they are received. All other income is accounted for under the accruals concept.

b) Expenditure

Expenditure is accounted for under the accruals concept inclusive of VAT. VAT is included as it is not recoverable by the Charitable Company. Governance costs are those costs associated with constitutional and statutory requirements.

c) Investments

Investments are included in the balance sheet at Bid price apart from the investment in the subsidiary company which is included at cost. Realised gains or losses on sale of investments represent proceeds of sale less the appropriate proportion of the opening carrying value and are shown in the Statement of Financial Activities.

Unrealised gains or losses on revaluation of investments are shown in the Statement of Financial Activities.

d) Allocation of expenditure

Common, shared items of expenditure are apportioned to the different areas of work based on the number of employees within each area. The irrecoverable element of VAT is included with the items of expense to which it relates.

e) Funds

Restricted funds are funds subject to specific conditions imposed by the donor which are binding on the Trustees.

Unrestricted funds have no restrictions on their use.

Designated funds are a form of unrestricted fund, which has been allocated or designated for specific purposes by the Charitable Company itself. The use of designated funds for their designated purpose will remain at the discretion of the Trustees. Endowment funds are restricted funds whose income can be used to fund schools' work.

The Corporate Funds are unrestricted funds, the Income Fund of the Consolidated Educational Endowments is a restricted fund, the Capital Fund of the Consolidated Educational Endowments is an endowment fund and the School Improvements Fund is an unrestricted fund.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (CONTINUED)

f) Depreciation

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

Freehold Buildings	- No depreciation is provided as the residual value of the properties is such that any depreciation charge would be immaterial to the accounts.
Investment Property	- Investment Property is held at its open market value. Depreciation is not charged in accordance with FRS102.
Mobile Classrooms	- over 1 year.
Motor Vehicles	- over 4 years.

Assets with a cost of below £1,500 are not capitalised and are charged as an expense in the Statement of Financial Activities.

g) Pensions

The assets of the pension scheme are held separately from those of the Board and are invested with the Ecclesiastical Insurance Group under the supervision of the scheme Trustees. The Board's contribution to the scheme is charged to its income and expenditure as contributions are made, as disclosed in note 16.

h) Grants

Grants made by the Board are treated as expenditure when they are approved.

i) Liability recognition

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2. EDUCATION ACTS 1944 ,1973 AND 1996

The Consolidated Educational Endowments Funds emanate from the sale proceeds of former school buildings and from endowments of closed schools.

On 9 November 1994 the Board of Education passed a resolution under what is now Section 557 of the 1996 Act to adopt the uniform statutory trusts in respect of funds held under Section 86 schemes and Section 2 orders and to consolidate the funds and endowments as "The Diocese of Rochester Consolidated Educational Endowments".

3. CHARITABLE ACTIVITIES

	2020 £	2019 £
Consolidated Educational Endowments - Income		
Revenue grants	898	(2,216)
	<u>898</u>	<u>(2,216)</u>

4. OTHER TRADING ACTIVITIES

	2020 £	2019 £ as restated
Corporate Funds - General		
The Diocesan Schools Agency Ltd - distribution of profits to parent charity	2,532	25,635
Contribution to staff costs	7,000	7,000
	<u>9,532</u>	<u>32,635</u>

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY

	2020	2019
	£	£
Surplus on ordinary activities prior to contribution to charity	9,532	32,697
Amount to be transferred to charity	(2,532)	(25,697)
Contribution to staff costs	(7,000)	(7,000)
	<hr/>	<hr/>
Retained surplus in subsidiary	-	-
	<hr/>	<hr/>

6. INCOME FROM INVESTMENTS

	2020	2019
	£	£
Quoted Investments		
Corporate Funds - General		
CBF deposit interest	47	83
School Improvements		
Bank interest	2	20
Sarasin Income distribution	5,901	5,837
Sarasin Interest	2	4
CBF deposit interest	30	49
Sarasin Realised Gain	-	-
	<hr/>	<hr/>
	5,936	5,910
Consolidated Educational Endowments - Capital		
CBF Investment Fund	99,194	94,754
Sarasin Income distribution	69,351	69,369
	<hr/>	<hr/>
	168,545	164,123
Consolidated Educational Endowments - Income		
CBF deposit interest	392	724
Sarasin Interest	7	41
Bank interest	477	918
Rent Receivable		
	<hr/>	<hr/>
	875	1,683
	<hr/>	<hr/>
	175,404	171,799
	<hr/>	<hr/>

