

Charity Registration No. 1059195

Company Registration No. 00464306 (England and Wales)

SALISBURY DIOCESAN BOARD OF EDUCATION (THE)
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

**SALISBURY DIOCESAN BOARD OF EDUCATION (THE)
(A COMPANY LIMITED BY GUARANTEE)
REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY
YEAR ENDED 31 MARCH 2021**

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**SALISBURY DIOCESAN BOARD OF EDUCATION (THE)
(A COMPANY LIMITED BY GUARANTEE)
REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY
YEAR ENDED 31 MARCH 2021**

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|---------------------------------------|---|
| Trustees and members | The Venerable A C MacRow-Wood - Chair Mr M Antram Mrs A L Aze Mr T P Balmforth - resigned 31/7/21 Mr N Harrison Mr D C Pain - resigned 28/1/21 Mrs M Pearson - resigned 31/7/21 Mr N Rees - Vice Chair Reverend J Triffitt Mrs J Tubbs Mrs C Tunncliffe |
| Secretary | Mr G Pugh |
| Diocesan Director of Education | Mrs J Tubbs |
| Charity number | 1059195 |
| Company number | 00464306 |
| Registered office | The Diocesan Education Centre The Avenue Wilton Salisbury Wiltshire SP2 0FG |
| Auditor | Moore (South) LLP 33 The Clarendon Centre Salisbury Business Park Dairy Meadow Lane Salisbury Wiltshire SP1 2TJ |
| Bankers | Lloyds Bank PLC 38 Blue Boar row Salisbury Wiltshire SP1 1DB |
| Solicitors | Parker Bullen LLP 45 Castle Street Salisbury Wiltshire SP1 3SS |
| Investment Manager | CCLA Investment Management Ltd 80 Cheapside London EC2V 6DZ |

SALISBURY DIOCESAN BOARD OF EDUCATION (THE) (A COMPANY LIMITED BY GUARANTEE) TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Salisbury Diocesan Board of Education (the Charity and the Group) for the year ended 31 March 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Since the Charity and the Group qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

Strategic Objectives

Objectives and activities

The Board's principal objects are to act as an advocate for children and young people, supporting head teachers, principals, governors and clergy to proclaim the Gospel through their actions, words, quality of the community life they build and the concern for individuals they model.

The Board's vision is of:

God working through us to inspire transformational leadership, in schools and parishes which in turn transforms the lives of children and young people.

To achieve these objects the Board works in partnership with the Salisbury Diocesan Board of Finance (SDBF) in the delivery of services and resources to church schools and parishes within the Diocese. The principle public benefit of this work relates to the provision of high quality education based upon the principles of the Church of England, and the strengthening of local communities around the encouragement and support they provide for children and young people. The Salisbury Diocesan Board of Education (SDBE) aims to empower, enable and encourage:

- The transformational leadership of church schools and academies
- Parish leaders in their ministry of service to children, young people and their families in their churches and local communities
- Transformational SDBE governance and leadership
- The delivery of transparent, reliable, financial and resource planning
- Outstanding local, regional and national diocesan partnerships and collaborations

The Board also acts as trustee of the Uniform Statutory Trusts (USTs), which form its restricted fund for the improvement of the fabric of church school buildings and educational purposes. The Board is also the trustee of a number of educational Trusts as well as acting as custodian trustee.

Under the terms of the Education Act 1993, the UST funds may be applied towards the purchase of a site for, or the erection, improvement, enlargement or maintenance of any church school or church school's teacher's house in the Diocese (restricted capital account) or educational purposes (restricted income account). The income derived from the restricted capital account fund may also be used for the provision of advice and resources in connection with the management of education provided at the schools.

SALISBURY DIOCESAN BOARD OF EDUCATION (THE) (A COMPANY LIMITED BY GUARANTEE) TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance

Review of activities

The Diocese by population is the 28th largest of the 41 dioceses yet for the number of children in church schools it is 7th (43,000 children) and in terms of numbers of church schools it is 5th (194 schools). This puts us in a great starting position for achieving our vision of a thriving Christian presence serving God in every community. The SDBE lead on the engagement with church schools and young people in the diocese and the Diocese unreservedly supports the work of the SDBE through an annual grant, £331k in 2020/21.

There are 194 Church Schools in the Diocese of Salisbury serving 43,000 children; 11 are secondary, 6 are middle and the remaining schools are predominantly primary schools. In total, as at the 1st August 2021, 104 schools are academies either within a multi-academy trust (of which there are 21) or as single academies (of which there are 7). Twenty two of the academies are within the Diocese of Salisbury Academy Trust (DSAT). The 194 church schools are a vital part of our diocesan hope for a thriving Christian presence, serving God in every community.

We are now a team of 18 staff, a full time equivalent of 16, with the strongest sense of belonging together, working to a common purpose. We are all leaders, whatever our role within the organisation. As a team we are learning how to seek God's will for His work amongst us; we pray, worship and reflect together regularly, asking God to guide us in our mission and ministry. We thank Him for helping us grow in Him as we seek to serve children and young people and the schools and parishes to which they belong.

There is a momentum to our work that reflects the organisation being a body of many, working together as one. Increasingly the partnerships between SDBE staff and our key partners within schools and parishes, Salisbury Diocesan Board of Finance (SDBF), wider diocesan clergy and laity, Church of England Education Office (CEEEO), Local Authorities and Department for Education (DfE), ensure that together we achieve a great deal more than we would by working alone. In September 2018 we set out our vision and mission in the Strategic Plan 2018/23 which sets out action plans for the 5 years from 2018/19 to 2022/23. This strategic plan is the result of consultation with over 100 partners in schools and parishes and sets out what we will do to fulfil our vision of 'Living Out God's Transforming Presence'.

We are involved in education to empower, enable and encourage the greatest achievement for every child and young person through the provision of transformational education at the heart of each Christian community and the 2020/21 annual plan has brought us a step closer to fulfilling that purpose. On a termly basis each team, administration and advisory colleagues, working together, have evaluated the progress made against the success criteria contained within the 2020/21 annual plan. The following narrative is an evaluative summary of the progress made in the 2020/21 financial year (the third year of the strategic plan) towards the aims of the strategic plan and highlights a few elements of our work which shine a light on the breadth and depth of our ministry. The team's work is diverse and known for its depth and impact over its three strategic aims and there is much to celebrate this year.

Coronavirus made 2020/21 a uniquely challenging year especially for church schools, children and young people and the SDBE from the start made the strongest commitment to unwavering service to schools and parishes. It is humbling to write of the excellent work of our school and parish leaders throughout this year and of the way the SDBE team has worked with them to support them and progress its core vision in this difficult year.

Innovative practice supported by new IT platforms has enabled the SDBE to lead and contribute to a range of activities vital to schools and multi academy trusts. In April 2020 school leaders noted the SDBE as the 'steady voice beside them' – and their trust and confidence in its work has continued to be expressed across the year. We highlight especially the way the SDBE has supported the virtual appointment of headteachers; developed an on-line CPD programme; has developed materials for schools for worship and crucially for bereavement; maximised the innovative role of school based Hub Lead Practitioners for RE and collective worship. The SDBE also proactively launched the online foundation governance appointment process (a national first), ensuring the appointment of governors to ensure its core vision and service for schools and parishes was fulfilled. Direct support to individual schools through its partnership service agreement continued through on-line meetings, and when it has been possible, through actual visits.

SALISBURY DIOCESAN BOARD OF EDUCATION (THE) (A COMPANY LIMITED BY GUARANTEE) TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The SDBE knew how important it would be to hold key strategic roles across the year, working with a range of partners. This has seen us further build our relationship with the National Education Office of the Church of England, taking a leading role in the innovative 'Teach Rural' project; supporting the re-definition of the national programme 'Growing Faith' - the drawing together of church and school partnership and a focus on the spiritual development of young people within the home and school. The SDBE have continued to lead with confidence on the development of the multi-academy trust (MAT) system, exercising careful judgement to further enable the growth in system capacity through MAT mergers and school conversions to academies within MATs. Over 53% of our Church schools are now academies. The DBE have been consistent in working strategically with the statutory bodies holding responsibility for school improvement – whether LA or MATs and we have worked tirelessly to support and when appropriate challenge the Regional Schools Commission (RSC) and DfE to secure decision making for the common good, around individual schools and in two instances, MATs, causing concern.

Close partnership with the SDBF has continued to develop and is particularly seen in the on-going development of community hubs and the engagement of the SDBE in shaping the Mission and Pastoral Plan. Small steps but a beginning that is setting strong foundations for a re-imagined future with children and young people at the heart of diocesan decision making.

The SDBE support the Diocesan MAT, Diocese of Salisbury Academy Trust (DSAT), through Trusteeship and the Members' group. We are proud of DSAT's growth to 22 schools and of the leadership of the CEO and Trust Board. The influence of the Trust continues to grow across our diocese but also the south west; crucially throughout the year we have seen the depth of the Trust's practical support of church schools and the development of the Trust's spiritual leadership. The performance of DSAT as a separately registered charity, is covered more fully in its own annual accounts which can be accessed via the Diocesan website.

We step into the new financial year with confidence, having laid the foundations of our work in this year in key areas, including our strategy for small schools; the development by staff and Trustees of our vision wheel, connecting our actions with our theology and deeply held Christian values; a re-imagining of our self-evaluation processes and performance management and Net Zero Carbon 2030. Crucially important has been our work on the long-term development of the SDBE through Trustees' deep engagement in 'Holding the Present, Shaping the Future' – our mission to be a strong spiritual leader of an organisation that is financially secure and sustainable. We are thankful to God for each other and our spiritual and professional growth as a staff team this year. We give thanks to God for the 43,000 children within church schools in our diocese and the gift He has given to us of serving and advocating for them.

