# LEICESTER DIOCESAN BOARD OF EDUCATION

England & Wales · Charity number 1151692

## Details

| | |
|---|---|
| **Other names** | LEICESTER DBE |
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 08432843 |
| **Registered** | 2013-04-19 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | St Martins House<br>7 Peacock Lane<br>Leicester |
| **Phone** | 0116 261 5350 |
| **Email** | Carolyn.lewis@leicesterdbe.org |
| **Website** | https://www.leicesterdbe.org |

## Activities

**Objects:** The Objects of the Board are to:1.1 promote or assist in the promotion of education in the Diocese that is consistent with the faith and practice of the Church of England;1.2 promote or assist in the promotion of religious education and religious worship in schools in the Diocese;1.3 promote or assist in the promotion of church schools in the Diocese;1.4 promote co-operation between itself and other persons concerned with education in the Diocese.

**Activities:** The charity's principal objectives during the period were the promotion of lifelong learning throughout the Diocese, effect being given to the belief that all true education must be based on Christian principles, and the promotion and stimulation of religious education according to the doctrines of the Church of England.

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## Classification

- **How:** Provides Other Finance, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Acts As An Umbrella Or Resource Body
- **What:** Education/training
- **Who:** Children/young People

## Geography

- Leicester City
- Leicestershire

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2024-08-30 | £413,466 | £411,780 | £4,161,317 | 3 |
| 2023-08-30 | £413,466 | £409,238 | - | - |
| 2022-08-30 | £401,877 | £349,624 | - | - |
| 2021-08-30 | £308,464 | £354,401 | - | - |
| 2020-08-31 | £475,412 | £396,622 | - | - |

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## Trustees

| Name | Role | Appointed |
|---|---|---|
| ADELE LEADBEATER | | 2019-01-17 |
| Canon Philip Jonathan O'Reilly SSC | | 2013-04-19 |
| Dr Codra Theresa Spencer | | 2019-01-01 |
| ELIZABETH CLARE WAYNE-HAWKER | | 2013-04-19 |
| Fiona Brooks | | 2025-01-08 |
| GWYNNE JONES | | 2013-03-19 |
| Lat Blaylock | | 2023-12-12 |
| Linda Joy Hardy | | 2025-01-08 |
| Natasha Boyce | | 2023-12-12 |
| Neil Bardsley | | 2019-01-17 |
| REVEREND CANON Emma Davies | | 2019-02-14 |
| RUSSELL ANDREWS | | 2013-04-19 |
| Rev Elizabeth Wilson | | 2019-01-01 |
| Rev Philip Watson | | 2016-05-31 |
| Rt Revd Martyn James Snow | | 2016-05-14 |
| SADIE BATSTONE | | 2022-02-21 |
| Sophie Holder | | 2025-01-08 |
| THE VENERABLE Claire Wood | | 2017-10-08 |
| The Venerable Richard John Trethewey | | 2025-12-01 |
| Theresa Jackson | | 2025-01-08 |

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**LEICESTER DIOCESAN BOARD OF EDUCATION**

England & Wales - Charity number 1151692

# Accounts

**REGISTERED COMPANY NUMBER: 08432843 (England and Wales)**
**REGISTERED CHARITY NUMBER: 1151692**

# REPORT OF THE TRUSTEES AND

# AUDITED FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 31 AUGUST 2024

# FOR

# LEICESTER DIOCESAN BOARD OF EDUCATION
# (A COMPANY LIMITED BY GUARANTEE)

**LEICESTER DIOCESAN BOARD OF EDUCATION**

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**For The Year Ended 31 August 2024**


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**LEICESTER DIOCESAN BOARD OF EDUCATION**

**REFERENCE AND ADMINISTRATIVE DETAILS**
**For The Year Ended 31 August 2024**

| | |
|---|---|
| **CHAIR** | Mr R M Andrews |
| **DIOCESAN DIRECTOR OF EDUCATION AND SECRETARY TO THE BOARD** | Canon C Shoyer |
| **TREASURER** | Mr R M Andrews |
| **EX OFFICIO** | Rt Revd M Snow (Bishop of Leicester)<br>Ven R Worsfold (Archdeacon of Leicester)<br>Ven C Wood (Archdeacon of Leicester) |
| **ELECTED BY DIOCESAN SYNOD** | Revd Canon P O'Reilly<br>Mr D Jones<br>Revd J Hargreaves<br>Revd E Wilson<br>Rev P Watson<br>Revd Canon E L Davies<br>Dr C T Spencer<br>Ms E C Wayne-Hawker<br>Ms A Leadbeater<br>Ms M Green (resigned 15.10.24)<br>Revd D Cowie (resigned 8.1.25)<br>Ms C L Bampton (resigned 14.9.23)<br>Revd A Hall (resigned 8.1.25)<br>Ms T Jackson (appointed 8.1.25)<br>Mr L Blaylock (appointed 12.12.23)<br>Ms N O Boyce (appointed 12.12.23) |
| **CO-OPTED BY THE BOARD** | Mr N J Bardsley<br>Ms S Batstone<br>Ms L J Hardy (appointed 8.1.25)<br>Ms F Brooks (appointed 8.1.25)<br>Ms J Stillwell (resigned 7.4.24) |
| **BISHOP'S NOMINEES** | Mr R M Andrews<br>Mrs S H Holder (appointed 8.1.25)<br>Canon S Adshead (resigned 8.1.25)<br>Ms M V Wang (resigned 31.8.24) |
| **REGISTERED OFFICE** | St Martins House<br>7 Peacock Lane<br>Leicester<br>Leicestershire<br>LE1 5PZ |
| **REGISTERED COMPANY NUMBER** | 08432843 (England and Wales) |
| **REGISTERED CHARITY NUMBER** | 1151692 |
| **AUDITORS** | TC Group<br>31 High View Close<br>Hamilton Office Park<br>Leicester<br>Leicestershire<br>LE4 9LJ |

| | |
|---|---|
| **SOLICITORS** | Stone King LLP<br>Boundary House<br>91 Charterhouse Street<br>London<br>EC1M 6HR |
| **BANKERS** | Barclays Bank plc<br>Dominus Way<br>Meridian Business Park<br>Leicester<br>LE19 1RP |

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2024. The trustees have adopted the provisions of 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).

**Vision and strategy**

The Board's vision and strategy is derived from our key partners, our Bishop and the wider Diocese, the Church of England's Vision for Education and the Board's own evaluation of the needs of our Church school family.

The **Diocesan Purpose** is driven from our Christian Vision: The Kingdom of God. We seek to support one another across our Diocesan family to consider how we are 'Shaped by God' and how our daily lives reflect ten marks of mission. This then extends to asking ourselves three key questions about how we are deepening discipleship, growing the number of disciples and offering loving service of the world.

The **Church of England's Education Office** has published its vision for Education, 'Deeply Christian, Serving the Common Good'. This vision, for all of education and not simply Church schools, embraces the spiritual, physical, intellectual, emotional, moral and social development of children and young people. The Church of England, as a whole, seeks a vision of human flourishing for all, one that embraces excellence and academic rigour, but sets them in a wider framework. This is worked out theologically and educationally through four basic elements which permeates the vision:

- Wisdom
- Hope
- Community
- Dignity

The vision, in line with the Church of England's role as the established Church, is for the common good of the whole human community and its environment, whether national, regional or local. This reflects the Board's responsibility as a charity to provide benefit to the public. It is hospitable to diversity, respects freedom of religion and belief, and encourages others to contribute from the depths of their own traditions and understandings.

The Board believes that it makes its own, unique and distinct, contribution to the work of the wider diocesan purpose and the national Church. First of all, we recognise that we predominantly serve our family of Church schools and we aspire for them to contribute positively and effectively to the 'healthily plural educational system' by offering a distinctively Christian ethos. This, of course, must be delivered alongside academic rigour and excellence.

The Board also believe that our schools can and many already do, echo the marks of mission seen in 'Shaped by God.' Our schools can be places of transformation, inspiration, celebration and welcome.

The DBE's vision has captured the hearts and minds of many within our Church school family. As the school systems evolves, we believe that it is important to be consistent and steadfast in our work. We invite all schools to consider how their work reflects this vision and how they can play their part in the diocese and national network.

<u>The Vision of the Board is:</u>

**'Transforming the lives of children and young people'**

**Effective** :
As a result of visionary leadership and inspirational teaching, children and young people in the Diocese of Leicester achieve excellence. They are well-rounded and confident with a strong sense of self-worth. As learners transformed, they in turn transform their communities.

**Distinctive** :
Unequivocally Christ-like, our schools offer children and young people the opportunity to hear the Christian response to life's big questions. Christian Worship is invitational, offering the whole school community an opportunity for renewal and to encounter the person of Jesus Christ. Religious Education is exemplary, enabling a genuine understanding of the role of faith and belief in modern society.

**Rooted** :
Our schools are rooted in prayer, partnership with parish and wider community and the teachings of Jesus Christ. Children and young people receive excellent Religious Education equipping them with a firm knowledge of the Christian faith and other key faiths.

**Inclusive** :
Like Jesus himself, our schools are 'scandalously inclusive'. Children and families from all faiths and none are welcomed, respected and cherished. Serving the community in which they are placed, our schools exemplify, 'love your neighbour'.

In supporting 97 church schools across the Diocese of Leicester to realise this vision provides benefit to the public. This is achieved by training and equipping school leaders and governors to make educational provision of the highest quality, which in turn enables children and young people to contribute positively to society.

