

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 2022**

**SALISBURY DIOCESAN BOARD OF EDUCATION (THE)  
(A COMPANY LIMITED BY GUARANTEE)  
REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY  
YEAR ENDED 31 MARCH 2022**

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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 2022**

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<b>Trustees and members</b>	The Venerable A C MacRow-Wood - Chair Reverend R Ayer-Harris Mrs A L Aze Mr A J Brown Mr T Farrer Mrs S L Hallis Mr N Harrison Mr N Rees - Vice Chair Mr I K Robinson Canon J Triffitt
<b>Secretary</b>	Mr G Pugh
<b>Diocesan Director of Education</b>	Canon J Tubbs
<b>Charity number</b>	1059195
<b>Company number</b>	00464306
<b>Registered office</b>	The Diocesan Education Centre The Avenue Wilton Salisbury Wiltshire SP2 0FG
<b>Auditor</b>	Moore (South) LLP 33 The Clarendon Centre Salisbury Business Park Dairy Meadow Lane Salisbury Wiltshire SP1 2TJ
<b>Bankers</b>	Lloyds Bank PLC 38 Blue Boar row Salisbury Wiltshire SP1 1DB
<b>Solicitors</b>	Parker Bullen LLP 45 Castle Street Salisbury Wiltshire SP1 3SS
<b>Investment Manager</b>	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 2022***

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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 2022. 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:

- Promote and assist in the promotion of education in the Diocese that is consistent with the faith and practice of the Church of England.
- Promote and assist in the promotion of religious education and religious worship in schools in the Diocese.
- Promote and assist in the promotion of Church schools in the Diocese.
- Promote co-operation between itself and other persons concerned with education in the Diocese.
- Promote and encourage the Christian nature of children and young people within the parishes of the Diocese.

The Board's vision is 'living out God's transforming presence'.

The mission of Salisbury Diocese Board of Education is to lead the development & be a body of:

- Confident effective, church school and academies that are deeply Christian, belonging at the heart of the church and community, serving society's common good.
- Church communities that serve children and young people enabling them to develop worshipping communities where they truly belong and encounter God's love.

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 2022**

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## **Achievements and performance**

### **Review of activities**

There are 193 Church Schools in the Diocese of Salisbury serving 42,000 children; 10 are secondary and 4 are middle schools. In total, as at 31 March 2022, 104 schools are academies with 97 within a multi-academy trust, with an additional number having permission to convert in the very near future. 22 of the academies are within the Diocese of Salisbury Academy Trust (DSAT) with a further 2 seeking to join shortly. There are 7 single academy trusts. A total of 89 schools remains maintained: 46 VA and 43 VC. The 193 church schools are a vital part of our diocesan hope for a thriving Christian presence, serving God in every community.

We are a team of 18 staff (15 full time equivalent) with the strongest sense of belonging together, working to 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, following our shared Rule of Life, 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.

The year is characterised by our growth in organisational confidence and consequently the way we exercise authority and influence. This is evidenced especially clearly in our work with the Schools' Trust landscape; with schools and multi academy trusts causing concern and in the visionary work which underpins the Programme for Church School Flourishing. We were encouraged by school and Trust leaders in 2017 to step confidently into our leadership to shape the culture of education and the church and we believe we are increasingly placing our feet in that place of influence and seeing the impact of our action.

In summarising the year, we draw attention to key strands which have been crucial to the on-going development of the organisation and our ability to fulfil our mission, and vision:

**Programme for Church School Flourishing:** an example of future thinking at its best, as we build the capacity, capability, and commitment of academy trusts to the Christian foundation of church schools, transferring responsibility and accountability for traditional Diocesan Board of Education (DBE) work to their trusts. The programme has been exceptionally well received by the first six trusts with a further cohort joining the programme in September 2022; a seismic shift in how church schools are supported by the DBE is underway, placing the DBE at the heart of the Schools' Trust landscape for the long-term future in this diocese.

**Foundation Governance:** Governor courses in an almost exclusively virtual format has enabled a high level of attendance from Foundation Governors in all roles across the Diocese, including the appointment of 70 new Foundation Governors, and a total attendance across all courses of over 220 delegates. The appointment microsite has been further refined and developed across the year and this has enabled both a significant deepening of the relationship with school and Trust clerks. We have vitally supported local authorities in establishing 3 interim executive boards with an appropriate level of Foundation members thus enabling schools' improvement journey.

**Growing Faith, the nexus of church and school:** The DBE has continued developing its role in Growing Faith, for example the joint leadership conference and follow up programme with Diocesan Board of Finance (DBF) which seeks to grow understanding and work in the nexus between church and school. Collaborative thinking with the DBF team around areas for joint provision, moved from identifying individual 'courses' to work together on to the creation of a joint leadership conference, where the collaborative development of the conference modelled the collaboration, we see in the best of our school and parish relationships. Attendance reflected the engagement of both school and parish leaders. This conference has also provided the opportunity to explore and model the strongest possible practice in young people's voice, with each speaker speaking in response to a video conversation with young people and young people contributing to panels across the day.

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

**FOR THE YEAR ENDED 31 MARCH 2022**

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We have been actively involved with the Church of England Education Office (CEEEO) as they developed the Church of England Institute for Growing Faith, including sharing thinking in the funding application, serving on panels as staff were recruited and inviting the new head of the institute to speak at conference. Across the year the advisory team has worked within the framework provided by Growing Faith to deepen understanding around spiritual encounter and its relationship to spiritual development of children and adults and spiritual leadership.

**Support for SIAMS:** The resumption of SIAMS inspections was a significant challenge in the context of a new national system. The success of the inspection restart across the Diocese in the Autumn and then Spring term has been enabled through ongoing and widely shared communication and information with school leaders; regular email updates communicated the amended schedule, timeline, and accompanying documents. A range of development opportunities have been offered to support schools to strengthen the use of the SIAMS schedule as a framework for school improvement as well as a tool for inspection. The SIAMS Manager has developed a positive relationship with the National Team that has been used to clarify concerns and develop diocesan strategy to support schools better understand the concept of SIAMS Excellence.

**Schools Causing Concern:** Quality assurance visits and developmental work alongside trust leaders have resulted in changes at trust level to better support those schools in trusts causing concern. Deeper and more accurate knowledge of schools causing concern (SCC) has come from the stronger relationships with Wiltshire and Dorset which has led to the local authorities increasing pace of support, taking alternative actions and giving better support to Headteachers. The closer work between Headteacher recruitment and new Headteacher visits has identified SCC issues earlier. These developments have led to a reduction in the number of red and orange graded SCC. The improved systems for data monitoring of SCC this year, have enabled accurate reporting to the trust board, efficient use of time and agile working around SCC, with closer work with the Foundation Governor and Academy trust Adviser (FGATA) linking SCC with academisation.