The investment income relates to income generated from endowments to support the Charitable Company's work in schools.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7. OTHER INCOME

	2020	2019
	£	£
Consolidated Educational Endowments - Income		
Rent received - Ditton	-	1
Profit on sale of motor vehicle	-	-
Compensation company car	-	-
Total Other Income	<u>-</u>	<u>1</u>

8. ANALYSIS OF COSTS

		2020	2019
		Schools'	Schools'
		Work	Work
		£	£
Corporate Funds - General			
Staff charges - Costs	Direct	47	83
Consolidated Educational Endowments - Income			
Schools' festival	Direct	(973)	(106)
Staff charges - Costs	Direct	252,244	299,306
Depreciation - Motor vehicles	Support	10,867	10,867
Office costs	Support	22,090	31,536
Share of office expenses	Support	-	-
Equipment costs	Support	-	1,581
Office furniture expenses	Support	-	-
Audit costs - Pension Scheme	Support	-	-
Audit costs - Governance costs	Support	5,850	4,410
Legal costs	Support	-	460
		<u>290,078</u>	<u>348,053</u>

Included in the Schools Work costs is an amount of £5,850 for audit fees (2019- £4,410).
Total audit fees for the Charitable Company and its subsidiary amounted to £10,725

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9. STAFF CHARGES

	2020 £	2019 £
Wages and salaries	182,152	178,809
Social security costs	20,916	20,932
Other pension costs	26,479	69,587
Pension administration costs	8,345	6,467
Seconded staff costs	1,500	6,875
Employee life cover costs	7,025	6,466
Additional support	-	227
Travelling and sundry expenses	5,874	10,026
	<u>252,291</u>	<u>299,389</u>
Corporate Funds - General		
Costs of activities in furtherance of the Charity's objects	-	-
Management and administration of the Charity	47	83
	<u>47</u>	<u>83</u>
Consolidated Educational Endowments - Income	<u>252,244</u>	<u>299,306</u>
Total	<u>252,291</u>	<u>299,389</u>

The average monthly number of employees was 4 (2019 - 4).

The numbers of staff whose emoluments (including taxable benefits in kind but excluding employer's pension contributions) amounted to more than £60,000 were as follows:

	2020 Number	2019 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1

None of the Trustees received any remuneration in this or the previous year.
Amounts paid to Trustees for reimbursement of expenses totalled £nil (2019 - nil).

The number of Trustees accruing benefits under defined benefit pension schemes was nil (2019 - nil).

Remuneration of key management personnel

The cost to the organisation of remunerating Key Management Personnel was £222,073 (2019: £228,615)
Costs include gross pay, employer's pension, employer's NI, taxable benefits and contractors' payments.

In addition to the Trustees, key management personnel are deemed to be those having authority and responsibility, delegated to them by the Trustees for planning, directing and controlling the activities of the Diocesan Board of Education.

During 2020 they were:-

Director of Education	John Constanti
Deputy Director of Education	Virginia Corbyn

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10. TANGIBLE FIXED ASSETS

	Freehold Property	Social Investment Property	Motor Vehicle	Mobile Classrooms	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2020	10,007	205,857	43,468	16	259,348
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 December 2020	<u>10,007</u>	<u>205,857</u>	<u>43,468</u>	<u>16</u>	<u>259,348</u>
Depreciation					
At 1 January 2020	-	-	18,089	-	18,089
Charge for year	-	-	10,867	-	10,867
Disposals	-	-	-	-	-
At 31 December 2020	<u>-</u>	<u>-</u>	<u>28,956</u>	<u>-</u>	<u>28,956</u>
Net book values					
At 31 December 2020	<u>10,007</u>	<u>205,857</u>	<u>14,512</u>	<u>16</u>	<u>230,392</u>
At 31 December 2019	<u>10,007</u>	<u>205,857</u>	<u>25,379</u>	<u>16</u>	<u>241,259</u>

Mobile classrooms are written down on acquisition to a nominal value of £1 since they are considered to have no net realisable value to the Board.