Investment policy

Under the Memorandum of Association the Charity has the power to invest monies possessed by the Board, or held by it on Trust, in any legal investments or securities according to UK legislation. The trustees, having regard to the liquidity requirements of the VA schools capital schemes cash flows, have operated a policy of keeping available funds in interest bearing deposit accounts and investments.

The Board's investment management strategy for UST funds, placed with CCLA, is to achieve a targeted net return of RPI plus 3% p.a., between capital growth of invested funds and dividend and other income, with distributed income being set at a requirement of £194k in 2020/21. For the year ended 31 March 2021 net distributed investment income received was £204k (2020 £189k). The increase between the two years primarily reflecting the in year increase in the number of shares held. The average distributed rate achieved was 3.1% (2020 3.4%) against the average RPI for the year of 1.5%. There has also been a significant capital increase in year and the net gain on investments was £963k (2020: loss on investments of £96k). This reflecting the worldwide stock market recovery following the crash in the spring of 2020. The overall net return in 2021 was 21.2% (2020 1.7%) which was higher than the targeted net return of 4.5% (RPI being 1.5% in 2021) due to the significant unrealised gain of £963k which accounted for 18.1%.

SALISBURY DIOCESAN BOARD OF EDUCATION (THE) (A COMPANY LIMITED BY GUARANTEE) TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Financial review

The SDBE consolidated accounts for 2020/21 now include both the income and expenditure of ESFA School Condition Allocation (SCA) capital funding schemes at VA schools which are project administered only by the SDBE. This relates to a change in government policy in how this funding is allocated and administered. As this only changed on the 1/4/20 this funding is only included in 2020/21 and not 2019/20 and is the main difference between the two years figures. The consolidated accounts as in prior years include Saled Ltd (100% owned subsidiary of the SDBE).

Income

Overall income is up by £1,778k from £1,701k in 2020 to £3,479k in 2021. This is primarily due to the inclusion of £2,453k of SCA, governors contributions and other ESFA capital grant income in 2020/21 (none in 2019/20) partly offset by one off income in 2019/20 of £661k related to the sale of two old school sites (Southbroom and Lulworth) and a related trust fund transfer. Coronavirus did have an effect on income especially in Saled Ltd as there was no conference income in the year and training income was down however this was offset by proactive action including securing income from the Coronavirus Job Retention Scheme in year.

Expenditure

This has increased by £1,865k from £1,410k in 2020 to £3,275k in 2021. This primarily relates to the costs of SCA expenditure of £1,819k included in 2020/21 compared to none in 2019/20.

Underlying operating deficit

The Board has recognised that the SDBE has a financial gap between its normal income and expenditure levels. It has taken the formal decision to fund this gap by utilising income from the sale of old schools. In 2021 the underlying operating deficit was £206k compared to £267k in 2020 and it is planned to continue at a similar underlying operating deficit over the next few years. The underlying operating deficit is reconciled to the net movement in funds below. The budgeted underlying operating deficit for 2021/22 is £198k.

The SDBE has increased its reserves in 2020/21 by £1,167k (2019/20 by £196k). This is due to an underlying operating deficit of £206k being more than offset by a significant investment gain of £963k and a new SCA restricted capital reserve of £410k. The new SCA restricted capital reserve relates to SCA funding for 2020/21 which was not committed in year and has been carried over to be used in 2021/22. In 2019/20 the increase in reserves of £196k was due to the underlying operating deficit of £267k and the revaluation loss on investments of £96k being offset by net income of £559k from old school disposals and trust fund transfers in year.

In 2017 the SDBE undertook a review of its restricted funds and has split these as appropriate into two restricted funds one for income and one for capital. Of the restricted funds of £6,865k at the 31 March 2016 these were split into £5,335k for capital restricted fund and £1,530k for income restricted fund. There is further work to do on this split as there are no records on the makeup of the restricted reserves prior to 2001. A prudent approach has been taken to date in the calculation of the split noted earlier in that anything in restricted reserves prior to 2001 has been assumed to be capital and all revaluation gain since 2001 has also been treated as capital. This is not however the case and there is ongoing work, after taking appropriate professional advice, to split the restricted reserve prior to 2001 of £3,713k into both capital and income and then adjust as appropriate the net revaluation on investments gain of £2,414k from 2001 to 2021. The outcome of this will be reflected as appropriate in the 2021/22 accounts.

In 2020/21 for the first time the charity has received funding from the ESFA direct in relation to School Condition Allocation (capital funding) for VA schools. Therefore as the SDBE now has control over these funds, as they approve capital bids from various VA schools in the diocese, this needs to be reflected in the accounts. The effect of the adjustment is to add in the income and associated expenditure relating to those grants and show any grant expenditure not incurred yet but contractually obliged within accrued grants payable as seen in note 18.

SALISBURY DIOCESAN BOARD OF EDUCATION (THE) (A COMPANY LIMITED BY GUARANTEE) TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The total reserves at the 31/3/21 are £8,892k split into restricted capital £7,411k, restricted SCA capital £410k (new in 2020/21) restricted income £886k and unrestricted £185k, an increase of £1,167k on total reserves at the 31/3/20 of £7,725k. In 2020/21, the Board approved a £600k transfer, to support the provision of advice and resources to church schools in the Diocese, from the restricted income reserves to unrestricted reserves.

The above shows that there are sufficient funds in the income restricted fund and unrestricted reserve to continue to fund the gap noted above and therefore there are no issues with going concern.

Going concern

The Board recognises the risk of financial viability and this is reflected in the actions taken by the Board. To ensure the Charity is a going concern the Board has in place a 5 year strategy, the aims of which are underpinned by both detailed financial and staffing plans. This strategy is monitored and reviewed annually by both the Resources Committee and Board.

As the SDBE receives no direct funding from the government it has to ensure its long term financial viability and therefore needs to make the best use of its resources to support education in the Diocese. The Board has agreed to support the objectives of the SDBE over the 5 years by using funding from the disposal proceeds of old school buildings and appropriate trust fund transfers.

The total reserves as at the 31 March 2021 are £8.9m of which £8.7m are restricted reserves. The restricted reserves are split into income restricted reserves of £0.8m, which can be used to support education in the Diocese, capital restricted reserves of £7.5m, which can be used for capital purposes in the Diocese and SCA capital restricted reserves of £0.4m. There is an unrestricted reserve of £0.2m.

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Reserves policy

Unrestricted reserves

Having considered financial risk, liquidity requirement and the timing of cash flows throughout the year, the Board's policy is to hold a balance of readily realisable assets in the general fund equivalent to 3 months budgeted unrestricted expenditure for the year. At 31 March 2021 the amount required under this policy totalled £310k (2020: £332k). Actual unrestricted reserves as at 31 March 2021 totalled £185k (2020: £11k). A transfer of £600k from income restricted reserve to the unrestricted reserve was made in 2020/21.

Restricted reserves

The Board recognises the importance of increasing the UST funds to enable it to continue to work. The trustees consider that the value of restricted reserves under a managed investment agreement should not fall below £2 million. The total of funds held by CCLA at the year end totalled £6,881k a 27% increase on the prior year balance of £5,396k. This was due to a significant in year positive revaluation adjustment of £963k and in year purchases of shares of £522k.

SALED Ltd

SALED Limited is the wholly owned trading subsidiary of the Salisbury Diocesan Board of Education and has the same accounting year end as SDBE. For the year to 31st March 2021 the company had a turnover of £199,547 (2020: £337,775). It had a net deficit of £12,588 (2020: net surplus of £25,936) and accumulated reserves of £23,266 (2020: £35,854).

SALISBURY DIOCESAN BOARD OF EDUCATION (THE) (A COMPANY LIMITED BY GUARANTEE) TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Plans for future periods

The year has again seen us continue our strong focus on ensuring that actions to meet agreed priorities are well timed and staged. We are taking forward our very clear vision for the SDBE of the future through the current five year strategy covering 2018 to 2023 which has been produced in partnership with school and parish leaders. The key challenges ahead are:

1. exploring further with schools, parishes and the Diocese what it means and what it should look like for church schools to lie at the heart of the mission of the Church
2. supporting and facilitating the development of Community Hubs
3. working with partners to secure the strongest school improvement so that all church schools are great schools
4. supporting a culture of academy trusts, church led and non-church led, enabling rich partnerships, sponsorship and the long term viability of schools
5. placing chaplaincy and the development of spiritual leadership at the heart of our work
6. implementing our small school strategy to tackle the issue of viability
7. continuing to improve Foundation governance and exploring the concept of Foundation governance as ministry
8. supporting the training, recruitment and retention of inspiring school leaders and teachers
9. making known the difference made by faith, belief and spiritual development, for mental health and well-being, for children and for adults
10. supporting the national Church of England initiative Net Zero Carbon 2030
11. implementing the current five year strategy for the SDBE and our vision of 'Living out God's transforming presence'
12. developing the SDBE Holding the Present Creating the Future strategy and underlying financial model including resolving the long term financial viability of the SDBE
13. to be a voice of influence locally, regionally and nationally, within the landscape of education and the church.

The landscape of education continues to change and evolve with the clear direction announced by the Secretary of State for Education in April 2021 that all schools should be part of a strong Multi Academy Trust family. This, combined with the effects of Coronavirus, financial pressures, fall in birth rates and changes in organisations we work with have brought new challenges and we are aware of the need to explore the opportunities for innovation and improvement that are emerging. We are learning that this is not to say we must try to do more of the same, but rather we must challenge entrenched old ideas of how our service is run, what it provides, and the impact that it should have, and find new ways to fulfil our role.