**RE and Collective Worship:** Ways to support schools in delivering high quality RE have further developed this year. Acting on feedback from teachers, the decision to 'remain virtual' for the conference was taken after the successful delivery of the Spring 2021 virtual CREative, REinspiring RE Conference. Evaluation shows that there has been an increase in use of Partnership Schools Agreement (PSA) Adviser time on RE in the annual visits, and, as hoped, the Hub Lead Practitioners (HLPs) have been 'bought in' by schools on a school-to-school support basis to deliver a suite of training for the whole school staff, typically in a series of twilights. Excitingly, several key developments are growing from the Hub Lead Practitioner Project including: the Leader for Church School Flourishing collective worship (CW) and RE Faculty Leads and the free secondary and middle school forums for RE and CW. The forums have begun – meeting three times virtually over the year. These groups are owned and run by 4 secondary HLPs, with support from the DBE adviser. The DBE will in 22/23 financial year review its RE and CW strategy, reflecting deeply on our crucial role and responsibilities in this area.

**Community Hubs and work with children and young people:** 7 Communities hubs are now being supported. Both Warminster and Royal Wootton Bassett have begun since March 2021. The All Churches Trust (ACT) bid was successful, and the Community of St Denys (CSD) renewed their funding for a further 3 years. This has enabled the employment of two Community hub development advisers adding significant capacity to the support of local leaders in the hub areas. Over the last year the work with the Ministry and Mission Council (MMC) team, of the DBF, has also developed and the Mission Coordinator is more embedded in the hub work adding to the capacity and enabling us to build links with those he knows in the hub areas and to bring his expertise on mission and pioneer ministry into the team. In partnership with The Children's Society we have gained a better understanding of pupil's wellbeing in school and this has directly influenced the DBE's strategy for supporting work around Well Being and Mental Health (WBMH) in schools.

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

**FOR THE YEAR ENDED 31 MARCH 2022**

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**School Trusts:** The DBE team a successful round of individual conversations across the Autumn Term and into Spring 2022 with all the Trusts that include church schools. This further deepened existing relationships, especially in advance of the rollout of the PCSF, but has also facilitated additional strategic conversations around the government's ambition to see all schools inside Multi Academy Trust (MATs) by 2030. The relationship of DBE team members with the Regional Delivery Directorate teams has gone from strength to strength and has shaped ongoing partnership work across the landscape enabling targeted support and challenge dialogue with other accountable bodies and the channelling of Department funded resource into church schools where it has been greatly appreciated. Similarly, the strong relationship that has been built with teams in neighbouring Dioceses has underpinned joined up approaches and consistent responses with reciprocal knowledge building as an appreciated by-product.

**Self-evaluation, personal professional development:** A new methodology of 'Task and Finish' groups has been piloted and adopted replacing the Leadership and Children and Young People (CYP) committees, providing a different mechanism for the Trust Board to evaluate DBE progress.

This work has been intentionally designed to interweave with the research-based review of DBE self-evaluation practice, recognising the strength of what has gone before and an intent to create an even greater depth of learning from its own practice. A model has been developed and trialled which 'deep dives' into progress and impact of key priorities from the annual plan, alongside a dashboard that gives a high-level overview of progress across the annual plan. The evidence base for deep dives includes case studies and interviews and 'story' alongside relevant quantitative data. Alongside the piece of work on self-evaluation, performance management has been reimagined by the Assistant Director and reformed into personal professional development with an increased emphasis on enabling personal professional learning. The Board has agreed its implementation for one year, followed by a review in the autumn of 2022.

**Information Technology platform development:** work in this area has been significant, in collaboration with the DBF, as part of the planned Diocesan Information Technology (IT) strategy, and has included the implementation, launch and further development of SharePoint as a platform for an improved efficient system to share files. The SharePoint development has transformed our internal communications and had real impact on rationalising how we manage information. The work has enabled us to redistribute administrative support time, thus maximising resource. It is one of several IT developments taken forward in 21/22 in line with the Diocesan IT strategy.

**DBE of the Future strategy and DBE Measure:** Autumn 2021 saw the approval by the Board of a long-term strategy and direction for the DBE and its transformational journey towards achieving a breakeven operating position in 7 years, securing long term sustainability. This decision was the result of a year's research by the Trust Board. Similarly detailed work, led by the Deputy Director has taken place leading to the approval of the Salisbury Diocese DBE Measure 2021 scheme which came into effect on the 1<sup>st</sup> January 2022. This confirmed amongst other things the continued approach of a separate incorporated DBE for Salisbury Diocese and a change in the formal appointment process and skill sets required for new trustees (to reflect the changing and future educational and parish landscape). Following the introduction of the above SDBE governance was further strengthened by the approval and adoption of both an 'Operational scheme of delegation from the Board to the Diocesan Director of Education' and 'Financial scheme of delegation.'

**New Trustees:** Five new Trustees joined the Board in January 2022 and have engaged in a programme of induction. The programme covers the key contexts and priorities of the DBE work and gives new trustees opportunity to meet and work with staff from across the team, as well as visit a DSAT school. We are planning an away day to reflect together as a Trust Board on how we might further develop our spiritual leadership. Our Trust Board's commitment to our work is significant as they seek to further develop the quality of their governance and confidence in spiritual leadership.

## **Conclusion**

We expect an outcome of the external review planned for the summer term 2022 will be to aid our sharper identification of areas where progress might be questioned; equally to act as sense check for our ambition and strategy – enabling us to take confident next steps.

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

**FOR THE YEAR ENDED 31 MARCH 2022**

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With a vision to 'Live Out God's Transforming Presence', we focus on both school and parish leadership (whether lay or ordained), as well as championing the voice of young people as agents of change. Our vision recognises the interdependence and co-dependency of schools and churches to build vibrant, intergenerational worshipping communities where all can truly belong and flourish and fully encounter God's transformational love. We do this whilst managing organisational culture and change, working to develop the effectiveness of our Trust governance and accountability structures and the impact of the Board's work to strategically influence national, regional and local policy in order to shape educational and church culture. 2021/22 has seen us take steps forward toward living out our vision, furthering how we impact on the flourishing of the lives of children and young people in the schools and parishes we serve.