The freehold property consists of one piece of land at a cost of £10,000 at the Bennett Memorial CE Secondary School and seven open schools which are included at a nominal value of £1 each which reflects the lack of realisable value of the schools to the Board.

The social investment property comprises additional accommodation purchased for Aylesford St Peter's CE Primary School at a cost of £205,857. The charity received quarterly rental income of £2,170 in respect of this property. No depreciation was charged in the year.

The social investment property is integral to the school, without which the school cannot operate and as such could not be sold without the school closing. The rental yield is approximately 4%. On this basis the Trustees consider £205,857 represents the fair value of the social investment property.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11. INVESTMENTS

	Cost 2020 £	Market Value 2020 £	Cost 2019 £	Market Value 2019 £
Quoted Investments				
CBF Investment Fund	796,477	3,554,034	776,477	3,305,793
Sarasin Endowments Fund Class A Inc - DBE	1,764,870	2,293,893	1,851,795	2,269,485
Sarasin Endowments Fund Class A Inc - School Imp.	150,260	198,206	150,260	186,523
	<u>2,711,607</u>	<u>6,046,133</u>	<u>2,778,532</u>	<u>5,761,801</u>
Unquoted Investments				
The Diocesan Schools Agency Ltd	-	51	-	51
	<u>-</u>	<u>6,046,184</u>	<u>-</u>	<u>5,761,852</u>
		2020		2019
		£		£
Brought forward at 1 January		5,761,801		4,721,801
Disposals		(89,845)		-
Additions		20,000		208,427
Unrealised gains / (losses)		351,257		831,573
Realised gains / (losses)		<u>2,920</u>		<u>-</u>
		<u>6,046,133</u>		<u>5,761,801</u>

All quoted investments are tier one investments.

The £51 unquoted investment relates to the cost of 100% of the issued ordinary share capital of the Diocesan Schools Agency Limited a company registered in England and Wales. It is a trading company which transfers all taxable profits to its holding company, this Charitable Company. The surplus on ordinary activities after taxation was £2,532 (2019 - £25,687). The aggregate of share capital and reserves was £200 (2019 - £25,887).

The CBF Investment Fund's share value will reflect fluctuations in share prices and currency exchange rates. The Fund includes tangible assets such as property. Any property within the Fund is valued by an external property valuer; any such valuations are a matter of opinion rather than fact.

The Sarasin Investment Fund's share value will reflect fluctuations in share prices and currency exchange rates. The Fund includes tangible assets such as property. Any property within the Fund is valued by an external property valuer; any such valuations are a matter of opinion rather than fact.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12. DEBTORS

	2020 £	2019 £ as restated
Consolidated Ed. Endowments - Income		
Other Debtors		
Diocesan Board of Finance	67,769	8,701
	<u>67,769</u>	<u>8,701</u>
Unrestricted Funds		
Amounts due from The Diocesan Schools' Agency Ltd	2,532	-
	<u>2,532</u>	<u>-</u>
	<u>70,301</u>	<u>8,701</u>

13. CREDITORS

	2020 £	2019 £
Consolidated Ed. Endowments - Income		
Other Creditors		
Department for Education	492,655	217,357
Contributions from Governors	5,461	24,653
Bequest for religious artefacts	103	102
Trust funds held on behalf of third parties	10	17
Audit fees	1,170	2,172
	<u>499,399</u>	<u>244,301</u>
Corporate Funds - General		
Other Creditors		
Diocesan Board of Finance	67,768	-
Accruals and deferred income		
Audit Fees	4,680	2,238
	<u>72,448</u>	<u>2,238</u>
	<u>571,847</u>	<u>246,539</u>

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14. TRANSFERS BETWEEN FUNDS

The Consolidated Educational Endowments Income Fund incurred a deficit of £288,703, transfers from the School Improvement Fund (unrestricted) of £15,468, and the trading surplus and salary related costs of £9,532 within the Corporate Funds General (unrestricted) totalling £25,000. Also there was a transfer of £263,703 from capital to the income fund to cover the deficit on the restricted income fund in the year.