The Education Office of the Church of England in 2017 in its vision for education, published its commitment as an influencer for the 'common good'. The SDBE strategic plan emphasises our role in building 'confident, effective, church schools and academies that are deeply Christian, belonging at the heart of the church and community and serving society's common good.

The SDBE has worked intentionally in the last decade to influence the shape of the emerging education landscape; a landscape in which 'School Trusts are a new civic structure, created with the sole purpose of advancing education for public benefit' (Building Bridges: Confederation of Schools Trust (CST) 2021). We have worked to ensure the development of an Academy Trust landscape committed to civic partnership with the SDBE and to the deeply Christian vision and character of Church schools. The SDBE acts as a system leader; we have purposefully acted on, rather than just in the system: system leadership which 'goes beyond collaboration and engages deliberately in system design and system building' (Building Bridges: CST 2021).

SDBE work – as architects and as builders - is now focused on the capacity and capability of each Trust to further their strategic and operational role in upholding the protection and progression of the deeply Christian character of each of its church schools and their place within the heart of the community. From the foundations laid, we are considering intentionally moving core SDBE responsibilities to Trusts, holding them to account for the outworking of those responsibilities across this next decade. The intention would be to enable key aspects of the SDBE's current role in supporting the flourishing of church schools, to be held in trust within Trusts.

SALISBURY DIOCESAN BOARD OF EDUCATION (THE) (A COMPANY LIMITED BY GUARANTEE) TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The SDBE senior leadership team is convinced that furthering the role of MATs as custodians of church schools' Anglican foundation is crucial to the long-term flourishing of the church schools. The time is right for the SDBE to lead the re-imagining of its own role in-light-of the changed and changing leadership of the education landscape. The SDBE has a need to move to a balanced budget by April 2028 and whilst a force for change in SDBE practice it is not the overriding factor; the year ahead will especially see SDBE work focus on setting the foundations for this deep organisational change. This change will be reflected in the SDBE Holding the Present Creating the Future strategy.

We believe that it is God's love that transforms a person's life and that our relationships with those we serve can give witness to that love. The year ahead will continue to focus especially on further building those relationships in ways that are innovative, challenging and supportive - using the relationship to help school and parish leaders identify for themselves new thinking about their own roles and the communities they serve.

Structure, governance and management

Constitution

The Charity and the Group is constituted under a Memorandum of Association dated 4 February 1949 and is a registered charity number 1059195. The guarantors are the Members of the Board and the limit of their liability in the event of winding up is £1 each.

The Board is the sole trustee of the Uniform Statutory Trusts (also known as the USTs or Section Funds), which are now governed by section 287 of the Education Act 1993. The funds held in trust are derived from ancient educational endowments and the proceeds of property sales authorised by the Department of Education under section 86(1) of the Education Act 1944 and section 2 of the Education Act 1973.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

The Venerable A C MacRow-Wood - Chair
Mr M Antram
Mrs A L Aze
Mr T P Balmforth - resigned 31/7/21
Mr N Harrison
Mr D C Pain - resigned 28/1/21
Mrs M Pearson - resigned 31/7/21
Mr N Rees - Vice Chair
Reverend J Triffitt
Mrs J Tubbs
Mrs C Tunnicliffe

Method of appointment or election of trustees

As set out in the revised Articles of Association, the makeup of the Board's membership comprised of a maximum of thirteen members and up to 2 co-opted members. The members are elected triennially, in the same year as the Diocesan Synod is elected and this was last done in November 2018. The process of election has started and action is being taken to increase the membership numbers, following a small number of recent resignations, in November 2021.

Policies adopted for the induction and training of trustees

New trustees undergo a period of orientation and induction with the Chairman of trustees, Diocesan Director of Education and Deputy Director of Education to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committees and decision making processes, the business plan and recent financial performance of the Charity. They also met key employees and other trustees. Trustees are encouraged to undertake development activity that will facilitate the execution of their role.

SALISBURY DIOCESAN BOARD OF EDUCATION (THE) (A COMPANY LIMITED BY GUARANTEE) TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The terms of reference of the sub committees of the Board have been reviewed in 2020/21 and matched to the needs of the Strategic Plan in order that committees are still fit for purpose.

Organisational structure and decision making

The Board of Education administer the Charity. The trustees meet usually six times a year (minimum of four times annually is stipulated in the Articles of Association) and three members personally present is the quorum necessary for the transaction of business. There are sub committees covering Leadership, Children and Young People, Resources and Remuneration.

A Diocesan Director of Education is appointed by the trustees to manage the day to day operations of the Charity. To facilitate effective operations, the Diocesan Director of Education has delegated authority, within terms of delegation approved by trustees, for operational matters including finance, employment and other activities pursuant to the objectives of Salisbury Diocesan Board of Education.

Pay policy for senior staff

Emoluments of higher paid employees are determined by a Remuneration Committee consisting of the Chair, Chair of Resources Committee and 2 other Trustees. The terms of reference of the Remuneration Committee is established by the Trust Board and include: regular appraisals, remuneration and salary benchmarking and consequent recommendation of changes.

Related party relationships

The Charity's wholly owned subsidiary, SALED Ltd, was established in 2005 primarily to undertake services as required by the Trustees in the course of the Board's normal activities in connection with the administration of the maintenance and development of schools within the Diocese and also to undertake activities that fall outside the objectives of the Board of Education. All profits of SALED Ltd available for distribution as dividend are to be applied towards the promotion of its charitable objects, i.e. for the benefit of Salisbury Diocesan Board of Education.

Although not a related party but a connected charity, the Salisbury Board of Finance makes a grant to the Board of Education in respect of the costs incurred by the Board of Education in supporting the Board's work in providing advice, guidance and resources at church schools within the Diocese and for work with children and young people in the Diocese.

Risk management

The trustees have a risk management strategy which comprises:

- a regular review of the risks the charity may face
- establishment or review of systems and procedures to mitigate risks
- the implementation of procedures designed to minimise any identified potential impact on the Charity should those risks materialise.

The corporate risk register is reviewed at each Resource Committee meeting and by the Board annually.

Principal risks and uncertainties

The trustees are responsible for the identification, mitigation and management of risk. To achieve this, a register of all risks identified is maintained and, alongside it, a management and mitigation strategy. This is subject to review by the trustees on an annual basis with the responsibility of risk management being delegated to the Resources Committee, where it is a standing item on each meeting agenda.

SALISBURY DIOCESAN BOARD OF EDUCATION (THE) (A COMPANY LIMITED BY GUARANTEE) TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The risk register identifies 9 areas where the risk of either failure to act or the impact of the events is considered 'high'. These areas and the associated mitigation strategies are:

- Coronavirus escalates and effects short, medium and long term strategic aims of the SDBE including financial
 - Business interruption plan in place, IT kit in place for home and office working and IT systems improved
 - Financial planning undertaken on a variety of scenarios
 - Regular meetings held to review operational and financial risk of situation
 - Ongoing review undertaken of what courses/PSA can be provided virtually and alternative delivery methods
 - Regular contact maintained by staff with schools, parishes and other stakeholders by a variety of virtual and communication means
 - Board, Committee, staff and weekly staff meetings undertaken using zoom or teams
 - Change is unheralded, unstructured or at faster speed and SDBE unable to respond appropriately or cope
 - 5 year strategic plan and appropriate staff structure in place linked to financial and budget plans
 - Annual strategic plan review and update
 - Liaison with representatives of Government, National Society, Local Authorities, Schools and Academies
 - Membership of and staff involvement with various organisations in the sector
 - Strong governance structure including Trust Board and associated Committees
 - Sustainability of Uniform Statutory Trusts (UST's) and financial viability
 - Monitoring of UST's and financial position
 - Annual strategic plan review and update
 - Budget setting and financial reporting systems and processes
 - Resources Committee
 - Plan for in year financial operating balance by 2027
 - Reputational risk if church maintained schools and academies fail, including DSAT and same risk if Multi Academy Trusts including church schools fail and risk of losing church school status.
 - Monitoring and evaluation processes to hold each academy to account
 - Schools causing concern strategy
 - Brokerage of effective school improvement solutions
 - Foundation governors in each academy at both Board and Academy level
 - New DBE Measure puts at risk SDBE incorporated status and therefore future planned strategy
 - Identification of key issues and briefing on changes undertaken
 - Implementation and approval timetable in place and monitored
 - Support and decision to remain incorporated achieved
 - Professional advice taken
 - Staff recruitment/retention difficulties and loss of experienced staff
 - Identification of key staff and provision of cover arrangements
 - Succession planning
 - Review of salaries including implementation of real living wage
 - Staff development and training including Middle Management tier
 - Performance management process
 - Wellbeing provision through external company
 - Management stretch affects achievement of objectives and strategic aims
 - Identification of key staff and provision of support
 - Monitoring of workloads
 - Staff planning
 - Performance management process
 - Termly self-evaluation process against objectives and strategic aims
 - Stock market collapse adversely impacts the value of the USTs and reduces reserves
 - Review of investment advisors and performance
 - Investments in pooled asset schemes including property diversification
 - Investment policy
-

SALISBURY DIOCESAN BOARD OF EDUCATION (THE) (A COMPANY LIMITED BY GUARANTEE) TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

- New national management of SIAMs could put risk on delivery of quality SIAMs inspections
 - Involvement in SIAMs debate at national level
 - Discussions with CEE0 to seek to ensure adequately resourced and planned
 - Provision of constructive feedback as implemented

Funds held as custodian trustee

The Board holds over 50 individual financial trusts which have not been included in its accounts. These comprise School Governors' funds, Educational Trusts and funds normally arising from the sale proceeds of former church schools or teachers' houses that are waiting scheming. Each of these funds is held in a separate designated account with CCLA Investment Management Ltd. At 31 March 2021 the value of these funds was £5,990k (2020: £5,207k).