## OBJECTIVES AND ACTIVITIES

### Objectives and aims

The Board's objectives are the same as its statutory functions determined by the Diocesan Boards of Education Measure 2021 ("the measure"). They Diocesan Board of Education must:

- promote or assist in the promotion of education in the diocese that is consistent with the faith and practice of the Church of England;

- promote or assist in the promotion of religious education and religious worship in schools in the diocese;

- promote or assist in the promotion of church schools in the diocese;

- promote co-operation between itself and other persons concerned with education in the diocese;

- The functions assigned to the Board by the measure; and

The Board's principal objective during the year was the promotion of lifelong learning throughout the Diocese, effect being given to the belief that all true education must be based on Christian principles, and the promotion and stimulation of religious education according to the doctrines of the Church of England.

To achieve this the Board appoints staff to support the work of the church schools and the development of the ministry of ordained and lay people.

An additional aim of the Board's work is to promote and facilitate building work in Church of England schools within the Diocese. Creating and maintaining high quality learning environments has clear public benefit.

The Board operates a system which enables Voluntary Aided maintained schools to have their Devolved Formula Capital (DFC) Grant money lodged with the Board pending work being carried out. In addition to this, the Board is a member of a diocesan consortium, which receives School Condition Allocation (SCA) Grant money for capital work in Voluntary Aided maintained schools. An administration charge is levied for this service and details are published in the Board's Partnership Agreement with schools. Any interest received on these funds is re-invested for the purposes previously described.

The Board invests the majority of its funds through CCLA Investment Management who are accountable for investment performance. An element of the Board's funds need to be kept liquid because of its role in 'bridging' building projects in schools between payment of invoices to contractors and the receipt of grant funding.

The principal beneficiaries of the charity's services are the children and young people attending the 97 Church of England schools and academies in the Diocese. Wider than this, the Board also aims to promote and assist in the promotion of education consistent with the faith and practice of the Church of England.

## OBJECTIVES AND ACTIVITIES

### Achievements and performance

The Board develops a 3-year strategic plan which includes aspirational success indicators. Progress towards these is routinely monitored by the Board. During the financial year, the Board aimed to provide and support work amongst children and young people in church contexts by providing professional, pastoral and theological support. The principal public benefit of this work is the support offered by the Board for the provision of worthwhile organised activities for children and young people.

The Board continued to support this work through:

- Regular meetings and leadership development for school and trust leaders of church schools

- Support for schools in preparation for denominational inspections

- Giving advice and support to governing bodies and trust boards

- Managing the admission appeals on behalf of schools

- Advice and training on religious education and collective worship

- Working with strategic partners to ensure school effectiveness

- Development and oversight of building projects

- Advising governing bodies and trust boards in the appointment of head teachers

### Key activities for achieving objectives

- Providing school and trust leaders with pastoral and professional support.
- Organising training and developmental opportunities for school and trust leaders and lay leaders.
- The appointment, support and training of foundation governors.
- Offering legal advice for trustees, governing bodies and school leaders.
- Liaison with officers of national and local bodies, including Multi Academy Trusts, Local Authorities, Department for Education, Regional Director and Ofsted.
- Partnership working with the Church of England Education Office and other Diocesan Board of Education teams.
- Representation on those committees of Leicestershire County and City Councils, which deal with education issues

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and setting the grant making policy for the period.

In light of the changing educational environment, there is an expectation that the Board become increasingly responsible for the quality of provision within their schools.

### Grant making

During the period the Board made available capital grants to the governors of aided schools in relation to the Department for Education (DfE) scheme. Details of the grants made may be found in note 7 of these financial statements.

## STRATEGIC REPORT

### Achievement and performance

### Fundraising

The charitable company does not carry out significant fundraising activities.

## STRATEGIC REPORT

### Financial review

### Financial position

In financial terms during 2023-24 the Board planned to:

- ensure that expenditure from general reserves did not exceed income before any realised or unrealised gains or losses on investments, for the period

- ensure that expenditure from s554 funds did not exceed those funds' income, before capital receipts and any realised or unrealised gains or losses on investments, for the period.

In the year the Board:
- made a surplus before any realised or unrealised gains or losses on investments on its general fund of £312,135 (2023: £134,158).

- made a deficit before any realised or unrealised gains or losses on investments on its endowment funds of £87,002 (2032: £129,930).

- made a transfer from general funds to endowment funds of £94,662 (2023: £129,929)

The Board has reviewed all available information, taking account of the current position and principal risks and have a reasonable expectation that the charity will be able to continue in operation and meet its liabilities as they fall due.

**Principal funding sources**
The principal funding sources for the charity are currently by way of grants from the Diocese of Leicester Board of Finance and investment income.

**Investment policy and objectives**
The investments of the Board are represented by:

- properties held under trusts
- investments in the CBF Investment and Property funds managed by CCLA Investment Management Limited and Savills Investment Management.

The movements in the Board's investments are shown at notes 11 and 12 to these financial statements.

In the light of the market conditions prevalent during the period the Trustees consider the performance of the Board's investments to be satisfactory. It is the policy of the Board to adhere to the ethical investment guidelines issued by the Church of England.

**Reserves policy**
The reserves of the Board comprise those which may be expended for the normal objectives of the Board and those arising from Educational Foundations within the trusteeship of the Board (the Consolidated Fund), which may only be expended for specific purposes as shown in the notes to the financial statements. As at 31 August 2024 the total funds are £4,161,317 (2023: £3,755,086) as shown in the balance sheet.

Having considered financial risk, liquidity requirement and the timing of cashflows throughout the year, the Board's policy is to hold a balance of readily available realisable assets equivalent to 3 months of budgeted expenditure. As at 31 August 2024, the minimum amount required under this policy totalled £93,000 (2023: £93,000).

Actual free reserves in general and endowment funds totalled £3,739,749 (2023: £3,047,142). Free reserves in unrestricted funds were positive by £495,009 (3: positive £391,962).

Actual free reserves are higher than the Board's policy due to prudent fiscal management.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Structure, governance and management

The Diocesan Board of Education is constituted in line with the Diocesan Boards of Education Measure 2021 and its Articles of Association.

### Recruitment and appointment of new trustees

Trustees are recruited through advertisement within the Diocese of Leicester. This is mainly through the Diocesan Synod. Some trustees are ex-officio appointments and some are appointed by the Bishop of Leicester. Co-opted trustees are recruited on the basis of their skills and experience in church schools. Trustees are appointed under the categories shown in the Reference and Administrative information provided in this report.

### Organisational structure and decision making

The Board is part of the Synodical structure of the Church of England and is responsible to and reports to the Synod of the Diocese of Leicester.

The Board operates through its meeting and those of the various sub-committees. The Board makes all major decisions, including those relating to financial matters.

Sub-committees scrutinise issues and make recommendations to the Board. Sub-committees have certain delegated powers under their Terms of Reference.

The Board adopted and continue to operate within the core objectives and remit of the Board and had the following sub-committees in the period to 31 August 2024:

### Church Schools Business & Finance Committee

The principal responsibilities of this sub-committee are formulating and overseeing a coherent strategy for existing and future school provision across the Diocese and to monitor local and national developments that impact upon the strategy. The committee also monitors and manages all financial and property matters appertaining to the Board including maintenance and repair of voluntary aided schools in the Diocese, management of the Board's trustee responsibilities and investments and scrutiny of the Board's financial position and risk management policy and procedures.

### Supporting Church Schools Committee

This sub-committee is responsible for formulating and overseeing a coherent strategy for existing and future church school provision across the Diocese in respect of effectiveness, distinctiveness and inclusivity. Also, to provide support and training services to schools, governors, clergy and teachers, to provide guidance on policy and curriculum issues, respond to resolutions from General Synod in relation to church schools and promote and pursue partnerships with Local Authorities, Multi-Academy Trusts and the Department for Education. The committee oversees the appointment of Foundation Governors and reviews the outcomes of denominational and Ofsted inspections. The committee overseas the Board's Admissions guidance and its support for schools in these matters.

### Strategic Group

This sub-committee works with the Director on all matters of strategy and monitors the Board's progress towards its vision. The committee regularly reviews the development and growth of Multi Academy Trusts.

### Induction and training of new trustees

At the first meeting of a new triennium the Board's role and function is explained. All members receive a copy of all the terms of reference for the sub-committees. Trustees receive training.

At the first meeting of each sub-committee the terms of reference are discussed, and the sub-committee's remit clarified. During triennium the Board has a variety of on-going opportunities to discuss the strategic plan for the coming three years.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Key management remuneration

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 Charitable Company. During 2024 this was the Diocesan Director of Education and Secretary of the Board.

During the year, remuneration (including Employers National Insurance and pension) amounting to £133,576 was paid (2023: £125,230).

### Related parties

Through the Synodical structure the Board is related to the Leicester Diocesan Board of Finance from whom it receives grant support, details of which are shown in the notes to the financial statements.

### Risk management

The Trustees are required, under the Charities SORP 2019, to confirm as part of the Trustees' annual report that they have reviewed and taken steps to mitigate the major risks to which the Board is exposed. The following are assessed by the Board as major risks:

- **All Schools and Trusts: Governance**.
Failure to understand roles and responsibilities. This represents a reputational risk of failure, including financial and educational.