## **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 £214k in 2021/22. For the year ended 31 March 2022 net distributed investment income received was £223k (2021 £204k). The increase between the two years primarily reflecting the in year increase in the number of shares held. The average distributed rate achieved was 2.9% (2021 3.1%) against the RPI rate for the year of 9.0%, there being a significant increase in RPI in the later part of the year. There has also been a significant capital increase in year and the net gain on investments was £629k (2021: gain £963k). This reflecting the worldwide stock market recovery at the year end which has since fallen post year end for several reasons including the Russian invasion of Ukraine. The overall net return in 2022 was 12.3% (2021 21.2%) which was in line with the targeted net return of 12.0% (RPI being 9.0% in 2022) due to the significant unrealised gain of £629k which accounted for 9.4%.

## **Financial review**

The SDBE consolidated accounts for 21/22 include, as in 20/21, 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 from 1/4/20 in government policy in how this funding is allocated and administered. The consolidated accounts as in prior years include Saled Ltd (100% owned subsidiary of the SDBE).

### **Income**

Overall income has decreased by £373k from £3,479k in 2021 to £3,106k in 2022. This is primarily due to the expected reduction in charitable activities income of in total £443k between the two years. The SCA funding being lower in 2022 and this reflects a known trend as SCA funding reduces as both more VA church schools convert to academies and the transitional protection given by the ESFA is steadily reduced over 4 years. 2022 being the first year of the reduction and this trend will therefore continue into future years.

### **Expenditure**

This has increased by £159k from £3,275k in 2021 to £3,434k in 2022. This is linked primarily to the increase in committed SCA projects compared to the previous year with SCA funds brought forward from 2020/21 being utilised. This is reflected in the reduction in the restricted SCA capital funds which have decreased from £401K in 2021 to £121k in 2022.

### **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 and trust funds as appropriate. In 2022 the underlying operating deficit was £90k compared to £206k in 2021 and it is planned to continue to reduce this over the next 5 years and achieve an underlying operating breakeven position by 2027. The underlying operating deficit is reconciled to the net movement in funds below. The budgeted underlying operating deficit for 2022/23 is £175k (2021/22 was £198k).

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

**FOR THE YEAR ENDED 31 MARCH 2022**

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The SDBE has increased its reserves in 2021/22 by £301k (2020/21 by £1,167k). This is due to an underlying operating deficit of £90k being more than offset by a significant investment gain of £629k combined with a release from the SCA restricted capital reserve of £289k and the setup of a restricted grant (All Churches Trust) of £51k. The SCA restricted capital reserve relates to funding received which has not yet been committed and reduced as expected in 21/22 as an element was used to allow the SCA program for VA schools to be higher than the funding received in year. The SCA restricted reserve reducing from £410k in 2021 to £121k in 2022 and this is planned to be fully utilised in 2022/23. The All Churches Trust grant received in year of £67k was specifically for Community Hubs and as only £16k was spent in year, the remaining £51k has been set up as a restricted reserve at the year end.

The DBE in 2021/22 reviewed and took professional advice on how to split its restricted reserve prior to 2001 of £3,713k (currently in capital) into both capital and income and then adjust as appropriate the net revaluation on investments gain of £2,414k from 2001 to 2021. The Board, following the review and taking account of the professional advice, considered that a fair estimate of the split within the restricted reserve of £3,713k would be restricted capital of 65% (£2,413k) and restricted income of 35% (£1,300k). Charity Commission guidance was subsequently requested by the Board on the suggested split. This guidance was received via a S15 notice in July 2022, stating that the trustee body of a Uniform Trust fund has the power to determine the division of funds between capital and income. The Board subsequently approved that a transfer could be made between the funds from restricted capital to restricted income, within the 2022/23 accounts. The transfer would be based on a 65%:35% split and the net revaluation on investment gain adjustment. This will result in a significant transfer from restricted capital reserves to restricted income reserves, of some £1,300K, before the split in net revaluation gain of investments currently which is currently estimated at £1,369K.

In 2020/21 for the first time the charity received funding from the ESFA direct in relation to School Condition Allocation (capital funding) for VA schools. Therefore, as the DBE 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 SCA capital grants as seen in note 17.

The total reserves at the 31/3/22 are £9,193k split into restricted capital £8,040k, restricted SCA capital £121k, other restricted grants £51k (new in 2021/22) restricted income £807k and unrestricted £173k, an increase of £301k on total reserves at the 31/3/21 of £8,892k. For 2021/22, the Board approved a £300k 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 restricted income 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 in September 2021 approved the SDBE of the Future strategy to seek to ensure achievement of key objectives and move to an underlying recurrent operational surplus by 2027. 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 period covered by the SDBE of the Future strategy by using funding from the disposal proceeds of old school buildings and appropriate trust fund transfers.

The total reserves as at the 31 March 2022 are £9,193k of which £9,020k are restricted reserves. The restricted reserves are split into income restricted reserves of £807k, which can be used to support education in the Diocese, capital restricted reserves of £8,040k, which can be used for capital purposes in the Diocese and SCA capital restricted reserves of £121k and other restricted grants of £51k. There is an unrestricted reserve of £173k. As noted above the split of the 2002 opening restricted reserve between restricted capital and restricted income, even before the split of net revaluation gain of investments, will result in a transfer of £1,300k from restricted capital into restricted income in 2022/23. This further supports the trustees view on going concern.

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

**FOR THE YEAR ENDED 31 MARCH 2022**

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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 2022 the amount required under this policy totalled £244k (2021: £310k). Actual unrestricted reserves as at 31 March 2022 totalled £173k (2021: £185k). A transfer of £300k from income restricted reserve to the unrestricted reserve was made in 2021/22.

### **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 £7,688k a 12% increase on the prior year balance of £6,881k. This was due to a significant in year positive revaluation adjustment of £629k and in year purchases of shares of £177k.

## **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 2022 the company had a turnover of £267,080 (2021: £199,547). It had a net surplus of £40,378 (2021: net deficit of £12,588) and accumulated reserves of £63,644 (2021: £23,266).