Public benefit

The trustees have had due regard to the Charity Commission's guidance on public benefit in determining the Charity's priorities and plans for the future. The trustees' report sets out our aims, objectives and activities and conveys clearly the public benefit the Charity has delivered over the last 12 months, namely: engaging, inspiring and equipping the people of Salisbury Diocese to provide outstanding education and training for children and young people within their schools and parishes.

Statement of Trustees responsibilities

The trustees (who are also directors of Salisbury Diocesan Board of Education (The) for the purposes of company law) 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).

Company Law 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 charitable company and Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group for that year.

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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Disclosure of information to auditor

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable Group's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable group's auditor in connection with preparing their report and to establish that the charitable Group's auditor is aware of that information.

**SALISBURY DIOCESAN BOARD OF EDUCATION (THE)
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2021

Auditor

A resolution will be proposed at the Annual General Meeting that Moore (South) LLP be re-appointed as auditors to the charity for the ensuing year.

This report was approved by the trustees, on 5 October 2021 and signed on their behalf by:

A MacRow-Wood

The Venerable A C MacRow-Wood, Chair

**SALISBURY DIOCESAN BOARD OF EDUCATION (THE)
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF SALISBURY DIOCESAN BOARD OF EDUCATION (THE)

Opinion

We have audited the consolidated financial statements of Salisbury Diocesan Board of Education (the 'charitable parent company') and its subsidiary ('the group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the consolidated financial statements:

- give a true and fair view of the state of the group's and charitable parent company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern

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 group's and company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Trustees' annual report (incorporating the Directors' report) other than the consolidated financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Trustees' Annual Report. Our opinion on the consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 consolidated 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.

**SALISBURY DIOCESAN BOARD OF EDUCATION (THE)
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF SALISBURY DIOCESAN BOARD OF EDUCATION (THE)

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' Report (which includes the Directors' Report) prepared for the purpose of company law, for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the Directors' Report, which is included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and their environment obtained in the course of the audit, we have not identified material misstatements in Directors' Report, included in the Trustees' 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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company's financial statements are not in agreement with the accounting records; 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 consolidated 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 requirements to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the statement of trustees responsibilities, the Trustees, who are also the Directors of the charitable parent company for the purpose of company law, are responsible for the preparation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Trustees are responsible for assessing the group's and the charitable parent 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 group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

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

**SALISBURY DIOCESAN BOARD OF EDUCATION (THE)
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF SALISBURY DIOCESAN BOARD OF EDUCATION (THE)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company and the group.

Our approach was as follows:

- The engagement partner selected a team for the audit, led by persons who had prior knowledge of the client and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including those due to fraud. Management override was identified as a significant fraud risk. This is due to the ability to bypass controls and disclosure requirements.
- Revenue recognition was also identified as a significant risk of material mis-statement. Although the processing of transactions is simple and not complex, there is a potential for recognition of income to an incorrect period or an incorrect allocation of income and associated expenditure between restricted and unrestricted funds.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charitable parent company and the group and considered that the most significant are the Companies Act 2006, The Charities Act 2011, the Charity SORP, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the charitable parent company and the group complies with these requirements through discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances.
- The consolidated financial statements of the group incorporate the results of the subsidiary company. Moore (South) LLP are the auditors to the whole group and the same approach has been adopted to the subsidiary company as appropriate to that entity.

**SALISBURY DIOCESAN BOARD OF EDUCATION (THE)
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF SALISBURY DIOCESAN BOARD OF EDUCATION (THE)

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

- performed analytical procedures, tested journal entries and related party transactions to identify any unusual transactions or unexpected relationships;
- completed a review of the controls around the purchase invoice process and the levels of authorisations taking place;
- reviewed payroll reports, overtime and expense claims and invoices to ensure they were authorised by senior management;
- reviewed authorisation limits and procedures around bank and supplier payments to ensure they were correctly operated;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed the nature of the disclosures within the financial statements to ensure they meet the requirements of accounting standards and relevant legislation.

In response to the risk relating to revenue recognition, we:

- agreed a sample of income receipts from source documentation into the accounting records.
- reviewed the terms and conditions of a sample of grants received to ensure the income is accounted for in the correct period.
- reviewed expenditure committed against the SCA grant to ensure unspent income was accounted for correctly
- discussed with management the progress of the sale of redundant properties and reviewed third party correspondence and minutes to assess the appropriateness of any judgements or estimates made in the recognition of the income receivable.
- compared land registry reports against internal record of properties held as custodian and reconciled any movements to help identify any undisclosed disposals .
- Reviewed board minutes and correspondence for evidence of any further unrecorded income.

In response to the classification of income between restricted and unrestricted funds we:

- agreed a sample of income receipts from source documentation into the accounting records to ensure any restrictions to the income were correctly identified in revenue.
- reviewed the analysis of funds for any obvious missallocations of income or expenditure; and
- confirmed that expenses and payroll costs allocated against restricted and unrestricted funds met the purpose for which the income was given.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**SALISBURY DIOCESAN BOARD OF EDUCATION (THE)
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF SALISBURY DIOCESAN BOARD OF EDUCATION (THE)

Use of our report

This report is made solely to the charitable parent 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 parent company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and the charitable parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ann Mathias

Ann Mathias (Senior Statutory Auditor)

for and on behalf of Moore (South) LLP

**Chartered Accountants
Statutory Auditor**

5 October 2021

33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

Moore (South) LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

**SALISBURY DIOCESAN BOARD OF EDUCATION (THE)
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 MARCH 2021

| | | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total 2021 £ | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ |
|---|------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| | Note | | | | | | |
| Income from: | | | | | | | |
| Donations and legacies | 3 | 336,661 | 155,406 | 492,067 | 330,085 | 148,929 | 479,014 |
| Charitable activities | 4 | - | 2,453,653 | 2,453,653 | 5,500 | - | 5,500 |
| Other trading activities | 5 | 206,047 | 35,496 | 241,543 | 318,624 | 9,310 | 327,934 |
| Investments | 6 | - | 209,412 | 209,412 | - | 227,902 | 227,902 |
| Other income | 7 | 16,314 | 66,461 | 82,775 | 151 | 661,087 | 661,238 |
| Total income | | 559,022 | 2,920,428 | 3,479,450 | 654,360 | 1,047,228 | 1,701,588 |
| Expenditure on: | | | | | | | |
| Raising funds | 8 | 228,399 | 55,066 | 283,465 | 315,367 | 38,511 | 353,878 |
| Charitable activities | 9 | 757,542 | 2,234,219 | 2,991,761 | 770,227 | 285,699 | 1,055,926 |
| Total resources expended | | 985,941 | 2,289,285 | 3,275,226 | 1,085,594 | 324,210 | 1,409,804 |
| Net gains/(losses) on investments | 16 | - | 962,806 | 962,806 | - | (95,609) | (95,609) |
| Net incoming/(outgoing) resources before transfers | | (426,919) | 1,593,949 | 1,167,030 | (431,234) | 627,409 | 196,175 |
| Gross transfers between funds | | 600,000 | (600,000) | - | 657,187 | (657,187) | - |
| Net movement in funds | | 173,081 | 993,949 | 1,167,030 | 225,953 | (29,778) | 196,175 |
| Fund balances at 1 April 2020 | | 11,455 | 7,713,883 | 7,725,338 | (214,498) | 7,743,661 | 7,529,163 |
| Fund balances at 31 March 2021 | | 184,536 | 8,707,832 | 8,892,368 | 11,455 | 7,713,883 | 7,725,338 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 22 to 44 form part of these financial statements.

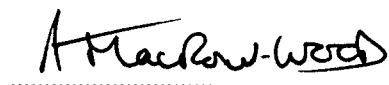
**SALISBURY DIOCESAN BOARD OF EDUCATION (THE)
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED BALANCE SHEET**

AS AT 31 MARCH 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Intangible assets | 14 | | - | | 5,512 |
| Tangible assets | 15 | | 1,406,245 | | 1,440,768 |
| Investments | 16 | | 6,881,470 | | 5,396,108 |
| | | | <u>8,287,715</u> | | <u>6,842,388</u> |
| Current assets | | | | | |
| Debtors | 17 | 341,975 | | 713,509 | |
| Cash at bank and in hand | | <u>1,115,641</u> | | <u>587,405</u> | |
| | | | 1,457,616 | | 1,300,914 |
| Creditors: amounts falling due within one year | 18 | <u>(852,963)</u> | | <u>(417,964)</u> | |
| Net current assets | | | 604,653 | | 882,950 |
| Total assets less current liabilities | | | <u>8,892,368</u> | | <u>7,725,338</u> |
| Income funds | | | | | |
| Restricted funds | 20 | | 8,707,832 | | 7,713,883 |
| Unrestricted funds | | | <u>184,536</u> | | <u>11,455</u> |
| | | | <u>8,892,368</u> | | <u>7,725,338</u> |

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements were approved and authorized for issue by the trustees on 5 October 2021 and signed on their behalf, by:



The Venerable A C MacRow-Wood, Chair
Trustee

Company Registration No. 00464306


SALISBURY DIOCESAN BOARD OF EDUCATION (THE)
(A COMPANY LIMITED BY GUARANTEE)
CHARITY BALANCE SHEET

AS AT 31 MARCH 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|------------------|---|------------------|---|
| Fixed assets | | | | | |
| Tangible assets | 15 | 1,398,077 | | 1,427,226 | |
| Investments | 16 | 6,881,471 | | 5,396,109 | |
| | | <u>8,279,548</u> | | <u>6,823,335</u> | |
| Current assets | | | | | |
| Debtors | 17 | 339,846 | | 680,829 | |
| Cash at bank and in hand | | 1,018,559 | | 525,351 | |
| | | <u>1,358,405</u> | | <u>1,206,180</u> | |
| Creditors: amounts falling due within one year | 18 | (768,850) | | (340,032) | |
| Net current assets | | <u>589,555</u> | | <u>866,148</u> | |
| Total assets less current liabilities | | <u>8,869,103</u> | | <u>7,689,483</u> | |
| Income funds | | | | | |
| Restricted funds | 20 | 8,707,833 | | 7,713,883 | |
| Unrestricted funds | | 161,270 | | (24,400) | |
| | | <u>8,869,103</u> | | <u>7,689,483</u> | |