- **All Schools and Trusts: Provision**.
Failure to maintain good & outstanding provision, leading to reputational risks for the DBE; difficulty in finding suitable sponsor for school in an Ofsted category.

- **DBE: Funding**.
DBE unable to finance staffing levels required to meet charitable objects / strategic aims. Income from investments and from DBF grant at risk due to wider financial constraints.

- **DBE: Staffing capacity for Statutory Functions**.
DBE does not have sufficient capacity to undertake core statutory functions through loss or personnel or government legislation.

- **DBE: Staffing Capacity**.
Major Incident. DBE does not have sufficient capacity to respond to a major incident, which impacts on the charity.

- **DBE: Staffing Capacity**.
Land and capacity. Officer time required to manage land and property reduces capacity for core role.

**- Schools Partnership.**
Schools not firmly engaged in partnership with the DBE resulting in a lack of engagement at critical times, e.g. HT recruitment, financial and school improvement challenges.

In respect of each risk identified above, the Trustees have implemented strategies to mitigate and monitor the relevant issue. These mitigations include ensuring the relevant support, systems and expertise is available for schools and trusts as well as within the Board itself.

The responsibilities of the Trustees cover the identification and assessment of risks, taking appropriate steps to mitigate those highlighted as major risks to the Board and an annual review of risk, so as to ensure that the measures taken are adequate.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Modern Slavery Statement

The Board and the Charitable Foundations for which we are Trustees, are strongly opposed to slavery and human trafficking. We strive to act ethically and with integrity in all our business dealings and relationships to ensure that slavery and human trafficking are not taking place within our organisation or our supply chains.

### Safeguarding

The Board aspires for the lives of children and young people to be transformed through their experiences of a Church School education. Children should leave a Church school with confidence and a strong sense of self-worth.

Safeguarding is taken very seriously by the Board. The Church of England's Safeguarding policy has been adopted by the Board. All trustees complete school or church-based safeguarding training.

All diocesan schools are expected to maintain the highest standards in safeguarding policy and practice. All diocesan schools regardless of their status (VC, VA, Academy) come under the statutory oversight of their Local Authority (LA). LAs maintain statutory responsibility for ensuring the protection of the children within their area.

## EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

## FUNDS HELD AS CUSTODIAN TRUSTEE

The Board acts as custodian trustee for a number of small religious education funds. These funds are available to parishes to promote and deliver religious education to the younger society within their parishes.

The assets of these funds consist of either cash deposits or shares in the CBF Investment Fund. All such assets are held in accounts separate from those of the Board.

The total value of the assets held as custodian trustee is £87,349 (2023: £89,234) and relate to the following organisations:

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| St Nicholas House Education Foundation | - | - |
| Hugglescote RE Fund | 11,672 | 15,378 |
| Walcote RE Fund | 27,726 | 26,333 |
| Hoby School Fund | 10,000 | 10,000 |
| Syston Junior RE Fund | 3,562 | 3,179 |
| Syston Infant RE Fund | 25,997 | 24,691 |
| Stony Stanton Junior School RE Fund | 947 | 1,749 |
| Syston Junior RE Fund (Shares) | 7,445 | 7,445 |
| | 87,349 | 89,234 |

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Leicester Diocesan Board of Education for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued**

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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

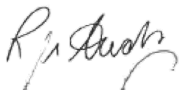
In so far as the trustees are aware:

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

**AUDITORS**

The auditors, TC Group, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on ..... and signed on the board's behalf by:



.....
Mr R M Andrews - Trustee

**Opinion**
We have audited the financial statements of Leicester Diocesan Board of Education (the 'charitable company') for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of its 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**
In auditing the financial statements, we have concluded that the trustees' 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 charitable 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 trustees with respect to going concern are described in the relevant sections of this report.

**Other information**
The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant frameworks which are directly relevant so specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP and the Companies Act 2006) and the relevant tax compliance regulations in the UK.

We understood how the charitable company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes and discussions with those charged with governance.

We assess the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the charitable company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

We also performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

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

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Dilun Mistry FCA (Senior Statutory Auditor)
for and on behalf of TC Group
31 High View Close
Hamilton Office Park
Leicester
Leicestershire
LE4 9LJ

Date: .....

**LEICESTER DIOCESAN BOARD OF EDUCATION**

**STATEMENT OF FINANCIAL ACTIVITIES**
**For The Year Ended 31 August 2024**

| | Notes | Unrestricted fund £ | Endowment fund £ | 2024 Total funds £ | 2023 Total funds £ |
|---|---|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | | | |
| Donations and legacies | 3 | 235,726 | 144,020 | 379,746 | 176,590 |
| **Charitable activities** | 6 | | | | |
| Admission appeal costs | | 10,050 | - | 10,050 | 10,570 |
| Other income | | 7,233 | - | 7,233 | 11,896 |
| Partnership agreement & courses | | 72,289 | - | 72,289 | 61,684 |
| Other trading activities | 4 | 24,839 | - | 24,839 | 24,732 |
| Investment income | 5 | 24,849 | 117,908 | 142,757 | 127,994 |
| **Total** | | 374,986 | 261,928 | 636,914 | 413,466 |
| **EXPENDITURE ON** | | | | | |
| **Charitable activities** | 7 | | | | |
| Advice to and work with schools | | 138,568 | - | 138,568 | 109,053 |
| Governance costs | | 3,623 | 10,868 | 14,491 | 19,356 |
| Support costs | | 64,531 | 194,041 | 258,572 | 280,829 |
| Other | | 149 | - | 149 | - |
| **Total** | | 206,871 | 204,909 | 411,780 | 409,238 |
| **NET INCOME** | | 168,115 | 57,019 | 225,134 | 4,228 |
| **Transfers between funds** | 19 | (94,662) | 94,662 | - | - |
| **Other recognised gains/(losses)** | | | | | |
| Gains/(losses) on revaluation of fixed assets | | 26,650 | 154,447 | 181,097 | (137,516) |
| **Net movement in funds** | | 100,103 | 306,128 | 406,231 | (133,288) |
| **RECONCILIATION OF FUNDS** | | | | | |
| Total funds brought forward | | 394,906 | 3,360,180 | 3,755,086 | 3,888,374 |
| **TOTAL FUNDS CARRIED FORWARD** | | 495,009 | 3,666,308 | 4,161,317 | 3,755,086 |

The notes form part of these financial statements

**LEICESTER DIOCESAN BOARD OF EDUCATION**

**BALANCE SHEET**
**31 August 2024**

| | Notes | 2024 £ | 2023 £ |
|---|---|---|---|
| **FIXED ASSETS** | | | |
| Tangible assets | 13 | 1,263 | 2,944 |
| **Investments** | | | |
| Investments | 14 | 3,191,758 | 3,011,607 |
| Investment property | 15 | 705,000 | 705,000 |
| | | 3,898,021 | 3,719,551 |
| **CURRENT ASSETS** | | | |
| Debtors | 16 | 92,392 | 68,673 |
| Cash in hand | | 1,010,785 | 680,736 |
| | | 1,103,177 | 749,409 |
| **CREDITORS** | | | |
| Amounts falling due within one year | 17 | (839,881) | (713,874) |
| **NET CURRENT ASSETS** | | 263,296 | 35,535 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 4,161,317 | 3,755,086 |
| **NET ASSETS** | | 4,161,317 | 3,755,086 |
| **FUNDS** | 19 | | |
| Unrestricted funds | | 495,010 | 394,906 |
| Endowment funds | | 3,666,307 | 3,360,180 |
| **TOTAL FUNDS** | | 4,161,317 | 3,755,086 |

The financial statements were approved by the Board of Trustees and authorised for issue on ..... and were signed on its behalf by:

.....
Mr R M Andrews - Trustee

The notes form part of these financial statements

## 1. GENERAL INFORMATION

The Charitable Company is a public benefit entity and a private company limited by guarantee without share capital, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is St Martins House, 7 Peacock Lane, Leicester, LE1 5PZ.

The principal activity of the charity is to promote lifelong learning throughout the Diocese, effect being given to the belief that all true education must be based on Christian principles, and the promotion and stimulation of religious education according to the doctrines of the Church of England.

**Statement of compliance**
The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

## 2. ACCOUNTING POLICIES

**Basis of preparing the financial statements**
The financial statements are prepared on a going concern basis under the historical cost convention, modified to include the revaluation of investment properties and fixed asset investments which are measured at their market value through income or expenditure.

The financial statements are presented in GBP £ sterling which is the functional currency of the charity.

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

**Financial reporting standard 102 - reduced disclosure exemptions**
The charitable company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

**Going concern policy**
The trustees regularly assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

The Board have considered the charitable company's income and operating cost base. They have prepared forecasts of income and expenditure for the period to 31 August 2025, which shows that they have sufficient reserves and cash to be able to continue for the foreseeable future.

The Board have concluded therefore that the entity remains a going concern and continue to adopt the going concern basis of preparation for these financial statements.

**Group accounts policy**
The Charitable Company are members of 10 academies (single and multiple academy trusts) and the Diocese of Leicester Educational Trust.

The Board's policy is for non-consolidation of either of the academies, trust or company into the Board accounts as it can demonstrate that no parent / subsidiary relationship exists.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## 2. ACCOUNTING POLICIES - continued

**Group accounts policy**

The policy is reviewed annually to ensure compliance with the national guidance and any developments in the relationship between the Board and the Trusts.

**Income**
All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income, the amount can be measured reliably, and it is probable that the income will be received.