15. RELATED THIRD PARTY TRANSACTIONS

Employees of the Rochester Diocesan Board of Education are jointly employed by The Rochester Diocesan Society and Board of Finance 'RDBF'. The RDBF operates both a defined benefit pension arrangement and defined contribution pension schemes, shared HR, IT, communication and financial administration services. The RDBF charge an apportionment of office and administration expenses for the shared premises. Some Trustees of the Board of Education are appointed by the Deanery Synods.

During the year taxable profits of £2,532 (2019 £25,697) will be transferred from the Diocesan Schools Agency to the Incorporated Rochester Diocesan Board of Education. Note 12 details the amount outstanding as at 31 December 2020 and 2019. A £7,000 (2019 - £7,000) contribution towards staff costs was received from the Diocesan Schools Agency to the Incorporated Rochester Diocesan Board of Education.

At 31 December 2020 the RDBF held cash bank deposits on behalf of the RDBE totalling £61,170.

The Board of Education acts as a member with a limited liability of £10 for the following Multi Academy Trusts:- Aquinas, MAST Amadeus, Trinitas, Alethia, Pilgrim. Additionally the Rochester Diocesan Board of Education also appoints governors to Voluntary Aided and Voluntary Controlled Schools. The Diocesan Schools Agency provides services to the Multi Academy Trusts, Voluntary Aided and Voluntary Controlled Schools at an arms-length basis at the discretion of the schools.

As at the 31 December 2020 the following was owed in respect of related parties

- a. £5,461 owed to Church school governing bodies (see note 13 Creditors - contributions from Governors)
- b. £67,768 was owed to the Diocesan Board of Finance and
- c. £67,769 was owed by the Diocesan Board of Finance.

16. PENSION SCHEME

Staff Defined Benefit Scheme

The Rochester Diocesan Society and Board of Finance 'RDBF' operates a defined benefit pension arrangement called the Rochester Diocesan Staff Retirement Benefit Scheme '(the Scheme)'. 1 member of staff employed by the Board is included within this scheme. The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death. The following disclosures exclude any allowance for defined contribution schemes operated by the Employer. No allowance has been made for discretionary benefits. Board of Education staff are jointly employed by the RDBF and RDBE.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Employer must agree with the Trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective and contributions to pay for the future accrual of benefits.

The most recent comprehensive actuarial valuation of the Scheme is being carried out as at 31 March 2018. The initial results of that valuation were updated by an independent qualified actuary to 31 December 2018 allowing for cashflows in and out of the Scheme and changes to assumptions over the period.

The Board are not a named legal party to the Scheme and the deficits are included within the RDBF annual accounts. The funding arrangements for this scheme are set out in the RDBF financial statements, the Board's proportion cannot be identified and therefore no further details of deficits are included within these accounts apart from the annual contributions made by the Board to the Scheme which in 2020 totalled £21,490 (2019 - £64,329).

Defined Contribution Scheme

A defined contribution scheme is operated. Amounts payable in the year amounted to £4,989 in 2020 (2019 - £5,258).

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17. ANALYSIS OF FUNDS

1. Analysis of movements in Funds

	Unrestricted Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2020	Total 2019
	Corporate Funds General £	School Improvements £	Consolidated Educational Income £	Endowment Capital £		as restated £
Balance at 1 January 2020 as previously stated	-	192,564	-	5,817,918	6,010,482	5,341,780
Effect of prior year adjustment	-	25,700	-	-	25,700	(25,635)
	-	218,264	-	5,817,918	6,036,182	5,316,145
Income in the year	9,579	5,935	1,375	197,226	214,115	210,900
Expenditure in the year	(47)	-	(290,078)	-	(290,125)	(348,136)
Movements on investments	-	11,683	-	342,494	354,177	831,573
Transfers between funds	(9,532)	(15,468)	288,703	(263,703)	-	-
Balance at 31 December 2020	-	220,414	-	6,093,935	6,314,349	6,010,482

In preparing these financial statements the company has adopted the amendments to FRS102 as set out in the triennial review 2017 amendments published in December 2017. The Gift Aid payment due from the subsidiary is no longer accrued for in the year and in line with the guidance in SORP Information Sheet 2 a prior year adjustment has been presented to correct the comparative figures. The income is now recognised on receipt.