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements were approved and authorized for issue by the trustees on 5 October 2021 and signed on their behalf, by:



The Venerable A C MacRow-Wood, Chair
Trustee

Company Registration No. 00464306

**SALISBURY DIOCESAN BOARD OF EDUCATION (THE)
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|-----------|-----------|-----------|----------|
| Cash flows from operating activities | | | | | |
| Cash absorbed by operations | 22 | | 841,380 | | (86,393) |
| Investing activities | | | | | |
| Purchase of fixed assets | | - | | (6,192) | |
| Purchase of investments | | (522,556) | | (349,449) | |
| Proceeds on disposal of other investments | | - | | 176,000 | |
| Dividends, interest and rents from investments | | 209,412 | | 227,902 | |
| Net cash generated from investing activities | | | (313,144) | | 48,261 |
| Net increase in cash and cash equivalents | | | 528,236 | | (38,132) |
| Cash and cash equivalents at beginning of year | | | 587,405 | | 625,537 |
| Cash and cash equivalents at end of year | | | 1,115,641 | | 587,405 |

SALISBURY DIOCESAN BOARD OF EDUCATION (THE) (A COMPANY LIMITED BY GUARANTEE) NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.1 Charity information

Salisbury Diocesan Board of Education (The) is a private company limited by guarantee incorporated in England and Wales, registered number 00464306 and a charity registered with the Charity Commission in England & Wales registered number 1059195. The registered office is The Diocesan Education Centre, The Avenue, Wilton, Salisbury, Wiltshire, SP2 0FG, which is also the principal place of business of the company. The nature of the company's operations and its principal activities are set out in the Trustees' Report.

1.2 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Ireland (FRS102), the "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)" and the Companies Act 2006. The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking, Saled Limited. The results of the subsidiary are consolidated on a line by line basis.

These financial statements comprising the consolidated statement of financial activities, the consolidated and charity Balance Sheet, consolidated cash flow statement and the related notes 1 to 27 constitute the consolidated financial statements of Salisbury Diocesan Board of Education for the financial year ended 31 March 2021.

No separate SOFA has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006. The income and expenditure account for the year dealt with in the accounts of the Charity was a surplus of £1,179,620 (2020 - £227,849).

1.3 Company status

The Charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

1.4 Going concern

The trustees have reviewed the anticipated performance of the period of at least twelve months from the date of approval of financial statements, which demonstrate that there is no material uncertainty regarding the charity to meet its liabilities as they fall due, and to continue as a going concern. The Board recognises the risk of financial viability and this is reflected in the actions taken by the Board. To ensure the Charity is a going concern the Board has in place a 5 year strategy, the aims of which are underpinned by both detailed financial and staffing plans. This strategy is monitored and reviewed annually by both the Resources Committee and Board. On this basis the trustees consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the charity was unable to continue as a going concern.

**SALISBURY DIOCESAN BOARD OF EDUCATION (THE)
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.5 Charitable funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. The UST funds are for the capital account to be applied towards the purchase of a site for, or the erection, improvement, enlargement or maintenance of any church school or church school's teacher's house in the Diocese. The income account funds (and all interest from the investments in the UST's) are used for the provision of advice and resources in connection with the management of or education provided at the schools. The costs 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.

1.6 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Trading income represents the total invoice value, excluding VAT, of sales made during the year and derives from the provision of services falling within the company's ordinary activities.

1.7 Expenditure

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

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities

**SALISBURY DIOCESAN BOARD OF EDUCATION (THE)
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.7 Expenditure - continued

SCA capital grant payments are recognised as expenditure when the conditions for their payment have been met or where there is a constructive obligation to make a payment.

A constructive obligation arises when:

the charity has communicated its intention to award a grant to a recipient who then has a reasonable expectation that they will receive a grant or

the charity has made a public announcement about a commitment which is specific enough for the recipient to have a reasonable expectation that they will receive a grant or

there is an established pattern of practice which indicates to the recipient that we will honour our commitment.

The trustees has control over the amount and timing of grant payments and consequently where approval has been given by the charitable fund committee, on behalf of the trustee, and any of the above criteria have been met then a liability is recognised. Grants are not usually awarded with conditions attached. However, when they are then those conditions have to be met before the liability is recognised.

Where an intention has not been communicated, then no expenditure is recognised but an appropriate designation is made in the appropriate fund. If a grant has been offered but there is uncertainty as to whether it will be accepted or whether conditions will be met, then no liability is recognised but a contingent liability is disclosed.

1.8 Intangible fixed assets and amortisation

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|----------|----------------------|
| Software | 16.66% straight line |
|----------|----------------------|

1.9 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|------------------------------|-------------------------|
| Long term Leasehold property | 2% straight line |
| Fixtures and fittings | 25% straight line |
| Office equipment | 16% - 33% straight line |
| Computer equipment | 15% - 33% straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

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FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.10 Fixed asset investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. Investments in subsidiaries are valued at cost less provision for impairment.

1.11 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

1.13 Debtors

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

1.14 Cash and cash equivalents

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.15 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.16 Trust funds

The Board holds over 50 individual financial 'trusts' which have not been included in its accounts. These comprise School Governors' funds, Educational Trusts and funds arising from the sale proceeds of former Church Schools or Teachers' Houses that are waiting scheming. Each of these funds is held in a separately designated account with CCLA Investment Management Ltd.

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FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.17 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.18 Liquid resources

For the preparation of the cash flow the only asset treated as a liquid resource is cash at bank and in hand.

1.19 Public benefit concessionary loans

The Charity initially measures public benefit concessionary loans at the amount received or paid. Subsequently the carrying amount of concessionary loans are adjusted to reflect any accrued interest payable or receivable. To the extent that a loan that has been made is irrecoverable, an impairment loss is recognised in income and expenditure.

1.20 Retirement benefits

The Charity operates defined benefit pension schemes. As the schemes are multi-employers' schemes, their assets and liabilities are not separately identifiable. In this instance they are treated in the financial statements as defined contribution pension schemes.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet.

1.21 Redundant church schools

When land and buildings are transferred to the Charity upon closure of a church school, the Charity recognises the asset on the balance sheet as a current asset held for sale at its open market value. This market value is updated each year to reflect changes in the circumstances.

1.22 Agency arrangements

Salisbury Diocesan Board of Education acts as an agent in distributing the Devolved Formula Capital (DFC) grant and local authorities to voluntary aided schools. Payments received from the EFSA and local authorities and subsequent disbursements to the contractors/suppliers are excluded from the statement of financial activities as the Board does not have control over the charitable application of the funds.

Interest received on these funds is recognised as soon as it is receivable and it is used towards its the cost of administration of the Diocesan DFC scheme and also towards the governors liabilities on the majority of the DFC funded projects and that is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 12 and note 19.

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FOR THE YEAR ENDED 31 MARCH 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Critical judgements

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

The carrying value of redundant church schools which are in the course of disposal. The Charity uses evidence obtained from professional advisors used in the course of disposing of the properties in order to determine an appropriate carrying value in the financial statements.

As referred to in note 20 judgement and estimation has had to be made in the split of restricted funds between income and capital funds that existed prior to 2001.

3 Donations and legacies

| | Unrestricted funds | Restricted funds | Total | Total |
|---|-----------------------|---------------------|-----------|----------------|
| | 2021 £ | 2021 £ | 2021 £ | 2020 £ |
| Grants | 336,661 | 155,406 | 492,067 | 479,014 |
| For the year ended 31 March 2020 | 330,085 | 148,929 | | 479,014 |

4 Income from charitable activities

| | Unrestricted funds | Restricted funds | Total | Total |
|---|-----------------------|---------------------|-----------|--------------|
| | 2021 £ | 2021 £ | 2021 £ | 2020 £ |
| SCA and governors contributions | - | 2,229,510 | 2,229,510 | 5,500 |
| Other DFE capital grant income | - | 224,143 | 224,143 | - |
| | - | 2,453,653 | 2,453,653 | 5,500 |
| For the year ended 31 March 2020 | 5,500 | - | | 5,500 |

**SALISBURY DIOCESAN BOARD OF EDUCATION (THE)
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FOR THE YEAR ENDED 31 MARCH 2021

5 Activities for generating funds

| | Unrestricted funds | Restricted funds | Total | Total |
|---|-----------------------|---------------------|----------------|----------------|
| | 2021 £ | 2021 £ | 2021 £ | 2020 £ |
| DFC generated income | - | 35,496 | 35,496 | 9,310 |
| Educational Support Services | 206,047 | - | 206,047 | 318,624 |
| | <u>206,047</u> | <u>35,496</u> | <u>241,543</u> | <u>327,934</u> |
| For the year ended 31 March 2020 | <u>318,624</u> | <u>9,310</u> | | <u>327,934</u> |

6 Investment income

| | Unrestricted funds | Restricted funds | Total | Total |
|---|-----------------------|---------------------|----------------|----------------|
| | 2021 £ | 2021 £ | 2021 £ | 2020 £ |
| Property investment income | - | 4,473 | 4,473 | 36,753 |
| Listed investment income | - | 203,676 | 203,676 | 188,971 |
| Interest receivable | - | 1,263 | 1,263 | 2,178 |
| | <u>-</u> | <u>209,412</u> | <u>209,412</u> | <u>227,902</u> |
| For the year ended 31 March 2020 | <u>-</u> | <u>227,902</u> | | <u>227,902</u> |

7 Other income

| | Unrestricted funds | Restricted funds | Total | Unrestricted funds | Restricted funds | Total |
|--------------|-----------------------|---------------------|---------------|-----------------------|---------------------|----------------|
| | 2021 £ | 2021 £ | 2021 £ | 2020 £ | 2020 £ | 2020 £ |
| Other income | <u>16,314</u> | <u>66,461</u> | <u>82,775</u> | <u>151</u> | <u>661,087</u> | <u>661,238</u> |

Included within other income is a transfer of trust funds which has been included in other income which amounted to £41,065 (2020 - £136,209). The previous year included property disposal income of £515,883 from the sale of the Southbroom and West Lulworth sites.