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided there are no donor- imposed restrictions as to the timing of any related expenditure, in which case recognition is deferred until the pre-condition is met.

Revenue grants included in donations and legacies are credited as income when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

**Expenditure**
All expenditure is included in the financial statements on an accruals basis. Expenditure includes any VAT which cannot be fully recovered and is classified under headings of the statement of Financial Activities to which it relates:

- expenditure on charitable activities includes all costs incurred by a charity in undertaking its charitable activities, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- cost of other trading activities includes expenditure that relates to the delivery of courses to schools.

Expenditure is allocated to those cost categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity.

Support costs are apportioned between the activities on a reasonable and consistent basis based upon specific nominals.

**Grants payable**
Grants to schools are accrued for as expenditure when the recipient is notified of the grant.

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

**Cash at bank and deposits**
Cash at bank and deposits 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.

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

**Employee benefits**
Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.


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## 2. ACCOUNTING POLICIES - continued

**Cash at bank and deposits**

**Critical accounting judgements and key sources of estimation uncertainty**
In the application of the company's accounting policies, which are described above, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Management do not deem there to be any key sources of estimation uncertainty. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgement that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements is the valuation of the investment properties. These are valued by the trustees using guidance from an independent professional valuer. Investment properties are measured at each year end at their open market value.

**Property investments**
Property investments are held at open market value based upon external property valuations. Their valuations are derived from the most recent valuation, performed by Andrew Granger & Co Ltd as at 31 August 2021, with the exception of the land at Plungar which was valued as at 31 August 2022 based on the post balance sheet sale value.

**Tangible fixed assets**
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | | |
|---|---|---|
| Fixtures and fittings | - | Straight line over 7 years |
| Computer equipment | - | Straight line over 3 years |

**Fund accounting**
Fund balances are split between unrestricted and endowment (restricted) funds:

- the general fund is an unrestricted fund, which may be used at the Trustees' discretion;
- the endowment (restricted) fund consists of funds where there are imposed restrictions on their use.

Further details of these funds are given in note 19.


continued...

## 3. DONATIONS AND LEGACIES

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Donations | 144,020 | 650 |
| Grant from Leicester DBF | 170,489 | 113,522 |
| Recharge to Derby DBE | 65,237 | 62,418 |
| | 379,746 | 176,590 |

## 4. OTHER TRADING ACTIVITIES

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Rents received | 24,839 | 24,732 |

## 5. INVESTMENT INCOME

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Investment income | 139,330 | 124,540 |
| Deposit account interest | 3,427 | 3,454 |
| | 142,757 | 127,994 |

## 6. INCOME FROM CHARITABLE ACTIVITIES

| | Activity | 2024 | 2023 |
|---|---|---|---|
| | | £ | £ |
| Admission appeal costs | Admission appeal costs | 10,050 | 10,570 |
| Other income | Other income | 7,233 | 11,896 |
| Partnership agreement & course | Partnership agreement & courses | 72,289 | 61,684 |
| | | 89,572 | 84,150 |

## 7. CHARITABLE ACTIVITIES COSTS

| | Direct Costs | Support costs (see note 8) | Totals |
|---|---|---|---|
| | £ | £ | £ |
| Advice to and work with schools | 138,568 | - | 138,568 |
| Support costs | - | 273,056 | 273,056 |
| | 138,568 | 273,056 | 411,624 |



continued...

## 8. SUPPORT COSTS

| | Management | Other | Governance costs | Totals |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Other resources expended | 156 | - | - | 156 |
| Support costs | 258,416 | 149 | 14,491 | 273,056 |
| | 258,572 | 149 | 14,491 | 273,212 |

## 9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Auditors' remuneration | 10,500 | 9,625 |
| Depreciation - owned assets | 2,155 | 2,793 |
| Deficit on disposal of fixed assets | 39 | - |

## 10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2024 nor for the year ended 31 August 2023.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 August 2024 nor for the year ended 31 August 2023.

## 11. STAFF COSTS

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 180,033 | 199,060 |
| Social security costs | 14,836 | 15,327 |
| Other pension costs | 40,400 | 38,205 |
| | 235,269 | 252,592 |

The average monthly number of employees during the year was as follows:

| | 2024 | 2023 |
|---|---|---|
| Administration and support | 4 | 3 |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2024 | 2023 |
|---|---|---|
| £90,001 - £100,000 | 1 | 1 |

Pension payments of £26,742 were made for the highest paid employee (2023: £21,786).



continued...

## 11. STAFF COSTS - continued

No other employees earned £60,000 or more in the current or preceding period.

**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 Charitable Company. During 2024 this was the Diocesan Director of Education and Secretary of the Board.

During the year, remuneration (including Employers National Insurance and pension) amounting to £133,576 was paid (2023: £125,230).

## 12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £ | Endowment fund £ | Total funds £ |
|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | |
| Donations and legacies | 176,590 | - | 176,590 |
| **Charitable activities** | | | |
| Admission appeal costs | 10,570 | - | 10,570 |
| Other income | 11,896 | - | 11,896 |
| Partnership agreement & courses | 61,684 | - | 61,684 |
| Other trading activities | 24,732 | - | 24,732 |
| Investment income | 32,786 | 95,208 | 127,994 |
| **Total** | 318,258 | 95,208 | 413,466 |
| **EXPENDITURE ON** | | | |
| **Charitable activities** | | | |
| Advice to and work with schools | 109,053 | - | 109,053 |
| Governance costs | 4,839 | 14,517 | 19,356 |
| Support costs | 70,208 | 210,621 | 280,829 |
| **Total** | 184,100 | 225,138 | 409,238 |
| **NET INCOME/(EXPENDITURE)** | 134,158 | (129,930) | 4,228 |
| **Transfers between funds** | (129,929) | 129,929 | - |
| **Other recognised gains/(losses)** | | | |
| Gains/(losses) on revaluation of fixed assets | (14,930) | (122,586) | (137,516) |
| **Net movement in funds** | (10,701) | (122,587) | (133,288) |
| **RECONCILIATION OF FUNDS** | | | |
| Total funds brought forward | 405,607 | 3,482,767 | 3,888,374 |
| **TOTAL FUNDS CARRIED FORWARD** | 394,906 | 3,360,180 | 3,755,086 |



continued...

## 13. TANGIBLE FIXED ASSETS

| | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|---|---|---|---|
| **COST** | | | |
| At 1 September 2023 | 13,735 | 2,060 | 15,795 |
| Additions | - | 512 | 512 |
| Disposals | (1,200) | (1,250) | (2,450) |
| At 31 August 2024 | 12,535 | 1,322 | 13,857 |
| **DEPRECIATION** | | | |
| At 1 September 2023 | 10,791 | 2,060 | 12,851 |
| Charge for year | 2,106 | 49 | 2,155 |
| Eliminated on disposal | (1,162) | (1,250) | (2,412) |
| At 31 August 2024 | 11,735 | 859 | 12,594 |
| **NET BOOK VALUE** | | | |
| At 31 August 2024 | 800 | 463 | 1,263 |
| At 31 August 2023 | 2,944 | - | 2,944 |

## 14. FIXED ASSET INVESTMENTS

| | Investment properties £ | Unlisted investments £ | Total £ |
|---|---|---|---|
| **Cost or valuation** | | | |
| At 1 September 2022 | 705,000 | 3,011,607 | 3,716,607 |
| Additions at cost | - | 13,513 | - |
| Disposals | - | (13,422) | (13,422) |
| Revaluation adjustment | - | 180,059 | 193,572 |
| **At 31 August 2023** | 705,000 | 3,191,757 | 3,896,757 |

| | 2024 | 2023 |
|---|---|---|
| Historical cost (unlisted investments only) | 1,873,859 | 1,887,281 |

Investment properties do not have any historical cost as the Board received legacies and gifts. The difference between historical cost and market value is included within the relevant funds.

The investment properties were valued as at 31 August 2021 by the Board's land agents, Andrew Granger & Co Ltd, Chartered Surveyors. The basis of valuation was on an open market basis based on existing use and prevailing permissions. The Board undertakes valuations every 3 years.

The Leicester Diocesan Board of Education acts as a custodian of two properties on behalf of The Saint Nicholas House Educational Foundation. These properties have not been recognised in the accounts of Leicester Diocesan Board of Education as it does not have beneficial interest. The valuation of these properties is £700,000.



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## 14. FIXED ASSET INVESTMENTS - continued

All the unlisted investments of the Board are in CBF Church of England Common Investment Funds managed by CCLA Investment Management Limited & Savills Investment Management

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| CBF Investment Fund | 2,785,153 | 2,580,856 |
| Savills Property Fund | 406,604 | 430,751 |
| | 3,191,757 | 3,011,607 |

## 15. INVESTMENT PROPERTY

| | £ |
|---|---|
| **FAIR VALUE** | |
| At 1 September 2023 and 31 August 2024 | 705,000 |
| **NET BOOK VALUE** | |
| At 31 August 2024 | 705,000 |
| At 31 August 2023 | 705,000 |

Fair value at 31 August 2024 is represented by:

| | £ |
|---|---|
| Valuation in 2021 | 705,000 |

## 16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Other debtors | 21,303 | 30,335 |
| VAT | 6,517 | - |
| Prepayments and accrued income | 64,572 | 38,338 |
| | 92,392 | 68,673 |



continued...