## **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 annual plan for 2022/23. In 2022/23 we will be reflecting on an external review of the DBE commissioned by the Board and using this appropriately as part of agreeing a new strategic plan linked to our overall DBE of the Future Strategy and the new diocesan strategy. 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. successfully delivering and learning from our programme for church school flourishing (PCSF) as it rolls out
3. evaluating our learning from community hub work and further developing our CYP work
4. working with partners to secure the strongest school improvement so that all church schools are great schools
5. supporting a culture of academy trusts, church led and non-church led, enabling rich partnerships, sponsorship and the long term viability of schools through full academisation
6. working with school governors, clergy, heads, RSC, local authorities, local communities and others to successfully deliver the government vision of all schools being within a strong MAT family by 2030
7. placing chaplaincy and the development of spiritual leadership at the heart of our work
8. work with MAT's to shape or reimagine local governance including criteria for foundation governance
9. supporting the training, recruitment and retention of inspiring school leaders and teachers
10. making known the difference made by faith, belief and spiritual development, for mental health and well-being, for children and for adults
11. supporting the national Church of England initiative Net Zero Carbon 2030
12. developing the next strategy for the SDBE and our vision of 'Living out God's transforming presence'
13. to be a voice of influence locally, regionally and nationally, within the landscape of education and the church.
14. developing and living out the one diocese vision with all our partners and reimagining the use of the current centre

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

**FOR THE YEAR ENDED 31 MARCH 2022**

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The landscape of education continues to change with the move from a mixed system of maintained schools and academies to academies only announced in the recent white paper. This, combined with the effects of new ways of working, financial pressures, fall in birth rates and changes in organisations we work with have brought new challenges and we remain 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. These all forming part of our DBE for the Future strategy.

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 DBE 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 DBE has worked intentionally in the last decade and will continue to do so as 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 DBE and to the deeply Christian vision and character of Church schools. The DBE continues to act 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. With our DBE for the Future strategy and PCSF programme we are intentionally moving core SDBE responsibilities to Trusts, holding them to account for the outworking of those responsibilities across this next decade. The intention being to enable key aspects of the DBEs current role in supporting the flourishing of church schools, to be held in trust within Trusts.

The DBE Board and senior leadership team remain 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 DBE is therefore re-imagining its own role in-light-of the changed and changing leadership of the education landscape as part of a deep organisational change. This change including building further our partnership with the DBF and the full alignment of our strategy with the new diocesan vision.

We firmly 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 as the new educational and diocesan landscape is formed.

## **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.

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

## **FOR THE YEAR ENDED 31 MARCH 2022**

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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	Resigned 1 January 2022
Reverend R Ayer-Harris	Appointed 1 January 2022
Mrs A L Aze	
Mr A J Brown	Appointed 1 January 2022
Mr T Farrer	Appointed 1 January 2022
Mrs S L Hallis	Appointed 1 January 2022
Mr N Harrison	
Mr N Rees - Vice Chair	
Mr I K Robinson	Appointed 1 January 2022
Canon J Triffitt	
Canon J Tubbs	Resigned 1 January 2022
Mrs C Tunncliffe	Resigned 1 January 2022
Mr T Balmforth	Resigned 31 July 2021
Mrs M Pearson	Resigned 31 July 2021

### **Method of appointment or election of trustees**

The Articles of Association were revised in 2021/22, following the introduction of the new DBE Measure in 2021. The makeup of the Board's membership now comprise of a maximum of ten members and up to 2 co-opted members. The members are appointed triennially, normally in the same year as the Diocesan Synod is elected and this was last done in November 2021, with new members being appointed on the 1 January 2022.

### **Policies adopted for the induction and training of trustees**

New trustees undergo a comprehensive 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, decision making processes, strategy, and recent financial performance of the Charity. They also met key employees and other trustees to explore and be briefed on all areas of the work undertaken by the DBE. Trustees are encouraged to undertake development activity that will facilitate the execution of their role.

### **Organisational structure and decision making**

The Board of Education administer the Charity. The trustees meet usually six times a year (minimum of three times annually is stipulated in the Articles of Association) and five members personally present is the quorum necessary for the transaction of business. There are two sub committees covering 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: remuneration and salary benchmarking and consequent recommendation of changes.

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

**FOR THE YEAR ENDED 31 MARCH 2022**

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## **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 on a regular basis.

## **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.

The risk register identifies 8 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:

- Change is unheralded, unstructured or at faster speed and SDBE unable to respond appropriately or cope
  - SDBE for the Future 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
- Reputational risk if our Church maintained schools fail and risk of losing church school status.
  - Monitoring and evaluation processes to hold each school and LA to account
  - Schools causing concern strategy
  - Brokerage of effective school improvement solutions
  - Foundation governors in each school
  - Foundation Governance Advisor post
  - Academisation strategy
- Reputational risks if our Church 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
  - Foundation Governance Advisor post
  - Governance structure and MOU

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

**FOR THE YEAR ENDED 31 MARCH 2022**

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- 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
- 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
  - Ongoing review undertaken of what courses/PSA can be provided virtually and alternative delivery methods
  - New ways of working introduced
  - Contact by staff with schools, parishes and other stakeholders done by a variety of virtual and communication means using zoom or teams
  - Board, Committee, and staff meetings undertaken using zoom or teams
- 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
  - Personal development plan and learning contract
  - 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
  - Annual staff planning
  - Management process
- 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

## **Funds held as trustee**

The Board holds over 35 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. On 31 March 2022 the value of these funds was £5984k (2021: £5,990k). See note 25 of the accounts for further information.

## **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.

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

**FOR THE YEAR ENDED 31 MARCH 2022**

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**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.

**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 29/9/2022 and signed on their behalf by:



**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)**

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**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 2022 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 2022 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)**

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**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)**

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**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.
- We obtained an understanding and assessed the impact of Covid-19 on the operations of the charitable parent company and adapted our audit approach accordingly. We enquired and obtained evidence to support the going concern assumption and reviewed support received through various Coronavirus support schemes, dovetailed with work undertaken on management override.
- 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)**

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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;
- 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 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 misallocations 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)**

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**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**

*29/9/2022*  
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**Chartered Accountants  
Statutory Auditor**

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 2022**

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Note						
<b><u>Income from:</u></b>							
Donations and legacies	3	329,364	261,079	590,443	336,661	155,406	492,067
Charitable activities	4	-	2,010,421	2,010,421	-	2,453,653	2,453,653
Other trading activities	5	272,705	3,268	275,973	206,047	35,496	241,543
Investments	6	-	223,741	223,741	-	209,412	209,412
Other income	7	5,215	-	5,215	16,314	66,461	82,775
<b>Total income</b>		<b>607,284</b>	<b>2,498,509</b>	<b>3,105,793</b>	<b>559,022</b>	<b>2,920,428</b>	<b>3,479,450</b>
<b><u>Expenditure on:</u></b>							
Raising funds	8	226,701	-	226,701	228,399	55,066	283,465
Charitable activities	9	691,719	2,515,834	3,207,553	757,542	2,234,219	2,991,761
<b>Total resources expended</b>		<b>918,420</b>	<b>2,515,834</b>	<b>3,434,254</b>	<b>985,941</b>	<b>2,289,285</b>	<b>3,275,226</b>
Net gains/(losses) on investments	15	-	629,200	629,200	-	962,806	962,806
<b>Net incoming/(outgoing) resources before transfers</b>		<b>(311,136)</b>	<b>611,875</b>	<b>300,739</b>	<b>(426,919)</b>	<b>1,593,949</b>	<b>1,167,030</b>
Gross transfers between funds		300,000	(300,000)	-	600,000	(600,000)	-
<b>Net movement in funds</b>		<b>(11,136)</b>	<b>311,875</b>	<b>300,739</b>	<b>173,081</b>	<b>993,949</b>	<b>1,167,030</b>
Fund balances at 1 April 2021		184,536	8,707,832	8,892,368	11,455	7,713,883	7,725,338
<b>Fund balances at 31 March 2022</b>		<b>173,400</b>	<b>9,019,707</b>	<b>9,193,107</b>	<b>184,536</b>	<b>8,707,832</b>	<b>8,892,368</b>

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 23 to 46 form part of these financial statements.