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FOR THE YEAR ENDED 31 MARCH 2021

8 Cost of raising funds

| | Staff costs | Depreciation | Other costs | Total | Total |
|---|----------------|---------------|----------------|----------------|----------------|
| | 2021 £ | 2021 £ | 2021 £ | 2021 £ | 2020 £ |
| Maintenance of let properties | - | - | 55,066 | 55,066 | 38,511 |
| Trading expenses | 129,883 | 10,886 | 87,630 | 228,399 | 315,367 |
| | <u>129,883</u> | <u>10,886</u> | <u>142,696</u> | <u>283,465</u> | <u>353,878</u> |
| For the year ended 31 March 2020 | <u>153,312</u> | <u>14,886</u> | <u>185,680</u> | | <u>353,878</u> |

9 Charitable activities

| | Staff costs | Depreciation | Other costs | Total | Total |
|--|----------------|---------------|------------------|------------------|------------------|
| | 2021 £ | 2021 £ | 2021 £ | 2021 £ | 2020 £ |
| Support for the church schools in the diocese | 776,012 | 29,149 | 2,172,800 | 2,977,961 | 1,042,161 |
| Other fundraising costs | - | - | 13,800 | 13,800 | 13,765 |
| | <u>776,012</u> | <u>29,149</u> | <u>2,186,600</u> | <u>2,991,761</u> | <u>1,055,926</u> |
| For the year ended 31 March 2020 | <u>726,660</u> | <u>35,170</u> | <u>294,096</u> | | <u>1,055,926</u> |

**SALISBURY DIOCESAN BOARD OF EDUCATION (THE)
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2021

9 Charitable activities (continued)

| | Unrestricted funds | Restricted funds | Total | Total |
|---|-----------------------|---------------------|------------------|------------------|
| | 2021 £ | 2021 £ | 2021 £ | 2020 £ |
| Staff costs | 626,362 | 149,650 | 776,012 | 726,660 |
| Depreciation and impairment | 29,149 | - | 29,149 | 35,169 |
| Other DFE capital grants | - | 224,143 | 224,143 | 878 |
| SCA capital grants | - | 1,819,072 | 1,819,072 | - |
| Insurance premium for church schools | - | 7,997 | 7,997 | 16,200 |
| Travel costs | 843 | - | 843 | 13,485 |
| Legal fees | - | 4,468 | 4,468 | 117,971 |
| Professional subscriptions | 1,771 | - | 1,771 | 3,749 |
| Resources | 58 | - | 58 | 190 |
| Courses and training | 6,344 | - | 6,344 | 9,375 |
| Miscellaneous expenditure | 7,430 | - | 7,430 | 16,776 |
| IT Costs | 24,823 | - | 24,823 | 15,613 |
| Consultancy costs | 23,468 | 20,000 | 43,468 | 60,132 |
| Devizes old school expenditure | - | (2,268) | (2,268) | - |
| Other expenses | 23,494 | 11,152 | 34,646 | 25,923 |
| Bank charges | - | 5 | 5 | 40 |
| Support costs | 13,800 | - | 13,800 | 13,765 |
| | <u>757,542</u> | <u>2,234,219</u> | <u>2,991,761</u> | <u>1,055,926</u> |
| For the year ended 31 March 2020 | <u>770,227</u> | <u>285,699</u> | | <u>1,055,926</u> |

Analysis of grants made

| | Grants to schools | Grants to schools |
|--------------------------|----------------------|----------------------|
| | 2021 £ | 2020 £ |
| Other DFE capital grants | 224,143 | 878 |
| SCA capital grants | 1,819,072 | - |
| | <u>2,043,215</u> | <u>878</u> |

The capital grant funds were made towards building projects in 32 Voluntary Aided Schools within Dorset, Hampshire and Wiltshire. Project payments over £100,000 were made to: St Gregory's, CE VA Primary School, Marnhull for flat roofing works and new central heating systems; Coombe Bissett CE VA Primary School for asbestos removals works and replacement ceilings; Sarum St Martin's CE VA Primary School for urgent electrical, asbestos and heating works.

**SALISBURY DIOCESAN BOARD OF EDUCATION (THE)
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2021

10 Support costs - governance

| | Unrestricted funds | Restricted funds | Total | Total |
|---|-----------------------|---------------------|---------------|---------------|
| | 2021 £ | 2021 £ | 2021 £ | 2020 £ |
| Auditors' remuneration | 10,600 | - | 10,600 | 10,600 |
| Auditors' non audit costs | 3,200 | - | 3,200 | 2,840 |
| Trustees expenses reimbursed | - | - | - | 325 |
| | <u>13,800</u> | <u>-</u> | <u>13,800</u> | <u>13,765</u> |
| For the year ended 31 March 2020 | <u>13,765</u> | <u>-</u> | | <u>13,765</u> |

11 Net movement in funds

| | 2021 £ | 2020 £ |
|---|--------------|--------------|
| Net movement in funds is stated after charging/(crediting) | | |
| Amortisation - intangible fixed assets | 5,512 | 3,870 |
| Depreciation of tangible fixed assets - owned by the charitable group | 34,523 | 46,186 |
| Auditor's remuneration - audit | 10,600 | 10,600 |
| Auditor's remuneration - other services | <u>3,200</u> | <u>2,840</u> |

Audit fees for the parent charity were £8,450 (2020 - £8,450) and non-audit fees for the parent charity were £2,150 (2020 - £2,150)

No (2020: one) trustee received remuneration from their employment with the charity in addition to their trusteeship in which no remuneration was received. No other benefits in the current or preceding year were paid to trustees.

The legal authority to remunerate the trustee is contained in the provisions of the governing document of the charity.

12 School building improvements and repairs

In 2020 the charity acted through the SCA programme and assisted voluntary aided schools with school building projects and the provision of IT equipment. It acted as the agent of school governors in helping to arrange funding through the DFE and local authorities in paying professional fees and building costs on behalf of school governors. This was a significant activity of the charity but is not reflected in the statement of financial activities as the transactions are those of the school governors rather than the charity which acts as agent or facilitator. In 2021, as highlighted in the report, the administration of the SCA funding programme is now run as principle and therefore the funding and grants towards capital expenditure are reflected in the financial statements.

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FOR THE YEAR ENDED 31 MARCH 2021

13 Employees

| | | |
|------------------------------|----------------|----------------|
| Staff costs were as follows: | 2021 | 2020 |
| | £ | £ |
| Wages and salaries | 686,017 | 690,854 |
| Social security costs | 62,376 | 62,876 |
| Other pension costs | 123,452 | 126,242 |
| | <u>871,845</u> | <u>879,972</u> |

Total redundancy/termination payments amount to £4,833 (2020: £4,809) and related to one voluntary redundancy agreement made in the year.

The average number of persons employed by the Charity during the year was as follows

| | | |
|-------|---------------|---------------|
| | 2021 | 2020 |
| | Number | Number |
| Staff | 20 | 21 |

Average headcount expressed as a full time equivalent:

| | | |
|-------|---------------|---------------|
| | 2021 | 2020 |
| | Number | Number |
| Staff | 16 | 17 |

The number of employees whose annual remuneration was £60,000 or more were:

| | | |
|------------------------------|---------------|---------------|
| | 2021 | 2020 |
| | Number | Number |
| In the band £60,001-£70,000 | - | 1 |
| In the band £70,001-£80,000 | 2 | 1 |
| In the band £80,001-£90,000 | 1 | 1 |
| In the band £90,001-£100,000 | - | 1 |

**SALISBURY DIOCESAN BOARD OF EDUCATION (THE)
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FOR THE YEAR ENDED 31 MARCH 2021

13 Employees (continued)

Remuneration of key management personnel

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 Charity and the Group. During 2021 they were:

| | |
|---------------------------------|---------------------|
| Director of Education | - Mrs J Tubbs |
| Deputy Director of Education | - Mr G Pugh |
| Assistant Director of Education | - Mrs A Christopher |
| Lead School Improvement Adviser | - Mr N Revell |

The key management personnel of the parent charity comprise the trustees, the Director of Education, the Assistant Director of Education, the Lead School Improvement Adviser and the Deputy Director of Education. The total employee benefits of the key management personnel of the Charity were £286,551 (2020: £322,803).

The key management personnel of the group comprise those of the Charity and the key management personnel of its wholly owned subsidiary SALED Limited. The key management personnel of SALED Limited is an element of the employee benefits of the Assistant Director of Education, the Lead School Improvement Adviser and the Deputy Director of Education whose employee benefits total £20,744 (2020: £47,770).

The employee benefits of key management personnel for the group was therefore £307,295 (2020: £370,572).

The Diocesan Director of Education, who is appointed as a trustee of the Charity, received £70,819 (2020: £91,343) in the form of remuneration for her role as Diocesan Director of Education. Furthermore £8,268 (2020: £16,442) was paid by the Charity in respect of employer defined benefit pension contributions. She did not receive remuneration in respect of her role as trustee.