## 17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Trade creditors | 326,943 | 45,938 |
| Social security and other taxes | 7,808 | 10,809 |
| VAT | - | 186 |
| Other creditors | 346,402 | 502,451 |
| DFC funds | 146,469 | 134,809 |
| Accruals and deferred income | 12,259 | 19,681 |
| | 839,881 | 713,874 |

## 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted fund | Endowment fund | 2024 Total funds | 2023 Total funds |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Fixed assets | 1,263 | - | 1,263 | 2,944 |
| Investments | 536,578 | 3,360,180 | 3,896,758 | 3,716,607 |
| Current assets | 1,103,177 | - | 1,103,177 | 749,409 |
| Current liabilities | (1,146,008) | 306,127 | (839,881) | (713,874) |
| | 495,010 | 3,666,307 | 4,161,317 | 3,755,086 |

## 19. MOVEMENT IN FUNDS

| | At 1.9.23 | Net movement in funds | Transfers between funds | At 31.8.24 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Unrestricted funds** | | | | |
| General fund | 394,906 | 194,766 | (94,662) | 495,010 |
| **Endowment funds** | | | | |
| Endowment fund | 3,360,180 | 211,465 | 94,662 | 3,666,307 |
| **TOTAL FUNDS** | 3,755,086 | 406,231 | - | 4,161,317 |

Net movement in funds, included in the above are as follows:

| | Incoming resources | Resources expended | Gains and losses | Movement in funds |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Unrestricted funds** | | | | |
| General fund | 374,986 | (206,870) | 26,650 | 194,766 |
| **Endowment funds** | | | | |
| Endowment fund | 261,928 | (204,910) | 154,447 | 211,465 |
| **TOTAL FUNDS** | 636,914 | (411,780) | 181,097 | 406,231 |



continued...

**19. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

| | At 1.9.22 £ | Net movement in funds £ | Transfers between funds £ | At 31.8.23 £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 405,607 | 119,228 | (129,929) | 394,906 |
| **Endowment funds** | | | | |
| Endowment fund | 3,482,767 | (252,516) | 129,929 | 3,360,180 |
| **TOTAL FUNDS** | 3,888,374 | (133,288) | - | 3,755,086 |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 318,258 | (184,100) | (14,930) | 119,228 |
| **Endowment funds** | | | | |
| Endowment fund | 95,208 | (225,138) | (122,586) | (252,516) |
| **TOTAL FUNDS** | 413,466 | (409,238) | (137,516) | (133,288) |

The transfer in the year, between the General fund and the s554 Income Fund is to fund the deficit on this fund, as costs allocated exceeded the income generated.

The transfer between the Baxter Hall fund and the General fund is in respect of net rental income generated which can be used for general purposes.

**Revaluation Reserve**
Included in the fund balances above is a revaluation reserve of £1,977,176 (investment property £750,000 and investments £1,272,176). As at 31st August 2024, the revaluation reserve is allocated as follows, general fund £223,092, Baxter Hall £300,000, s554 capital fund £1,422,254 and other foundations £32,163.

**Endowment funds**
s554 Income and Capital funds
These principally represent funds and income held under trusts arising from the sale of redundant educational properties. The Board as trustees may, after payment of any expenses incurred in connection with the administration of the trusts, apply the capital and income of the relevant trust assets for any of the following purposes:
- in or towards the purchase of a site for, or the erection, improvement or enlargement of:
  - o the premises of any relevant school in the area
  - o the premises of a teacher's house for use in connection with any relevant school in the area


continued...

## 19. MOVEMENT IN FUNDS - continued

o for the maintenance of any relevant school in the area or of a teacher's house for use in connection with any relevant school in the area.
The income arising from these trusts may additionally be used, after payment of any expenses incurred in connection with the administration of the trust, for any of the following purposes:
- in or towards the provision of advice, guidance and resources (including materials) in connection with any matter related to the management of, or education provided at, any relevant school in the area
- the provision of services for the carrying out of any inspection of any relevant school in the area required by Part I of the School Inspection Act 1996(a); and
- to defray the cost of employing or engaging staff in connection with the application of capital or income of the relevant trust assets.

**The Baxter Hall fund**
This represents the book value of the Baxter Hall property as revalued from time to time.
The Baxter Hall property was transferred back to the Baxter Hall Trust in September 2024.

| **Other Foundations** | Total 2024 | Total 2023 |
|---|---|---|
| | £ | £ |
| Gilmorton,Edward Chandler | 4,077 | 3,786 |
| Leicester, G A Robinson | - | 12,344 |
| Stoke Golding | 432 | 410 |
| Rev Towers Earl Shilton | 46,303 | 41,278 |
| Hathern, Old School House | 65,755 | 62,451 |
| | 116,567 | 121,251 |

During any year the Board can become aware of redundant schools and/or schoolhouses of which it has no record. When this occurs, the Board acts under current legislation to acquire the asset for its work. The Board has no means of identifying such cases in advance.

## 20. EMPLOYEE BENEFIT OBLIGATIONS

**Pension costs**
Three employees of the Board participated in pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Board and the other participating employers. This is the Church Workers Pension Fund. 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.

These schemes are multi-employer last man standing defined benefit pension schemes for which the Board is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme.

**Church Workers Pension Fund - Pension Builder Scheme**
The Board participates in the Pension Builder Scheme section of the Church Workers Pension Fund 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 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.


continued...

**20. EMPLOYEE BENEFIT OBLIGATIONS - continued**

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 subdivision of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme, this means it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the scheme were a defined contribution scheme. The pension costs charged to the SoFA in the year represent contributions payable.

The most recent scheme valuation completed was carried out as at 31 December 2019. This revealed, on the ongoing assumptions used, an overall deficit of £10.6m. The scheme's actuaries have proposed that the deficit is to be eliminated within 7 years without the need for additional contributions from the employers involved in the scheme. There is therefore no requirement for deficit payments at the current time.

The Board contributes 10% of basic salary. There is no minimum contribution for employees. The pension costs for the period of £4,288 (2023: £4,083) are equal to the contributions paid by the Board and there were no contributions outstanding at the period end.

**Teachers' Pension Scheme**
The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014.

The Diocesan Director of Education and Deputy Director of Education are members of the TPS.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**
The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2022.

The key elements of the valuation and subsequent consultation are:
- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million


continued...

## 20. EMPLOYEE BENEFIT OBLIGATIONS - continued

- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £36,114 (2023: £33,873).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

## 21. RELATED PARTY DISCLOSURES

The Board is related to Leicester Diocesan Board of Finance.

At the end of the period the following amounts, were receivable or (payable) by the Board in respect of related parties:

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Leicester Diocesan Board of Finance in respect of grants receivable, loans and contribution to costs | 170,489 | 113,522 |

## 22. POST BALANCE SHEET EVENTS

The Baxter Hall property was transferred back to The Baxter Hall Trust in September 2024.

## 23. SCHOOLS' DFC FUNDS

With effect from 1 April 2006 the DfE paid over to schools the funds available for 2006/07 plus any unspent funds from prior years, which could be used for the 90% cost of building works, previously reimbursed by the DfE.

The Voluntary Aided Schools agreed that the Board should hold these funds and meet any 90% contributions from them. The value of the funds at 31st August 2024 was £146,469 (2032: £137,255).

Each school's unspent amount of the total is identifiable.



continued...

## 24. ANALYSIS OF TRANSFERS BETWEEN FUNDS

Overheads are apportioned based upon the allocation of staff time and is split between general and endowment fund. Transfers between funds and the reasons behind them are disclosed in Note 19.

## DETAILED STATEMENT OF FINANCIAL ACTIVITIES
## For The Year Ended 31 August 2024

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| **INCOME AND ENDOWMENTS** | | |
| **Donations and legacies** | | |
| Donations | 144,020 | 650 |
| Grant from Leicester DBF | 170,489 | 113,522 |
| Recharge to Derby DBE | 65,237 | 62,418 |
| | 379,746 | 176,590 |
| **Other trading activities** | | |
| Rents received | 24,839 | 24,732 |
| **Investment income** | | |
| Investment income | 139,330 | 124,540 |
| Deposit account interest | 3,427 | 3,454 |
| | 142,757 | 127,994 |
| **Charitable activities** | | |
| Admission appeal costs | 10,050 | 10,570 |
| Other income | 7,233 | 11,896 |
| Partnership agreement & course | 72,289 | 61,684 |
| | 89,572 | 84,150 |
| **Total incoming resources** | 636,914 | 413,466 |
| **EXPENDITURE** | | |
| **Charitable activities** | | |
| Advice to schools | 138,568 | 109,053 |
| **Support costs** | | |
| **Management** | | |
| Wages | 180,033 | 199,060 |
| Social security | 14,836 | 15,327 |
| Pensions | 40,400 | 38,205 |
| Office costs | 21,109 | 25,443 |
| Fixtures and fittings | 49 | 2,107 |
| Computer equipment | 2,106 | 687 |
| Loss on sale of tangible fixed assets | 39 | - |
| | 258,572 | 280,829 |
| **Other** | | |
| Repairs | 149 | - |

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| **Other** | | |
| **Governance costs** | | |
| Auditors' remuneration | 10,500 | 9,625 |
| Legal and professional fees | 3,991 | 9,731 |
| | 14,491 | 19,356 |
| Total resources expended | 411,780 | 409,238 |
| **Net income** | 225,134 | 4,228 |