2. Total Return Approach to investment of permanent endowment

	Trust for investment	Unapplied total return	Total 2020
At 1 January 2020			
Gift component of the permanent endowment	3,622,252	-	3,622,252
Unapplied total return	-	2,195,666	2,195,666
Total	3,622,252	2,195,666	5,817,918
Movements in the reporting period			
Gift of endowment funds - Sevenoaks St John's CE Primary school land disposal	20,000	-	20,000
Recoupment of trust for investment	-	-	-
Allocation from trust for investment	-	-	-
Transfer to trust for investment - indexation	42,743	(42,743)	-
Investment return: dividends and interest	-	177,226	177,226
Investment return: realised and unrealised gains and (losses)	-	342,494	342,494
Less: investment management costs	-	-	-
Total	62,743	476,977	539,720
Unapplied total return allocated to income in the reporting period		(263,703)	(263,703)
Net movement in the reporting period:	62,743	213,274	276,017
Gift component of the permanent endowment	3,684,995	-	3,684,995
Unapplied total return	-	2,408,940	2,408,940
Total at 31 December 2020	3,684,995	2,408,940	6,093,935

3. Analysis of net assets between Funds

	Tangible Fixed Assets £	Fixed Asset Investments £	Net Current Assets £	Total 2020 £	Total 2019 £
Restricted Funds					
Consolidated Educational Endowments - Income	10,007	-	(10,007)	-	-
Endowment Funds					
Consolidated Educational Endowments - Capital	220,385	5,847,927	25,623	6,093,935	5,817,918
Unrestricted Funds					
Corporate Funds - General	-	51	(51)	-	-
School Improvement Fund	-	198,206	22,208	220,414	192,564
	230,392	6,046,184	37,773	6,314,349	6,010,482

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18. TRUSTEESHIPS

The Board of Education act as Trustees for the following Church of England Schools within the Diocese.

Belvedere Trinity CE Secondary School	Leybourne St Peter and St Paul CE Primary School
Belvedere St Augustine's of Canterbury CE Primary School	Northfleet St Botolph CE Primary School
Bennett Memorial Diocesan CE Secondary School	Penge St John CE Primary School
Bredhurst CE Primary School	Pilgrim CE Primary School
Broadwater Down St Mark CE Primary School	Platt CE Primary School
Bromley Bishop Justus CE Secondary School	Rainham St Margaret CE Primary School
Bromley St Mark CE Primary School	Rusthall St Paul CE Primary School
Bromley Parish CE Primary School	Seal CE Primary School
Burham CE Primary School	Sevenoaks St John CE Primary School
Chatham St John CE Infants School	Shorne CE Primary School
Chiddingstone CE Primary School	Snodland CE Primary School
Chislehurst St Nicholas CE Primary School	Southborough CE Primary School
Cliffe St Helen CE Primary School	St Paul's Cray CE Primary School
Crayford St Paulinus CE Primary School	St Mary's Island CE Primary School
Dartford Holy Trinity CE Primary School	Stone St Mary's CE Primary School
Ditton CE Primary School	Strood St Nicholas CE Primary School
Erith Christchurch CE Primary School	Sundridge & Brasted CE Primary School
Falconwood Bishop Ridley CE Primary School	Sutton at Hone CE Primary School
Grain St James CE Primary School	Swanley St Paul CE Primary School
Gravesend Holy Trinity CE Primary School	Swanley St Mary CE Primary School
Gravesend St George's CE Secondary School	Troy Town St Margaret CE Primary School
Hever CE Primary School	Trottiscliffe CE Primary School
High Brooms St Matthew CE Primary School	Tunbridge Wells St James CE Infants School
Horton Kirby CE Primary School	Tunbridge Wells St James CE Junior School
Hunton CE Primary School	Tunbridge Wells St Marks CE Primary School
Ide Hill CE Primary School	Tunbridge Wells St Peters CE Primary School
Keston CE Primary School	Wateringbury CE Primary School
Knockholt St Katharines CE Primary School	West Kingsdown St Edmund's CE Primary School
Lamorbey Holy Trinity CE Primary School	West Malling CE Primary School
Lamberhurst St Mary's CE Primary School	Westerham Churchill CE Primary School
Langafel CE Primary School	Wrotham St George CE Primary School