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

**AS AT 31 MARCH 2022**

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Intangible assets	13		-		-
Tangible assets	14		1,400,722		1,406,245
Investments	15		7,688,104		6,881,470
			<u>9,088,826</u>		<u>8,287,715</u>
<b>Current assets</b>					
Debtors	16	338,088		341,975	
Cash at bank and in hand		684,691		1,115,641	
			<u>1,022,779</u>	<u>1,457,616</u>	
<b>Creditors: amounts falling due within one year</b>	17	(918,498)		(852,963)	
Net current assets			<u>104,281</u>		<u>604,653</u>
<b>Total assets less current liabilities</b>			<u>9,193,107</u>		<u>8,892,368</u>
<b>Income funds</b>					
Restricted funds	19	9,019,707		8,707,832	
Unrestricted funds		173,400		184,536	
			<u>9,193,107</u>		<u>8,892,368</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 authorised for issue by the trustees on 29/9/2022 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 2022**

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	14	1,369,336		1,398,077	
Investments	15	7,688,104		6,881,471	
		<u>9,057,440</u>		<u>8,279,548</u>	
<b>Current assets</b>					
Debtors	16	290,748	339,846		
Cash at bank and in hand		565,953	1,018,559		
		<u>856,701</u>	<u>1,358,405</u>		
<b>Creditors: amounts falling due within one year</b>	17	<u>(784,679)</u>	<u>(768,850)</u>		
Net current assets		<u>72,022</u>		<u>589,555</u>	
<b>Total assets less current liabilities</b>		<u>9,129,462</u>		<u>8,869,103</u>	
<b>Income funds</b>					
Restricted funds	19	9,019,707	8,707,833		
Unrestricted funds		109,755	161,270		
		<u>9,129,462</u>	<u>8,869,103</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 authorised for issue by the trustees on 29/4/2022 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 2022**

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	21		(440,992)		841,380
<b>Investing activities</b>					
Purchase of fixed assets		(36,266)		-	
Purchase of investments		(177,433)		(522,556)	
Proceeds on disposal of other investments		-		-	
Dividends, interest and rents from investments		223,741		209,412	
<b>Net cash generated from investing activities</b>			10,042		(313,144)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(430,950)		528,236
Cash and cash equivalents at beginning of year			1,115,641		587,405
<b>Cash and cash equivalents at end of year</b>			684,691		1,115,641

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

**FOR THE YEAR ENDED 31 MARCH 2022**

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## **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 25 constitute the consolidated financial statements of Salisbury Diocesan Board of Education for the financial year ended 31 March 2022.

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 £260,359 (2021 - £1,179,620).

### **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 2022**

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**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 to be 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.

Within the trading subsidiary in line with FRS102 capital grants received for the purchase of a capitalised asset are recognised over the useful life of that asset. The grant is recognised as deferred income and is written back to the profit and loss account in line with the depreciation policy.

**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.

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

**FOR THE YEAR ENDED 31 MARCH 2022**

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**1 Accounting policies**

**1.7 Expenditure - continued**

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

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
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**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.

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

**FOR THE YEAR ENDED 31 MARCH 2022**

---

**1 Accounting policies**

**1.9 Tangible fixed assets and depreciation - continued**

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
Long term Leasehold land	125 years straight line over lease term
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.

**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.

The tax currently payable is based on taxable profit for the year of the subsidiary. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date. The subsidiary has an option to pay all its taxable profits to parent charity within nine months of the reporting date and as such, there is no taxable profits. The gift aid payment to the parent charity will be recognised as a change in equity when the payment is made as the company does not have a legal obligation to pay its profits.

**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.

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

**FOR THE YEAR ENDED 31 MARCH 2022**

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**1 Accounting policies**

**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 35 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.

**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 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.

**1.20 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.

**1.21 Agency arrangements**

Salisbury Diocesan Board of Education acts as an agent in distributing the Devolved Formula Capital (DFC) grant and to voluntary aided schools. Payments received from the EFSA 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 18.

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

**FOR THE YEAR ENDED 31 MARCH 2022**

**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 19 judgement and estimation has had to be made in the split of restricted funds between income and capital funds that existed prior to 2001.

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. There is an estimate relating to the total grant payable as can be variable based on construction costs incurred as part of the project which occasionally results in additional funding to be issued to reflect an overspend or withdrawal of funding offers if projects underspent or do not go ahead. The grants payable provision is based on applications made by schools with supporting quotes and tenders detailing the value of the work required.

**3 Donations and legacies**

	Unrestricted funds	Restricted funds	Total	Total
	2022 £	2022 £	2022 £	2021 £
Grants	329,364	261,079	590,443	492,067
<b>For the year ended 31 March 2021</b>	<b>336,661</b>	<b>155,406</b>		<b>492,067</b>

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

**FOR THE YEAR ENDED 31 MARCH 2022**

**4 Income from charitable activities**

	Unrestricted funds	Restricted funds	Total	Total
	2022 £	2022 £	2022 £	2021 £
SCA	-	1,451,581	1,451,581	1,914,796
Governors contributions	-	135,186	135,186	314,714
SALEX capital grants	-	210,500	210,500	29,455
Trust Funded capital grants	-	157,640	157,640	-
IT capital grant	-	55,514	55,514	194,688
	-	2,010,421	2,010,421	2,453,653
<b>For the year ended 31 March 2021</b>	-	2,453,653		2,453,653

**5 Activities for generating funds**

	Unrestricted funds	Restricted funds	Total	Total
	2022 £	2022 £	2022 £	2021 £
DFC generated income	-	3,268	3,268	35,496
Educational Support Services	272,705	-	272,705	206,047
	272,705	3,268	275,973	241,543
<b>For the year ended 31 March 2021</b>	206,047	35,496		241,543