**LEICESTER DIOCESAN BOARD OF EDUCATION**

England & Wales - Charity number 1151692

# Accounts

REGISTERED COMPANY NUMBER: 08432843 (England and Wales)
REGISTERED CHARITY NUMBER: 1151692

# REPORT OF THE TRUSTEES AND

# AUDITED FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 31 AUGUST 2023

# FOR

# LEICESTER DIOCESAN BOARD OF EDUCATION
# (A COMPANY LIMITED BY GUARANTEE)

LEICESTER DIOCESAN BOARD OF EDUCATION

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For The Year Ended 31 August 2023


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**LEICESTER DIOCESAN BOARD OF EDUCATION**

**REFERENCE AND ADMINISTRATIVE DETAILS**
**For The Year Ended 31 August 2023**

| | |
|---|---|
| **Chair** | Mr R Andrews |
| **Diocesan Director of Education and Secretary to the Board** | Canon C Lewis |
| **Treasurer** | Mr R Andrews |
| **Ex officio** | Rt Revd M Snow (Bishop of Leicester)<br>Ven R Worsfold (Archdeacon of Leicester)<br>Ven C Wood (Archdeacon of Loughborough) |
| **Elected by Diocesan Synod** | Mr R Andrews<br>Revd Canon P O'Reilly<br>Mr D Jones<br>Revd J Hargreaves<br>Revd A Hall<br>Revd E Wilson<br>Revd P Watson<br>Mrs M Green<br>Revd D Cowie<br>Revd Canon E Davies<br>Dr C Spencer<br>Mrs E Wayne-Hawker<br>Mrs C Bampton (resigned 14 Sep 2023)<br>Revd J Taylor (resigned 2 Nov 2022) |
| **Co-opted by the Board** | Mr N J Bardsley<br>Mrs A Leadbetter<br>Mrs S Batstone<br>Mrs J Stilwell<br>Mr L Blaylock (appointed 12 Dec 2023)<br>Mrs N Boyce (appointed 12 Dec 2023) |
| **Bishop's nominees** | Canon S Adshead<br>Ms M Wang |
| **Registered Office** | St Martins House<br>7 Peacock Lane<br>Leicester<br>Leicestershire<br>LE1 5PZ |
| **Registered company number** | 08432843 (England and Wales) |
| **Registered charity number** | 1151692 |
| **Auditors** | TC Group<br>31 High View Close<br>Hamilton Office Park<br>Leicester<br>Leicestershire<br>LE4 9LJ |
| **Solicitors** | Stone King LLP<br>Boundary House<br>91 Charterhouse Street<br>London<br>EC1M 6HR |

**BANKERS**

Barclays Bank plc
Dominus Way
Meridian Business Park
Leicester
LE19 1RP

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2023. The trustees have adopted the provisions of 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).

**Vision and strategy**

The Board's vision and strategy is derived from our key partners, our Bishop and the wider Diocese, the Church of England's Vision for Education and the Board's own evaluation of the needs of our Church school family.

The **Diocesan Purpose** is driven from our Christian Vision: The Kingdom of God. We seek to support one another across our Diocesan family to consider how we are 'Shaped by God' and how our daily lives reflect ten marks of mission. This then extends to asking ourselves three key questions about how we are deepening discipleship, growing the number of disciples and offering loving service of the world.

The **Church of England's Education Office** has published its vision for Education, 'Deeply Christian, Serving the Common Good'. This vision, for all of education and not simply Church schools, embraces the spiritual, physical, intellectual, emotional, moral and social development of children and young people. The Church of England, as a whole, seeks a vision of human flourishing for all, one that embraces excellence and academic rigour, but sets them in a wider framework. This is worked out theologically and educationally through four basic elements which permeates the vision:

- Wisdom
- Hope
- Community
- Dignity

The vision, in line with the Church of England's role as the established Church, is for the common good of the whole human community and its environment, whether national, regional or local. This reflects the Board's responsibility as a charity to provide benefit to the public. It is hospitable to diversity, respects freedom of religion and belief, and encourages others to contribute from the depths of their own traditions and understandings.

The Board believes that it makes its own, unique and distinct, contribution to the work of the wider diocesan purpose and the national Church. First of all, we recognise that we predominantly serve our family of Church schools and we aspire for them to contribute positively and effectively to the 'healthily plural educational system' by offering a distinctively Christian ethos. This, of course, must be delivered alongside academic rigour and excellence.

The Board also believe that our schools can and many already do, echo the marks of mission seen in 'Shaped by God.' Our schools can be places of transformation, inspiration, celebration and welcome.

The DBE's vision has captured the hearts and minds of many within our Church school family. As the school systems evolves, we believe that it is important to be consistent and steadfast in our work. We invite all schools to consider how their work reflects this vision and how they can play their part in the diocese and national network.

The Vision of the Board is:

**'Transforming the lives of children and young people'**

**Effective** :
As a result of visionary leadership and inspirational teaching, children and young people in the Diocese of Leicester achieve excellence. They are well-rounded and confident with a strong sense of self-worth. As learners transformed, they in turn transform their communities.

**Distinctive** :
Unequivocally Christ-like, our schools offer children and young people the opportunity to hear the Christian response to life's big questions. Christian Worship is invitational, offering the whole school community an opportunity for renewal and to encounter the person of Jesus Christ. Religious Education is exemplary, enabling a genuine understanding of the role of faith and belief in modern society.

**Rooted** :
Our schools are rooted in prayer, partnership with parish and wider community and the teachings of Jesus Christ. Children and young people receive excellent Religious Education equipping them with a firm knowledge of the Christian faith and other key faiths.

**Inclusive** :
Like Jesus himself, our schools are 'scandalously inclusive'. Children and families from all faiths and none are welcomed, respected and cherished. Serving the community in which they are placed, our schools exemplify, 'love your neighbour'.

In supporting 97 church schools across the Diocese of Leicester to realise this vision provides benefit to the public. This is achieved by training and equipping school leaders and governors to make educational provision of the highest quality, which in turn enables children and young people to contribute positively to society.

## OBJECTIVES AND ACTIVITIES

### Objectives and aims

The Board's objectives are the same as its statutory functions determined by the Diocesan Boards of Education Measure 2021 ("the measure"). They Diocesan Board of Education must:

- promote or assist in the promotion of education in the diocese that is consistent with the faith and practice of the Church of England;
- promote or assist in the promotion of religious education and religious worship in schools in the diocese;
- promote or assist in the promotion of church schools in the diocese;
- promote co-operation between itself and other persons concerned with education in the diocese;
- The functions assigned to the Board by the measure; and

The Board's principal objective during the year was the promotion of lifelong learning throughout the Diocese, effect being given to the belief that all true education must be based on Christian principles, and the promotion and stimulation of religious education according to the doctrines of the Church of England. To achieve this the Board appoints staff to support the work of the church schools and the development of the ministry of ordained and lay people.

An additional aim of the Board's work is to promote and facilitate building work in Church of England schools within the Diocese. Creating and maintaining high quality learning environments has clear public benefit.

The Board operates a system which enables Voluntary Aided maintained schools to have their Devolved Formula Capital (DFC) Grant money lodged with the Board pending work being carried out. In addition to this, the Board is a member of a diocesan consortium, which receives School Condition Allocation (SCA) Grant money for capital work in Voluntary Aided maintained schools. An administration charge is levied for this service and details are published in the Board's Partnership Agreement with schools. Any interest received on these funds is re-invested for the purposes previously described.

The Board invests the majority of its funds through CCLA Investment Management who are accountable for investment performance. An element of the Board's funds need to be kept liquid because of its role in 'bridging' building projects in schools between payment of invoices to contractors and the receipt of grant funding.

The principal beneficiaries of the charity's services are the children and young people attending the 97 Church of England schools and academies in the Diocese. Wider than this, the Board also aims to promote and assist in the promotion of education consistent with the faith and practice of the Church of England.

## OBJECTIVES AND ACTIVITIES

### Achievements and performance

The Board develops a 3-year strategic plan which includes aspirational success indicators. Progress towards these is routinely monitored by the Board. During the financial year, the Board aimed to provide and support work amongst children and young people in church contexts by providing professional, pastoral and theological support. The principal public benefit of this work is the support offered by the Board for the provision of worthwhile organised activities for children and young people.

The Board continued to support this work through:

- Regular meetings and leadership development for school and trust leaders of church schools
- Support for schools in preparation for denominational inspections
- Giving advice and support to governing bodies and trust boards
- Managing the admission appeals on behalf of schools
- Advice and training on religious education and collective worship
- Working with strategic partners to ensure school effectiveness
- Development and oversight of building projects
- Advising governing bodies and trust boards in the appointment of head teachers

### Key activities for achieving objectives

- Providing school and trust leaders with pastoral and professional support.
- Organising training and developmental opportunities for school and trust leaders and lay leaders.
- The appointment, support and training of foundation governors.
- Offering legal advice for trustees, governing bodies and school leaders.
- Liaison with officers of national and local bodies, including Multi Academy Trusts, Local Authorities, Department for Education, Regional Director and Ofsted.
- Partnership working with the Church of England Education Office and other Diocesan Board of Education teams.
- Representation on those committees of Leicestershire County and City Councils, which deal with education issues

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and setting the grant making policy for the period.

In light of the changing educational environment, there is an expectation that the Board become increasingly responsible for the quality of provision within their schools.

### Grant making

During the period the Board made available capital grants to the governors of aided schools in relation to the Department for Education (DfE) scheme. Details of the grants made may be found in note 6 of these financial statements.