19. TRUST FUNDS

At the year end the charitable company held, in separate deposit accounts, £1,843,419 (2019 - £1,818,131) on behalf of a number of Church of England schools.

	£
At 31 December 2019	1,818,131
New money received	4
Purchase of investments	-
Sale of investments	-
Interest and dividends received	15,603
Rentals received	-
Withdrawals in respect of sundry grants	(13,526)
Investment gain / (loss)	23,207
	<hr/>
At 31 December 2020	1,843,419

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20. COMPARATIVE ANALYSIS OF FUNDS 2019

1. Analysis of movements in Funds

	Unrestricted Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2019
	Corporate Funds General £	School Improvements £	Consolidated Educational Income £	Endowment Capital £	as restated £
Balance at 1 January 2019	-	239,435	-	5,102,345	5,341,780
Effect of prior year adjustment	(25,635)				(25,635)
Income in the year (as restated)	32,718	5,910	(532)	172,804	210,900
Expenditure in the year	(83)	-	(348,053)	-	(348,136)
Movements on investments	-	25,219	-	806,354	831,573
Transfers between funds	(7,000)	(78,000)	348,585	(263,585)	-
Balance at 31 December 2019 (as restated)	-	192,564	-	5,817,918	6,010,482

2. Analysis of net assets between Funds

	Tangible Fixed Assets £	Fixed Asset Investments £	Net Current Assets £ as restated	Total 2019 £ as restated
Restricted Funds				
Consolidated Educational Endowments - Income	10,007	-	(10,007)	-
Endowment Funds				
Consolidated Educational Endowments - Capital	231,252	5,575,278	11,388	5,817,918
Unrestricted Funds				
Corporate Funds - General (as restated)	-	51	(51)	-
School Improvement Fund	-	186,523	6,041	192,564
	241,259	5,761,852	7,371	6,010,482

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES 2019 (AS RESTATED)

	Unrestricted Funds Corporate Funds General £	Unrestricted Funds School Improvements £	Restricted Funds Consolidated Educational Income £	Endowment Funds Endowments Capital £	Total 2019 £
INCOME FROM:					
Donations and legacies	-	-	-	-	-
Charitable activities	-	-	(2,216)	-	(2,216)
Other trading activities	32,635	-	-	-	32,635
Investments	83	5,910	1,683	164,123	171,799
Other income	-	-	1	-	1
Rents Receivable	-	-	-	8,681	8,681
TOTAL INCOME	32,718	5,910	(532)	172,804	210,900
EXPENDITURE ON:					
Charitable activities					
Schools' work	83	-	348,053	-	348,136
TOTAL EXPENDITURE	83	-	348,053	-	348,136
Net income/(expenditure) for the year before gains/losses on investments	32,635	5,910	(348,585)	172,804	(137,236)
Unrealised gains / (losses) on investments	-	25,219	-	806,354	831,573
Realised gains / (losses) on investment redemption	-	-	-	-	-
Net income/(expenditure) for the year	32,635	31,129	(348,585)	979,158	694,337
Transfers between funds	(7,000)	(78,000)	85,000	-	-
Transfers between funds - Total Unapplied Return	-	-	263,585	(263,585)	-
Net movement in funds	25,635	(46,871)	-	715,573	694,337
Fund balances brought forward as previously stated	-	239,435	-	5,102,345	5,341,780
Effect of prior year restatement	(25,635)				(25,635)
Fund balances carried forward	-	192,564	-	5,817,918	6,010,482