**6 Investment income**

	Unrestricted funds	Restricted funds	Total	Total
	2022 £	2022 £	2022 £	2021 £
Property investment income	-	892	892	4,473
Listed investment income	-	222,661	222,661	203,676
Interest receivable	-	188	188	1,263
	-	223,741	223,741	209,412
<b>For the year ended 31 March 2021</b>	-	209,412		209,412

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

**FOR THE YEAR ENDED 31 MARCH 2022**

**7 Other income**

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Other income	5,215	-	5,215	16,314	66,461	82,775

**8 Cost of raising funds**

	Staff costs	Depreciation	Other costs	Total	Total
	2022 £	2022 £	2022 £	2022 £	2021 £
Maintenance of let properties	-	-	-	-	55,066
Trading expenses	122,152	13,048	91,501	226,701	228,399
	122,152	13,048	91,501	226,701	283,465
<b>For the year ended 31 March 2021</b>	<b>129,883</b>	<b>10,886</b>	<b>142,696</b>		<b>283,465</b>

**9 Charitable activities**

	Staff costs	Depreciation	Other costs	Total	Total
	2022 £	2022 £	2022 £	2022 £	2021 £
Support for the church schools in the diocese	715,700	28,741	147,149	891,590	934,746
Capital grant projects on diocese properties	-	-	2,299,883	2,299,883	2,043,215
Other fundraising costs	-	-	16,080	16,080	13,800
	715,700	28,741	2,463,112	3,207,553	2,991,761
<b>For the year ended 31 March 2021</b>	<b>776,012</b>	<b>29,149</b>	<b>2,186,600</b>		<b>2,991,761</b>

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

**FOR THE YEAR ENDED 31 MARCH 2022**

**9 Charitable activities (continued)**

	Unrestricted funds	Restricted funds	Total	Total
	2022	2022	2022	2021
	£	£	£	£
Staff costs	505,867	209,833	715,700	776,012
Depreciation and impairment	28,741	-	28,741	29,149
SCA capital projects grants	-	1,741,043	1,741,043	1,606,577
Governors capital projects	-	135,186	135,186	212,495
Other capital grant funded projects	-	423,654	423,654	224,143
Insurance premium for church schools	-	5,106	5,106	7,997
Travel costs	5,758	-	5,758	843
Legal fees	37,305	-	37,305	4,468
Professional subscriptions	2,798	-	2,798	1,771
Resources	114	-	114	58
Courses and training	11,288	-	11,288	6,344
Miscellaneous expenditure	2,337	-	2,337	7,430
IT Costs	2,460	-	2,460	24,823
Consultancy costs	53,678	-	53,678	43,468
Devizes old school expenditure	-	-	-	(2,268)
Other expenses	25,293	1,012	26,305	34,646
Bank charges	-	-	-	5
Support costs	16,080	-	16,080	13,800
	<u>691,719</u>	<u>2,515,834</u>	<u>3,207,553</u>	<u>2,991,761</u>
<b>For the year ended 31 March 2021</b>	<u>757,542</u>	<u>2,234,219</u>		<u>2,991,761</u>

The SCA capital project grants have been summarised between schools below. Certain grants were accrued in previous years, some projects were either overprovided or not undertaken leading to negative expenditure.

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

**FOR THE YEAR ENDED 31 MARCH 2022**

**9 Charitable activities (continued)**

Analysis of grants made	SCA Grant Committed during 21/22	SCA Grant Committed during 20/21
	£	£
Child Okeford	49,503	55,982
Durweston	55,644	60,598
Hampreston	87,746	-
Langton Matravers	6,742	14,412
Lyme Regis St Michaels	-	25,916
Marnhull, St Gregory's	260,645	138,864
Milton-on-Stour	61,733	-
Mosterton, Parrett & Axe	49,500	-
New Forest	11,930	134,221
Portesham	67,645	-
Powerstock	984	-
Kennet Valley	-	11,754
Salway Ash	9,657	-
Shaftesbury, The Abbey	72,900	-
Semley	106	31,500
Evershot Sticklands	21,356	31,639
Stoborough	33,121	35,212
Symondsburys	38,700	-
Thorners' Litton Cherney	(1,618)	19,800
Verwood Trinty First	(2,147)	26,842
Weymouth, St Nicholas & St Laurence	2,771	53,963
Wimborne St Giles	51,338	-
Winterbourne Valley	131,036	-
Western Downland	54,216	43,110
Wool CE VA Primary	-	115,506
Wylde Valley	1,223	50,781
Aldbourn St Michael's	(13,210)	38,054
Alderbury & West Grimstead	9,961	27,558
Bemerton	3,145	-
Broad Chalke	2,478	-
Chilmark & Fonthill Bishop	29,299	69,947
Chilton Foliat	52,321	26,233
Coombe Bissett	102,994	108,435
Cranborne	(8,386)	56,352
Crockerton	36,578	3,183
Derry Hill	20,394	-
Downton	114,389	56,727
Hindon	(124)	51,331
Laverstock St Andrews	16,121	16,614
Pitton	-	20,767
Porton St Nicholas	71,949	76,028
Sarum St Martins	(2,847)	21,087
Sarum St Pauls	83,123	184,159
Sticklands	(443)	-
Whiteparish	23,107	-
Winterslow	86,216	-
Tilshead	27,237	-
Other	22,010	-
	<u>1,741,043</u>	<u>1,606,577</u>

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

**FOR THE YEAR ENDED 31 MARCH 2022**

**10 Support costs - governance**

	Unrestricted funds	Restricted funds	Total	Total
	2022 £	2022 £	2022 £	2021 £
Auditors' remuneration	13,650	-	13,650	10,600
Auditors' non audit costs	3,850	-	3,850	3,200
Trustees expenses reimbursed	-	-	-	-
	<u>17,500</u>	<u>-</u>	<u>17,500</u>	<u>13,800</u>
<b>For the year ended 31 March 2021</b>	<u>13,800</u>	<u>-</u>		<u>13,800</u>

**11 Net movement in funds**

	2022 £	2021 £
Net movement in funds is stated after charging/(crediting)		
Amortisation - intangible fixed assets	-	5,512
Depreciation of tangible fixed assets - owned by the charitable group	41,789	34,523
Auditor's remuneration - audit	13,650	10,600
Auditor's remuneration - other services	<u>3,850</u>	<u>3,200</u>

Audit fees for the parent charity were £10,650 (2021 - £8,450) and non-audit fees for the parent charity were £3,000 (2021 - £2,150)

One (2021: 1) trustee received remuneration and other benefits from their employment with the charity. Canon J Tubbs only received remuneration and benefits in respect of services provided as Director of Education, refer to note 12.