### Fundraising

The charitable company does not carry out significant fundraising activities.

## FINANCIAL REVIEW

### Financial position

In financial terms during 2022-23 the Board planned to:

- ensure that expenditure from general reserves did not exceed income before any realised or unrealised gains or losses on investments, for the period

- ensure that expenditure from s554 funds did not exceed those funds' income, before capital receipts and any realised or unrealised gains or losses on investments, for the period.

In the year the Board:

- made a surplus before any realised or unrealised gains or losses on investments on its general fund of £134,158 (2022: £112,861).

- made a deficit before any realised or unrealised gains or losses on investments on its endowment funds of £129,930 (2022: £60,608).

- made a transfer from general funds to endowment funds of £129,929 (2022: £112,519)

The Board has reviewed all available information, taking account of the current position and principal risks and have a reasonable expectation that the charity will be able to continue in operation and meet its liabilities as they fall due.

### Principal funding sources

The principal funding sources for the charity are currently by way of grants from the Diocese of Leicester Board of Finance and investment income.

### Investment policy and objectives

The investments of the Board are represented by:

- properties held under trusts
- investments in the CBF Investment and Property funds managed by CCLA Investment Management Limited and Savills Investment Management.

The movements in the Board's investments are shown at notes 11 and 12 to these financial statements.

In the light of the market conditions prevalent during the period the Trustees consider the performance of the Board's investments to be satisfactory. It is the policy of the Board to adhere to the ethical investment guidelines issued by the Church of England.

### Reserves policy

The reserves of the Board comprise those which may be expended for the normal objectives of the Board and those arising from Educational Foundations within the trusteeship of the Board (the Consolidated Fund), which may only be expended for specific purposes as shown in the notes to the financial statements. As at 31 August 2023 the total funds are £3,755,086 (2022: £3,888,373) as shown in the balance sheet.

Having considered financial risk, liquidity requirement and the timing of cashflows throughout the year, the Board's policy is to hold a balance of readily available realisable assets equivalent to 3 months of budgeted expenditure. As at 31 August 2023, the minimum amount required under this policy totalled £95,000 (2022: £93,000).

Actual free reserves in general and endowment funds totalled £3,047,142 (2022: £3,046,886). Free reserves in unrestricted funds were positive by £391,962 (2022: positive £399,869).

Actual free reserves are higher than the Board's policy due to prudent fiscal management.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Structure, governance and management

The Diocesan Board of Education is constituted in line with the Diocesan Boards of Education Measure 2021 and its Articles of Association.

### Recruitment and appointment of new trustees

Trustees are recruited through advertisement within the Diocese of Leicester. This is mainly through the Diocesan Synod. Some trustees are ex-officio appointments and some are appointed by the Bishop of Leicester. Co-opted trustees are recruited on the basis of their skills and experience in church schools. Trustees are appointed under the categories shown in the Reference and Administrative information provided in this report.

### Organisational structure and decision making

The Board is part of the Synodical structure of the Church of England and is responsible to and reports to the Synod of the Diocese of Leicester.

The Board operates through its meeting and those of the various sub-committees. The Board makes all major decisions, including those relating to financial matters.

Sub-committees scrutinise issues and make recommendations to the Board. Sub-committees have certain delegated powers under their Terms of Reference.

The Board adopted and continue to operate within the core objectives and remit of the Board and had the following sub-committees in the period to 31 August 2023:

### Church Schools Business & Finance Committee

The principal responsibilities of this sub-committee are formulating and overseeing a coherent strategy for existing and future school provision across the Diocese and to monitor local and national developments that impact upon the strategy. The committee also monitors and manages all financial and property matters appertaining to the Board including maintenance and repair of voluntary aided schools in the Diocese, management of the Board's trustee responsibilities and investments and scrutiny of the Board's financial position and risk management policy and procedures.

### Supporting Church Schools Committee

This sub-committee is responsible for formulating and overseeing a coherent strategy for existing and future church school provision across the Diocese in respect of effectiveness, distinctiveness and inclusivity. Also, to provide support and training services to schools, governors, clergy and teachers, to provide guidance on policy and curriculum issues, respond to resolutions from General Synod in relation to church schools and promote and pursue partnerships with Local Authorities, Multi-Academy Trusts and the Department for Education. The committee oversees the appointment of Foundation Governors and reviews the outcomes of denominational and Ofsted inspections. The committee oversees the Board's Admissions guidance and its support for schools in these matters.

### Strategic Group

This sub-committee works with the Director on all matters of strategy and monitors the Board's progress towards its vision. The committee regularly reviews the development and growth of Multi Academy Trusts.

### Induction and training of new trustees

At the first meeting of a new triennium the Board's role and function is explained. All members receive a copy of all the terms of reference for the sub-committees. Trustees receive training.

At the first meeting of each sub-committee the terms of reference are discussed, and the sub-committee's remit clarified. During triennium the Board has a variety of on-going opportunities to discuss the strategic plan for the coming three years.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Key management remuneration

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 Charitable Company. During 2023 this was the Diocesan Director of Education and Secretary of the Board.

During the year, remuneration (including Employers National Insurance and pension) amounting to £125,230 was paid (2022: £106,958).

### Related parties

Through the Synodical structure the Board is related to the Leicester Diocesan Board of Finance from whom it receives grant support, details of which are shown in the notes to the financial statements.

### Risk management

The Trustees are required, under the Charities SORP 2019, to confirm as part of the Trustees' annual report that they have reviewed and taken steps to mitigate the major risks to which the Board is exposed. The following are assessed by the Board as major risks:

- **All Schools and Trusts: Governance.**
  Failure to understand roles and responsibilities. This represents a reputational risk of failure, including financial and educational.

- **All Schools and Trusts: Provision.**
  Failure to maintain good & outstanding provision, leading to reputational risks for the DBE; difficulty in finding suitable sponsor for school in an Ofsted category.

- **DBE: Funding.**
  DBE unable to finance staffing levels required to meet charitable objects / strategic aims. Income from investments and from DBF grant at risk due to wider financial constraints.

- **DBE: Staffing capacity for Statutory Functions.**
  DBE does not have sufficient capacity to undertake core statutory functions through loss or personnel or government legislation.

- **DBE: Staffing Capacity.**
  Major Incident. DBE does not have sufficient capacity to respond to a major incident, which impacts on the charity.

- **DBE: Staffing Capacity.**
  Land and capacity. Officer time required to manage land and property reduces capacity for core role.

In respect of each risk identified above, the Trustees have implemented strategies to mitigate and monitor the relevant issue. These mitigations include ensuring the relevant support, systems and expertise is available for schools and trusts as well as within the Board itself.

The responsibilities of the Trustees cover the identification and assessment of risks, taking appropriate steps to mitigate those highlighted as major risks to the Board and an annual review of risk, so as to ensure that the measures taken are adequate.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Modern Slavery Statement

The Board and the Charitable Foundations for which we are Trustees, are strongly opposed to slavery and human trafficking. We strive to act ethically and with integrity in all our business dealings and relationships to ensure that slavery and human trafficking are not taking place within our organisation or our supply chains.

### Safeguarding

The Board aspires for the lives of children and young people to be transformed through their experiences of a Church School education. Children should leave a Church school with confidence and a strong sense of self-worth.

Safeguarding is taken very seriously by the Board. The Church of England's Safeguarding policy has been adopted by the Board. All trustees complete school or church-based safeguarding training.

All diocesan schools are expected to maintain the highest standards in safeguarding policy and practice. All diocesan schools regardless of their status (VC, VA, Academy) come under the statutory oversight of their Local Authority (LA). LAs maintain statutory responsibility for ensuring the protection of the children within their area.

## FUNDS HELD AS CUSTODIAN TRUSTEE

The Board acts as custodian trustee for a number of small religious education funds. These funds are available to parishes to promote and deliver religious education to the younger society within their parishes.

The assets of these funds consist of either cash deposits or shares in the CBF Investment Fund. All such assets are held in accounts separate from those of the Board.

The total value of the assets held as custodian trustee is £89,234 (2022: £88,226) and relate to the following organisations:

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| St Nicholas House Education Foundation | - | 60 |
| Hugglescote RE Fund | 15,837 | 15,378 |
| Walcote RE Fund | 26,333 | 25,570 |
| Hoby School Fund | 10,000 | 10,000 |
| Syston Junior RE Fund | 3,179 | 2,881 |
| Syston Infant RE Fund | 24,691 | 23,975 |
| Stony Stanton Junior School RE Fund | 1,749 | 2,917 |
| Syston Junior RE Fund (Shares) | 7,445 | 7,445 |
| | 89,234 | 88,226 |

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Leicester Diocesan Board of Education for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued**
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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

**AUDITORS**
The auditors, TC Group, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 7 February 2024 and signed on its behalf by:

Mr R Andrews - Trustee (Chair)

**Opinion**
We have audited the financial statements of Leicester Diocesan Board of Education (the 'charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**
In auditing the financial statements, we have concluded that the trustees' 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 charitable 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 trustees with respect to going concern are described in the relevant sections of this report.

**Other information**
The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant so specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP and the Companies Act 2006) and the relevant tax compliance regulations in the UK.

We understood how the charitable company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes and discussions with those charged with governance.