During the year expenses of £nil (2020: £325) was reimbursed to no trustees (2020: 1) in respect of their role as trustee. In addition, during the year expenses of £304 (2020: £1,479) was reimbursed to The Diocesan Director of Education in respect to her employment. No expenses were reimbursed in respect of her role as trustee.

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FOR THE YEAR ENDED 31 MARCH 2021

14 Intangible fixed assets (Group and Charity)

| | Software £ |
|-----------------------------------|-----------------------|
| Group | |
| Cost or valuation | |
| At 1 April 2020 and 31 March 2021 | 24,190 |
| Amortisation | |
| At 1 April 2020 | 18,678 |
| Charge for the year | 5,512 |
| At 31 March 2021 | 24,190 |
| Carrying amount | |
| At 31 March 2021 | - |
| At 31 March 2020 | 5,512 |

The intangible asset relates to the acquisition of IT software by the group. This is being amortised over the useful life of 6 years. The amortisation is recognised within trading expenditure.

15 Tangible fixed assets (Group and Charity)

| Group | Leasehold land and buildings £ | Fixtures and fittings £ | Office equipment £ | Total £ |
|------------------------------------|---|--|-----------------------------------|--------------------|
| Cost | | | | |
| At 1 April 2020 | 1,698,592 | 89,731 | 48,738 | 1,837,061 |
| Additions | - | - | - | - |
| At 31 March 2021 | 1,698,592 | 89,731 | 48,738 | 1,837,061 |
| Depreciation and impairment | | | | |
| At 1 April 2020 | 271,774 | 83,801 | 40,718 | 396,293 |
| Depreciation charged in the year | 28,741 | 2,662 | 3,120 | 34,523 |
| At 31 March 2021 | 300,515 | 86,463 | 43,838 | 430,816 |
| Carrying amount | | | | |
| At 31 March 2021 | 1,398,077 | 3,268 | 4,900 | 1,406,245 |
| At 31 March 2020 | 1,426,818 | 5,930 | 8,020 | 1,440,768 |

SALISBURY DIOCESAN BOARD OF EDUCATION (THE)
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Tangible fixed assets (Group and Charity) (continued)

| Charity | Leasehold land and buildings | Fixtures and fittings | Office equipment | Total |
|------------------------------------|------------------------------------|--------------------------|---------------------|-----------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 April 2020 | 1,698,592 | 21,437 | 30,004 | 1,750,033 |
| At 31 March 2021 | 1,698,592 | 21,437 | 30,004 | 1,750,033 |
| Depreciation and impairment | | | | |
| At 1 April 2020 | 271,774 | 21,437 | 29,596 | 322,807 |
| Depreciation charged in the year | 28,741 | - | 408 | 29,149 |
| At 31 March 2021 | 300,515 | 21,437 | 30,004 | 351,956 |
| Carrying amount | | | | |
| At 31 March 2021 | 1,398,077 | - | - | 1,398,077 |
| At 31 March 2020 | 1,426,818 | - | 408 | 1,427,226 |

16 Fixed asset investments (Group and Charity)

| | Listed investments £ |
|--|----------------------------|
| Cost or valuation (Group and Charity) | |
| At 1 April 2020 | 5,396,108 |
| Additions | 522,556 |
| Valuation changes | 962,806 |
| At 31 March 2021 | 6,881,470 |
| Carrying amount | |
| At 31 March 2021 | 6,881,470 |
| At 31 March 2020 | 5,396,108 |

| | 2021 £ | 2020 £ |
|---|------------------|------------------|
| Group & Charity material investments | | |
| CBF Church of England Investment Fund | 6,143,925 | 4,642,477 |
| CBF Church of England Property Fund | 737,545 | 753,631 |
| | <u>6,881,470</u> | <u>5,396,108</u> |

**SALISBURY DIOCESAN BOARD OF EDUCATION (THE)
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2021

16 Fixed asset investments (continued)

| Charity only | Listed investments | Investment in subsidiary | Total |
|------------------------|-----------------------|--------------------------------|-----------|
| | £ | £ | £ |
| Cost | | | |
| At 1 April 2020 | 5,396,108 | 1 | 5,396,109 |
| Additions | 522,556 | - | 522,556 |
| Valuation changes | 962,806 | - | 962,806 |
| | | | |
| At 31 March 2021 | 6,881,470 | 1 | 6,881,471 |
| | | | |
| Historical cost | | | |
| At 31 March 2021 | 5,043,539 | 1 | 5,043,540 |
| At 31 March 2020 | 4,520,983 | 1 | 4,520,984 |

Holdings of more than 20%

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

| Name of undertaking | Nature of business | Country of incorporation | Class of share held | % held |
|--|-------------------------------|-----------------------------|------------------------|--------|
| SALED Limited (Company Number 05369157) | Provision of services to SDBE | England | Ordinary | 100 |

17 Debtors

| | Group 2021 | 2020 | Charity 2021 | 2020 |
|---------------------------------------|---------------|---------|-----------------|---------|
| Amounts falling due within one year: | £ | £ | £ | £ |
| Governors contributions | 151,806 | 168,419 | 151,806 | 168,419 |
| Amount owed by subsidiary undertaking | - | - | 24,958 | - |
| Trade debtors | 94,483 | 103,693 | 85,456 | 96,631 |
| Other debtors | 91,141 | 106,984 | 80,995 | 89,281 |
| Accrued income | 9,354 | 7,935 | 1,440 | 20 |
| Grants due from the ESFA and LA's | (4,809) | 326,478 | (4,809) | 326,478 |
| | | | | |
| | 341,975 | 713,509 | 339,846 | 680,829 |

Within governors contributions balance, there are £3,825 (2020: £27,714) due after one year.

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FOR THE YEAR ENDED 31 MARCH 2021

18 Creditors: amounts falling due within one year

| | Group | | Charity | |
|---|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Amounts falling due within one year: | | | | |
| Trade creditors | 91,547 | 55,891 | 85,872 | 53,436 |
| Amounts owed to group undertakings | - | - | 9,545 | 9,146 |
| Other taxation and social security | 26,054 | 26,403 | - | - |
| Other creditors and accruals | 192,249 | 115,348 | 170,839 | 100,889 |
| Deferred income | 40,519 | 79,092 | - | 35,331 |
| Grants received in advance | - | 141,230 | - | 141,230 |
| SCA capital grants | 502,594 | - | 502,594 | - |
| | <u>852,963</u> | <u>417,964</u> | <u>768,850</u> | <u>340,032</u> |

Deferred income and grants included within creditors above are detailed below

At the balance sheet date, the charity was holding funds received in advance for the following:

| | Group | | Charity | |
|------------------|---------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| PSA membership | 40,519 | 43,761 | - | - |
| DBF Grant | - | 26,939 | - | 26,939 |
| DFC & SCA grants | - | 141,230 | - | 141,230 |
| Others | - | 8,392 | - | 8,392 |
| | <u>40,519</u> | <u>220,322</u> | <u>-</u> | <u>176,561</u> |

Movement in SCA capital grants during the year

| | Group | | Charity | |
|--|--------------------|-------------|--------------------|-------------|
| | Charitable | | Charitable | |
| | commitments | | commitments | |
| | accrued | | accrued | |
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| New grant commitments charged | 1,770,085 | - | 1,770,085 | - |
| Grants paid during the year | (1,267,491) | - | (1,267,491) | - |
| Amount of grant commitments recognised | <u>502,594</u> | <u>-</u> | <u>502,594</u> | <u>-</u> |

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19 Funds held as intermediary agent

In April 2006, the Department for Schools, Children and Families (DCSF), now called the Education and Skills Funding Agency (ESFA) changed its procedures for the administration of Devolved Formula Capital (DFC) grants (DFC grants provide the Diocese's church schools with direct funding to invest in buildings and equipment).

Consequently, where the individual schools have decided to appoint the charity as their agent, the charity received their DFC grants direct from the DfE and defrays qualified expenditure according to their instructions. At 31 March 2021 the charity held £531,583 (2020 - £782,253) in designated bank accounts separate from those of the charity. The money is only transferred into the charity's bank accounts when the expenditure has been authorised by the schools governors and payment to the contractor/supplier made. Interest received of £35,497 (2020 - £9,310) on these funds is recognised by the charity as soon as it is receivable since the governors of the schools involved donate the interest towards the cost of administration of the Diocesan DFC scheme.

| | £ |
|--|----------------|
| Opening balance brought forward | 782,253 |
| Income received in year | 304,913 |
| Expenditure incurred in year | (495,342) |
| Transfer of funds to clear governor contribution balance | (60,241) |
| | <u>531,583</u> |

20 Statement of funds

| | Balance at 1 April 2020 | Income | Expenditure | Transfers | Gains/ (losses) | Balance at 31 March 2021 |
|---------------------------|----------------------------|------------------|--------------------|------------------|--------------------|--------------------------------|
| | £ | £ | £ | £ | £ | £ |
| Unrestricted funds | | | | | | |
| General funds - SDBE | (24,400) | 343,211 | (757,542) | 600,000 | - | 161,269 |
| SALED Limited | 35,855 | 215,811 | (228,399) | - | - | 23,267 |
| | <u>11,455</u> | <u>559,022</u> | <u>(985,941)</u> | <u>600,000</u> | <u>-</u> | <u>184,536</u> |
| Restricted funds | | | | | | |
| UST Capital account | 6,501,353 | - | (52,798) | - | 962,806 | 7,411,361 |
| UST Income account | 1,212,530 | 285,973 | (12,470) | (600,000) | - | 886,033 |
| SCA Capital Funds | - | 2,229,510 | (1,819,072) | - | - | 410,438 |
| Other Capital Funds | - | 224,143 | (224,143) | - | - | - |
| Other restricted grants | - | 180,802 | (180,802) | - | - | - |
| | <u>7,713,883</u> | <u>2,920,428</u> | <u>(2,289,285)</u> | <u>(600,000)</u> | <u>962,806</u> | <u>8,707,832</u> |
| Total of funds | <u>7,725,338</u> | <u>3,479,450</u> | <u>(3,275,226)</u> | <u>-</u> | <u>962,806</u> | <u>8,892,368</u> |

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FOR THE YEAR ENDED 31 MARCH 2021

20 Statement of funds (continued)

Under the terms of the Education Act 1993, the UST funds may for the capital account be applied towards the purchase of a site for, or the erection, improvement, enlargement or maintenance of any church school or church school's teacher's house in the Diocese. The income account funds (and all interest from the investments in the UST's) may also be used for the provision of advice and resources in connection with the management of or education provided at the schools. During both 2020/21 and 2019/20 the Trustees agreed to a transfer of £600,000 from the UST Income Account to the general fund to support the provision of advice and resources to church schools in the Diocese.