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

During the year expenses of £nil (2021: £Nil) was reimbursed to no trustees (2021: none) in respect of their role as trustee. In addition, during the year expenses of £174 (2021: £304) was reimbursed to The Diocesan Director of Education in respect to her employment. No expenses were reimbursed in respect of her role as trustee.

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

**FOR THE YEAR ENDED 31 MARCH 2022**

**12 Employees**

Staff costs were as follows:	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	649,945	686,017
Social security costs	63,330	62,376
Other pension costs	124,576	123,452
	<u>837,851</u>	<u>871,845</u>

Total redundancy/termination payments amount to £nil (2021: £4,833 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

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Staff	18	20

Average headcount expressed as a full time equivalent:

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Staff	15	16

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

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
In the band £60,001-£70,000	-	-
In the band £70,001-£80,000	2	2
In the band £80,001-£90,000	1	1
In the band £90,001-£100,000	-	-

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

**FOR THE YEAR ENDED 31 MARCH 2022**

**12 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 2022 they were:

Director of Education	- Canon J Tubbs
Deputy Director of Education	- Mr G Pugh
Assistant Director of Education	- Mrs A Christopher

The key management personnel of the parent charity comprise the trustees, the Director of Education, the Assistant Director of Education and the Deputy Director of Education. The total employee benefits of the key management personnel of the Charity were £239,636 (2021: £286,551).

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 and the Deputy Director of Education whose employee benefits total £40,044 (2021: £20,744).

The employee benefits of key management personnel for the group was therefore £279,680 (2021: £307,295).

The Diocesan Director of Education, who was appointed as a trustee of the Charity up to 1 January 2022, received £73,545 (2021: £70,819) in the form of remuneration for her role as Diocesan Director of Education. Furthermore £13,300 (2021: £8,268) 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.

**13 Intangible fixed assets (Group and Charity)**

	<b>Software</b>
<b>Group</b>	<b>£</b>
<b>Cost or valuation</b>	
At 1 April 2021 and 31 March 2022	24,190
<b>Amortisation</b>	
At 1 April 2021	24,190
At 31 March 2022	24,190
<b>Carrying amount</b>	
At 31 March 2022	-
At 31 March 2021	-

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.

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**14 Tangible fixed assets (Group and Charity)**

<b>Group</b>	<b>Leasehold land and buildings</b>	<b>Fixtures and fittings</b>	<b>Office equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 April 2021	1,698,592	89,731	48,738	1,837,061
Additions	-	36,266	-	36,266
At 31 March 2022	1,698,592	125,997	48,738	1,873,327
<b>Depreciation and impairment</b>				
At 1 April 2021	300,515	86,463	43,838	430,816
Depreciation charged in the year	28,741	11,245	1,803	41,789
At 31 March 2022	329,256	97,708	45,641	472,605
<b>Carrying amount</b>				
At 31 March 2022	1,369,336	28,289	3,097	1,400,722
At 31 March 2021	1,398,077	3,268	4,900	1,406,245

<b>Charity</b>	<b>Leasehold land and buildings</b>	<b>Fixtures and fittings</b>	<b>Office equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 April 2021	1,698,592	21,437	30,004	1,750,033
At 31 March 2022	1,698,592	21,437	30,004	1,750,033
<b>Depreciation and impairment</b>				
At 1 April 2021	300,515	21,437	30,004	351,956
Depreciation charged in the year	28,741	-	-	28,741
At 31 March 2022	329,256	21,437	30,004	380,697
<b>Carrying amount</b>				
At 31 March 2022	1,369,336	-	-	1,369,336
At 31 March 2021	1,398,077	-	-	1,398,077

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**15 Fixed asset investments (Group and Charity)**

	Listed investments £
<b>Cost or valuation (Group and Charity)</b>	
At 1 April 2021	6,881,470
Additions	177,433
Valuation changes	629,200
At 31 March 2022	<u>7,688,103</u>
<b>Carrying amount</b>	
At 31 March 2022	<u>7,688,103</u>
At 31 March 2021	<u>6,881,470</u>

	2022 £	2021 £
<b>Group &amp; Charity material investments</b>		
CBF Church of England Investment Fund	6,839,968	6,143,925
CBF Church of England Property Fund	848,135	737,545
	<u>7,688,103</u>	<u>6,881,470</u>

Charity only	Listed investments £	Investment in subsidiary £	Total £
<b>Cost</b>			
At 1 April 2021	6,881,470	1	6,881,471
Additions	177,433	-	177,434
Valuation changes	629,200	-	629,200
At 31 March 2022	<u>7,688,103</u>	<u>1</u>	<u>7,688,104</u>
<b>Historical cost</b>			
At 31 March 2022	5,220,973	-	5,220,973
At 31 March 2021	<u>5,043,539</u>	<u>1</u>	<u>5,043,540</u>

**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

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**16 Debtors**

	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Governors contributions	69,533	151,806	69,533	151,806
Amount owed by subsidiary undertaking	-	-	625	24,958
Trade debtors	90,149	94,483	60,995	85,456
Other debtors	42,429	91,141	38,378	80,995
Accrued income	88,904	9,354	74,144	1,440
Grants due from the ESFA	47,073	(4,809)	47,073	(4,809)
	<u>338,088</u>	<u>341,975</u>	<u>290,748</u>	<u>339,846</u>

Within governors contributions balance, there are £22,762 (2021: £3,825) due after one year.

**17 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Trade creditors	75,386	91,547	69,918	85,872
Amounts owed to group undertakings	-	-	-	9,545
Other taxation and social security	43,506	26,054	-	-
Other creditors and accruals	98,617	192,249	83,964	170,839
Deferred income	156,254	40,519	86,062	-
SCA capital grants	544,735	502,594	544,735	502,594
	<u>918,498</u>	<u>852,963</u>	<u>784,679</u>	<u>768,850</u>

Within deferred income, there are £18,000 (2021: £Nil) due after one year.