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

22. COMPARATIVE BALANCE SHEET AT 31 DECEMBER 2019 (as restated)

	Unrestricted Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	
	Corporate Funds General £	School Improvements £	Consolidated Educational Income £	Endowments Capital £	Total 2019 £
Fixed Assets					
Tangible Fixed Assets	-	-	10,007	231,252	241,259
Investments	51	186,523	-	5,575,278	5,761,852
	51	186,523	10,007	5,806,530	6,003,111
Current Assets					
Debtors	-	-	-	8,701	8,701
CBF Deposits	11,179	4,962	33,697	-	49,838
Sarasin Deposits	-	391	183	-	574
Bank Deposits	-	688	-	-	688
Cash at Bank - Current Account	-	-	(982)	-	(982)
Cash at Bank - Business Reserve	-	-	201,396	2,687	204,083
	11,179	6,041	234,294	11,388	262,902
Current Liabilities					
Bank overdraft	8,992	-	-	-	8,992
Creditors	2,238	-	244,301	-	246,539
	11,230	-	244,301	-	255,531
Net Current Assets / (Liabilities)	(51)	6,041	(10,007)	11,388	7,371
Total Assets Less Current Liabilities	-	192,564	-	5,817,918	6,010,482
Net Assets	-	192,564	-	5,817,918	6,010,482
Funds					
Unrestricted	-	192,564	-	-	192,564
Restricted	-	-	-	-	-
Endowment	-	-	-	5,817,918	5,817,918
	-	192,564	-	5,817,918	6,010,482

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE AND GOVERNANCE (CONTINUED)

Decision making structure (continued)

Trustees are members of the Board and are selected as outlined on page 8. At the beginning of each triennium an induction meeting is arranged for Trustees led by the Director of Education to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the Induction meeting Trustees meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Charity Governance Code

The Trustees have reviewed the Governance of the Charity in light of the Charity Governance Code which was published in 2017. The Trustees have formally adopted the Code from 1 January 2019.

Funds held as Custodian Trustee

The Board is custodian trustee of assets held on behalf of church schools and others who act as managing trustees. These assets are not aggregated in the financial statements as the Board does not control them and they are segregated from the Board's own assets by means of a separate accounting system. Further details of these assets, whose market value totalled £1,843,419 at 31 December 2020 (2019 - £1,818,131), are provided in notes 18 & 19.

Key management remuneration

The pay of the key management personnel, as detailed in note 9, and all staff are reviewed annually and normally increased in accordance with average earnings to reflect a cost of living adjustment. In view of the nature of the charity, the Trustees benchmark against pay levels in other charities. The remuneration benchmark is the mid-point of the range paid for similar roles in similar charities and sizes.

Funds held on behalf of church schools

The Board receives contributions from governors of church voluntary aided schools within the Diocese in connection with their major repair and capital projects and also government grants in connection with same. The Board administers these monies as managing agent and makes appropriate payments to consultants and contractors for work undertaken. These monies do not belong to the Board and therefore these receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held, or due at the balance sheet date are treated as debtors or creditors on the balance sheet, as shown in notes 12 and 13.

Total return

On 20 May 2019 the Trustees voted to exercise the power granted under section 104A(2) of the Charities Act 2011 and to adopt a total return approach to investments. The Total Return approach identifies those cumulative investment gains (known as the unapplied total return) which are available if necessary to offset any annual deficits of income (excluding unrealised investment gains) against expenditure not covered by other available reserves.

The date that the initial value of the Trust for Investment and the initial value of the unapplied total return were established was 31 December 1996. In order to identify the initial amounts of the trust for investment the Trustees have used the valuation of investments at 31 December 1996. The unapplied total return has been calculated from this point onwards by (a) an annual reduction for the inflationary increase in the initial Trust for Investment using CPI and (b) any annual deficits since 1996 not covered by other available reserves.

In 2020, there was a deficit of £288,703 which was partly covered by a transfer from Capital to Revenue, proving the total return approach to be