In 2017 the SDBE undertook a review of its restricted funds and has split these as appropriate into two restricted funds: one for income and one for capital. Of the restricted funds of £6,865k at the 31 March 2016 these have been split into £5,335k for capital restricted fund and £1,530k for income restricted fund. There is further work to do on this split as there are no records on the makeup of the restricted reserves prior to 2001. A prudent approach has been taken to date in the calculation of the split noted earlier in that anything in restricted reserves prior to 2001 has been assumed to be capital. Further work on this is currently ongoing and it is planned it will be reflected in the 2021/22 accounts.

| | Balance at 1 April 2019 | Income | Expenditure | Transfers | Gains/ (losses) | Balance at 31 March 2020 |
|---------------------------|----------------------------|------------------|--------------------|------------------|--------------------|--------------------------------|
| | £ | £ | £ | £ | £ | £ |
| Unrestricted funds | | | | | | |
| General funds - SDBE | (262,107) | 335,735 | (773,755) | 675,727 | - | (24,400) |
| SALED Limited | 47,609 | 318,625 | (311,839) | (18,540) | - | 35,855 |
| | <u>(214,498)</u> | <u>654,360</u> | <u>(1,085,594)</u> | <u>657,187</u> | <u>-</u> | <u>11,455</u> |
| Restricted funds | | | | | | |
| UST Capital account | 6,161,097 | 652,094 | (159,042) | (57,187) | (95,609) | 6,501,353 |
| UST Income account | 1,582,564 | 246,205 | (16,239) | (600,000) | - | 1,212,530 |
| Other restricted grants | - | 148,929 | (148,929) | - | - | - |
| | <u>7,743,661</u> | <u>1,047,228</u> | <u>(324,210)</u> | <u>(657,187)</u> | <u>(95,609)</u> | <u>7,713,883</u> |
| Total of funds | <u>7,529,163</u> | <u>1,701,588</u> | <u>(1,409,804)</u> | <u>-</u> | <u>(95,609)</u> | <u>7,725,338</u> |

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FOR THE YEAR ENDED 31 MARCH 2021

21 Analysis of net assets between funds

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total 2021 £ | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ |
|--|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Fund balances at 31 March 2021 are represented by: | | | | | | |
| Intangible fixed | - | - | - | 5,512 | - | 5,512 |
| Tangible assets | 1,406,245 | - | 1,406,245 | 1,440,768 | - | 1,440,768 |
| Investments | - | 6,881,470 | 6,881,470 | - | 5,396,108 | 5,396,108 |
| Current assets | (981,736) | 2,439,352 | 1,457,616 | (1,158,091) | 2,459,005 | 1,300,914 |
| Current liabilities | (239,973) | (612,990) | (852,963) | (276,734) | (141,230) | (417,964) |
| | <u>184,536</u> | <u>8,707,832</u> | <u>8,892,368</u> | <u>11,455</u> | <u>7,713,883</u> | <u>7,725,338</u> |

22 Cash generated from operations

| | 2021 £ | 2020 £ |
|---|----------------|-----------------|
| Surplus for the year | 1,167,030 | 196,175 |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (209,412) | (227,902) |
| Fair value gains and losses on investments | (962,806) | 95,609 |
| Depreciation and impairment of tangible fixed assets | 40,035 | 50,057 |
| Movements in working capital: | | |
| Decrease/(increase) in debtors | 371,534 | (213,986) |
| Increase in creditors | 434,999 | 13,654 |
| Cash absorbed by operations | <u>841,380</u> | <u>(86,393)</u> |

23 Financial commitments, guarantees and contingent liabilities

The subject of Contingent Liabilities have been reviewed and, on the basis that contracts for building works are between school governors and contractors, it is concluded that there is no actual liability that should be recognised as attaching to the UST funds.

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24 Pension commitments

The group has employees who are members of the Teachers' Pension Scheme (TPS) and the Church Workers Pension Scheme (CWPS). The contributions made in the year were £24,294 (2020 - £30,964) to the Teachers' Pension Scheme and £99,158 (2020 - £95,278) to the Church Workers Pension Scheme.

There were £1,498 (TPS) and £9,096 (CWPS) contributions outstanding at the year end (2020: £nil) and these are included within other creditors..

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 5 March 2019. The key results of the valuation are:

New employer contribution rates are 23.68% (from 16.48%) of pensionable pay (including administration fees of 0.08%);

The rise in contribution rates was delayed from 1 April to September 2019;

Total scheme liabilities for service to the effective date of £218.1 billion, and notional assets of £196.1 billion, giving a notional past service deficit of £22 billion; an employer cost cap of 10.9% of pensionable pay.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

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FOR THE YEAR ENDED 31 MARCH 2021

24 Pension commitments (continued)

Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme commenced on 1 April 2015.

The pension costs paid to TPS in the year amounted to £24,294 (2020: £30,964)

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2016.

FRS 102 (28)

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The Group is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the Group has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The Group has set out above the information available on the plan and the implications for the Group in terms of the anticipated contribution rates.

Church Workers Pension Fund (CWPF)

The Board participated in the Pension Builder Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

The Board closed its DBS Scheme to new members in 2008 and there are currently no staff members in the scheme, all staff members are members of the Pension Builder Scheme.

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24 Pension commitments (continued)

Pension Builder Scheme

For eligible salaried employees, the Board participates in the Church of England Pension Builder Scheme (PBS). The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the scheme were a defined contribution scheme. The pension costs charged to the SOFA in the year are contributions payable.

A valuation of the Pension Builder scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2016.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most annual review the board choose not to grant a discretionary bonus which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

Pension Builder 2014 section valuation revealed £1.8m surplus on the ongoing assumptions. There are no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, SDBE could become responsible for paying a share of that employer's pension liabilities.

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25 Related party transactions

The trustees consider that the Salisbury Diocesan Board of Finance (SDBF) to be a connected charity as the work of education in the Diocese is carried out by the Salisbury Diocesan Board of Education (SDBE).

SDBE and its charity subsidiary were charged by SDBF £27,325 (2020: £11,008) in respect of a range of other services including communication and IT, and £131,872 in respect of building services provided. At the year end £20,190 (2020: £2,647) was due to SDBF.

SDBF has granted aid to SDBE for its educational work in the Diocese. During the year £331,361 (2020: £324,885) was paid to the SDBE in respect of grants. At the year end £Nil (2020: £Nil) was due to SDBE. In 2020, there was £26,939 due back to SDBF in relation to an overpayment of the grant. There was no amount due back for 2021.

In 2021, £53,742 (2020: £50,995) was received from The Reverend Doctor S F and Mrs Jackson Mappowder Trust, which has common trusteeship with two SDBE trustees: Mrs J Tubbs and Mr N Harrison.

During the year, £19,601 (2020: £21,057) was received from Diocese of Salisbury Academies Trust (DSAT) for office accommodation and recharge of staff time and expenses. Mrs J Tubbs, trustee, and Mr G Pugh, company secretary, are trustees of DSAT. Mr T P Balmforth is also a trustee of both charities. At the year end £502 (2020: £2,874) was due to SDBE. Also SDBE paid DSAT £281 (2020: £Nil) for nursery vouchers in the year.

In 2020, £2,000 was charged to SDBE by Mrs M Pearson, trustee, for head teacher advisory services during the year. There was no such payment in 2021.

In 2020, £500 was received from the SDBE to Mr J Triffit, trustee, for pre-planning, leadership and follow up for a SDBE retreat. There was no such receipt in 2021.

The company has taken advantage of the exemption available in accordance with Section 33 'Related party disclosures' not to disclose transactions entered into with its subsidiary company, as the subsidiary is a wholly owned company.

26 Trust funds

The SDBE acts as trustee for over 50 individual financial trusts, which have not been included in the accounts. These comprise of School Governors' Funds, Educational Trusts and funds arising from sale proceeds for former Church Schools or Teachers' Houses. Each of these funds are held in separate designated accounts with CCLA Investment Management Ltd. As at 31 March 2021, the value of these funds are £5,912,617 (2020: £5,145,347). The SDBE also hold cash on behalf of these trusts in designated bank accounts separate to those of the SDBE and not recognised in these accounts which totalled £77,968 (2020: £61,708).

The SDBE also acts as custodian for various school trust funds. Each of these funds is held in a separate designated accounts with CCLA Investment Management Ltd. As at 31 March 2021 the value of these funds was £656,208 (2020: £663,572). The SDBE also hold cash as custodian for these trusts in designated bank accounts separate to those of the SDBE and which are not recognised in these accounts which totalled £5,978 (2020: £11,204).