**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:

	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
PSA membership	43,192	40,519	-	-
DARE Grant	86,062	-	86,062	-
Others	27,000	-	-	-
	<u>156,254</u>	<u>40,519</u>	<u>86,062</u>	<u>-</u>

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**17 Creditors: amounts falling due within one year (contined)**

**Movement in SCA capital grants during the year**

	Group Charitable commitments accrued 2022 £	2021 £	Charity Charitable commitments accrued 2022 £	2021 £
Opening balance	502,594	-	502,594	-
New grant commitments charged	1,852,026	1,770,085	1,852,026	1,770,085
Grants paid during the year	(1,626,631)	(1,267,491)	(1,626,631)	(1,267,491)
Underspent project during 2021/22	(183,254)		(183,254)	
Amount of grant commitments recognised	<u>544,735</u>	<u>502,594</u>	<u>544,735</u>	<u>502,594</u>

**18 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 2022 the charity held £649,804 (2021 - £531,583) 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. As at the year end SDBE was due £47,073 from DFC (as shown in note 16). Interest received of £3,268 (2021 - £35,497) 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	531,583
Income received in year	275,276
Expenditure incurred in year	(190,669)
Transfer of funds to clear governor contribution balance	(13,459)
	<u>602,731</u>

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**19 Statement of funds**

	Balance at 1 April 2021	Income	Expenditure	Transfers	Gains/ (losses)	Balance at 31 March 2022
	£	£	£	£	£	£
<b>Unrestricted funds</b>						
General funds - SDBE	161,269	340,204	(691,719)	300,000	-	109,754
SALED Limited	23,267	267,080	(226,701)	-	-	63,646
	<u>184,536</u>	<u>607,284</u>	<u>(918,420)</u>	<u>300,000</u>	<u>-</u>	<u>173,400</u>
<b>Restricted funds</b>						
UST Capital account	7,411,361	-	-	-	629,200	8,040,561
UST Income account	886,033	227,008	(6,119)	(300,000)	-	806,922
SCA Capital Funds	410,438	1,451,582	(1,741,042)	-	-	120,978
Governors contribution	-	135,186	(135,186)	-	-	-
Other Capital Funds	-	423,654	(423,654)	-	-	-
Other restricted grants	-	261,079	(209,833)	-	-	51,246
	<u>8,707,832</u>	<u>2,498,509</u>	<u>(2,515,834)</u>	<u>(300,000)</u>	<u>629,200</u>	<u>9,019,707</u>
<b>Total of funds</b>	<u>8,892,368</u>	<u>3,105,793</u>	<u>(3,434,254)</u>	<u>-</u>	<u>629,200</u>	<u>9,193,107</u>

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. 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.

Since the year end, following discussions with the charity commission, the trustees have concluded that a more appropriate split of pre 2001 reserves should be 65% capital and 35% income. The changes will be reflected in the 22/23 accounts when the decision was made. Details of the review and outcome from the charity commission's guidance is on page 7 of the trustees' report.

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**19 Statement of funds (continued)**

	Balance at 1 April 2020	Income	Expenditure	Transfers	Gains/ (losses)	Balance at 31 March 2021
	£	£	£	£	£	£
<b>Unrestricted funds</b>						
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>
<b>Restricted funds</b>						
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>
<b>Total of funds</b>	<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>

**20 Analysis of net assets between funds**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Intangible fixed	-	-	-	-	-	-
Tangible assets	1,400,722	-	1,400,722	1,406,245	-	1,406,245
Investments	-	7,688,104	7,688,104	-	6,881,470	6,881,470
Current assets	(939,621)	1,962,400	1,022,779	(981,736)	2,439,352	1,457,616
Current liabilities	(287,701)	(630,797)	(918,498)	(239,973)	(612,990)	(852,963)
	<u>173,400</u>	<u>9,019,707</u>	<u>9,193,107</u>	<u>184,536</u>	<u>8,707,832</u>	<u>8,892,368</u>

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<b>21</b>	<b>Cash generated from operations</b>	<b>2022 £</b>	<b>2021 £</b>
	Surplus for the year	300,739	1,167,030
	Adjustments for:		
	Investment income recognised in statement of financial activities	(223,741)	(209,412)
	Fair value gains and losses on investments	(629,200)	(962,806)
	Depreciation and impairment of tangible fixed assets	41,789	40,035
	Movements in working capital:		
	Decrease/(increase) in debtors	3,886	371,534
	Increase in creditors	65,535	434,999
	<b>Cash absorbed by operations</b>	<b>(440,992)</b>	<b>841,380</b>
<b>22</b>	<b>Financial commitments, guarantees and contingent liabilities/assets</b>		

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 capital commitments that should be recognised. The committed grants from the SCA funds have been recognised as a liability as deemed to meet the criteria of constructive obligations and a reconciliation of this provision can be seen on note 17.

Since the year end, it was identified from further investigations that trust funds were available to be transferred to the charity amounting to £296,200, this is split between restricted capital income of £163,931 and restricted income of £132,269. This will be introduced into the accounts during the year ended 31 March 2023.

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**23 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 £18,270 (2021 - £24,294) to the Teachers' Pension Scheme and £106,293 (2021 - £99,158) to the Church Workers Pension Scheme.

There were £2,275 (TPS) and £10,845 (CWPS) contributions outstanding at the year end (2021: £1,498 (TPS) and £9,096 (CWPS)) 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.

The next valuation is due to be implemented from 1 April 2023.

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**23 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 £18,270 (2021: £24,294)

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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**23 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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**24 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 £Nil (2021: £27,325) in respect of a range of other services including communication and IT, and £145,212 (2021: £131,872) in respect of building services provided. At the year end £3,730 (2021: £20,190) was due to SDBF.

SDBF has granted aid to SDBE for its educational work in the Diocese. During the year £329,364 (2021: £331,361) was paid to the SDBE in respect of grants. At the year end £Nil (2021: £Nil) was due to SDBE.

In 2022, £52,907 (2021: £53,742) was received from The Reverend Doctor S F and Mrs Jackson Mappowder Trust, which has common trusteeship with two SDBE trustees: Canon J Tubbs and Mr N Harrison.

During the year, £21,430 (2021: £19,601) was received from Diocese of Salisbury Academies Trust (DSAT) for office accommodation and recharge of staff time and expenses. They also paid £13,500 (2021: £10,350) for PSA subscriptions and training. Canon J Tubbs and Mr G Pugh, are trustees of DSAT. Mr T P Balmforth is also was a trustee of both charities until his resignation on 31 July 2021. At the year end £1,320 (2021: £502) was due to Saled (2021: due to SDBE).

During the year £9,025 (2021: £7,475) was received for PSA subscriptions and training from Sherbourne Area Schools Trust. Mr N Rees is a common trustee of both entities. At the year end there were no balances receivable.

During the year, the charity received a project administration fee from its subsidiary, SALED Limited of £42,476 (2021: £28,615). At the year end, a debtor of £625 (2021: £24,958 and a £9,545 creditor) was due from SALED Limited.

**25 Trust funds**

The SDBE acts as trustee for over 35 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 2022, the value of these funds are £5,775,536 (2021: £5,912,617). 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 £208,290 (2021: £77,968).

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 2022 the value of these funds was £973,100 (2021: £656,208). 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 £1,842 (2021: £5,978).