We assess the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

We also performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Buckby FCA (Senior Statutory Auditor)
for and on behalf of TC Group
31 High View Close
Hamilton Office Park
Leicester
Leicestershire
LE4 9LJ

Date: 13/2/2024

## LEICESTER DIOCESAN BOARD OF EDUCATION

## STATEMENT OF FINANCIAL ACTIVITIES
## For The Year Ended 31 August 2023

| | Notes | Unrestricted fund £ | Endowment fund £ | 2023 Total funds £ | 2022 Total funds £ |
|---|---|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | | | |
| Donations and legacies | | 176,590 | - | 176,590 | 180,509 |
| **Charitable activities** | | | | | |
| Admission appeal costs | | 10,570 | - | 10,570 | 7,375 |
| Other income | | 11,896 | - | 11,896 | 48,596 |
| Partnership agreement & courses | | 61,684 | - | 61,684 | 54,629 |
| Other trading activities | 3 | 24,732 | - | 24,732 | 23,596 |
| Investment income | 4 | 32,786 | 95,208 | 127,994 | 87,172 |
| **Total** | | 318,258 | 95,208 | 413,466 | 401,877 |
| **EXPENDITURE ON** | | | | | |
| Raising funds | 5 | - | - | - | 22,414 |
| **Charitable activities** | | | | | |
| Advice to and work with schools | | 109,053 | - | 109,053 | 62,957 |
| Governance costs | | 4,839 | 14,517 | 19,356 | 13,535 |
| Support costs | | 70,208 | 210,621 | 280,829 | 250,718 |
| **Total** | | 184,100 | 225,138 | 409,238 | 349,624 |
| **NET INCOME/(EXPENDITURE)** | | 134,158 | (129,930) | 4,228 | 52,253 |
| **Transfers between funds** | 16 | (129,929) | 129,929 | - | - |
| **Other recognised gains/(losses)** | | | | | |
| Gains/(losses) on revaluation of fixed assets | | (14,930) | (122,586) | (137,516) | (143,370) |
| **Net movement in funds** | | (10,701) | (122,587) | (133,288) | (91,117) |
| **RECONCILIATION OF FUNDS** | | | | | |
| Total funds brought forward | | 405,607 | 3,482,767 | 3,888,374 | 3,979,490 |
| **TOTAL FUNDS CARRIED FORWARD** | | 394,906 | 3,360,180 | 3,755,086 | 3,888,373 |

The notes form part of these financial statements

## LEICESTER DIOCESAN BOARD OF EDUCATION

### BALANCE SHEET
### 31 August 2023

| | Notes | 2023 £ | 2022 £ |
|---|---|---|---|
| **FIXED ASSETS** | | | |
| Tangible assets | 10 | 2,944 | 5,737 |
| **Investments** | | | |
| Investments | 11 | 3,011,607 | 3,012,950 |
| Investment property | 12 | 705,000 | 835,750 |
| | | 3,719,551 | 3,854,437 |
| **CURRENT ASSETS** | | | |
| Debtors | 13 | 68,673 | 67,872 |
| Cash in hand | | 680,736 | 798,433 |
| | | 749,409 | 866,305 |
| **CREDITORS** | | | |
| Amounts falling due within one year | 14 | (713,874) | (832,369) |
| **NET CURRENT ASSETS** | | 35,535 | 33,936 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 3,755,086 | 3,888,373 |
| **NET ASSETS** | | 3,755,086 | 3,888,373 |
| **FUNDS** | 16 | | |
| Unrestricted funds | | 394,906 | 405,606 |
| Endowment funds | | 3,360,180 | 3,482,767 |
| **TOTAL FUNDS** | | 3,755,086 | 3,888,373 |

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 7 February 2024 and were signed on its behalf by:

Mr R Andrews - Trustee (Chair)

The notes form part of these financial statements

## 1. GENERAL INFORMATION

The Charitable Company is a public benefit entity and a private company limited by guarantee without share capital, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is St Martins House, 7 Peacock Lane, Leicester, LE1 5PZ.

The principal activity of the charity is to promote lifelong learning throughout the Diocese, effect being given to the belief that all true education must be based on Christian principles, and the promotion and stimulation of religious education according to the doctrines of the Church of England.

**Statement of compliance**
The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

## 2. ACCOUNTING POLICIES

**Basis of preparing the financial statements**
The financial statements are prepared on a going concern basis under the historical cost convention, modified to include the revaluation of investment properties and fixed asset investments which are measured at their market value through income or expenditure.

The financial statements are presented in GBP £ sterling which is the functional currency of the charity.

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

**Financial reporting standard 102 - reduced disclosure exemptions**
The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

**Going concern policy**
The trustees regularly assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

The Board have considered the charitable company's income and operating cost base. They have prepared forecasts of income and expenditure for the period to 31 August 2025, which shows that they have sufficient reserves and cash to be able to continue for the foreseeable future.

The Board have concluded therefore that the entity remains a going concern and continue to adopt the going concern basis of preparation for these financial statements.

**Group accounts policy**
The Charitable Company are members of 10 academies (single and multiple academy trusts) and the Diocese of Leicester Educational Trust.

The Board's policy is for non-consolidation of either of the academies, trust or company into the Board accounts as it can demonstrate that no parent / subsidiary relationship exists.



continued...

## 2. ACCOUNTING POLICIES - continued

**Group accounts policy**
The policy is reviewed annually to ensure compliance with the national guidance and any developments in the relationship between the Board and the Trusts.

**Income**
All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income, the amount can be measured reliably, and it is probable that the income will be received.

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided there are no donor- imposed restrictions as to the timing of any related expenditure, in which case recognition is deferred until the pre-condition is met.

Revenue grants included in donations and legacies are credited as income when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

**Expenditure**
All expenditure is included in the financial statements on an accruals basis. Expenditure includes any VAT which cannot be fully recovered and is classified under headings of the statement of Financial Activities to which it relates:

- expenditure on charitable activities includes all costs incurred by a charity in undertaking its charitable activities, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- cost of other trading activities includes expenditure that relates to the delivery of courses to schools.

Expenditure is allocated to those cost categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity.

Support costs are apportioned between the activities on a reasonable and consistent basis based upon specific nominals.

**Grants payable**
Grants to schools are accrued for as expenditure when the recipient is notified of the grant.

**Investments**
Investments are shown at market value at the balance sheet date with any gain or loss taken to the Statement of Financial Activities. Investments held by the Board as custodian trustee are not included in these financial statements.

Realised gains or losses on investments are recognised when investments are sold. Unrealised gains or losses are accounted for on the revaluation of investments.

Investments and their gains and losses are allocated to funds based upon the nature of the investment source.

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

**Cash at bank and deposits**
Cash at bank and deposits 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.


continued...

## 2. ACCOUNTING POLICIES - continued

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

**Employee benefits**
Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

**Critical accounting judgements and key sources of estimation uncertainty**
In the application of the company's accounting policies, which are described above, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Management do not deem there to be any key sources of estimation uncertainty. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgement that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements is the valuation of the investment properties. These are valued by the trustees using guidance from an independent professional valuer. Investment properties are measured at each year end at their open market value.

**Property investments**
Property investments are held at open market value based upon external property valuations. Their valuations are derived from the most recent valuation, performed by Andrew Granger & Co Ltd as at 31 August 2021, with the exception of the land at Plungar which was valued as at 31 August 2022 based on the post balance sheet sale value.

**Tangible fixed assets**
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|---|---|
| Fixtures and fittings | - Straight line over 7 years |
| Computer equipment | - Straight line over 3 years |

**Fund accounting**
Fund balances are split between unrestricted and endowment (restricted) funds:

- the general fund is an unrestricted fund, which may be used at the Trustees' discretion;
- the endowment (restricted) fund consists of funds where there are imposed restrictions on their use.

Further details of these funds are given in note 16.



continued...

## 3. OTHER TRADING ACTIVITIES

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Rents received | 24,732 | 23,596 |

## 4. INVESTMENT INCOME

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Investment income | 124,540 | 85,650 |
| Deposit account interest | 3,454 | 1,522 |
| | 127,994 | 87,172 |

## 5. RAISING FUNDS

**Raising donations and legacies**

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Support costs | - | 22,414 |

## 6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Auditors' remuneration | 9,625 | 8,660 |
| Depreciation - owned assets | 2,793 | 2,793 |

## 7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2023 nor for the year ended 31 August 2022.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 August 2023 nor for the year ended 31 August 2022.

## 8. STAFF COSTS

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 199,060 | 156,148 |
| Social security costs | 15,327 | 18,202 |
| Other pension costs | 38,205 | 29,240 |
| | 252,592 | 203,590 |

The average monthly number of employees during the year was as follows:

| | 2023 | 2022 |
|---|---|---|
| Administration and support | 3 | 3 |



continued...

## 8. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2023 | 2022 |
|---|---|---|
| £80,001 - £90,000 | - | 1 |
| £90,001 - £100,000 | 1 | - |
| | 1 | 1 |

Pension payments of £21,786 were made for the highest paid employee (2022: £20,122).

No other employees earned £60,000 or more in the current or preceding period.

**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 Charitable Company. During 2023 this was the Diocesan Director of Education and Secretary of the Board.

During the year, remuneration (including Employers National Insurance and pension) amounting to £125,230 was paid (2022: £118,369).

## 9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £ | Endowment fund £ | Total funds £ |
|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | |
| Donations and legacies | 180,509 | - | 180,509 |
| **Charitable activities** | | | |
| Admission appeal costs | 7,375 | - | 7,375 |
| Other income | (3,317) | 51,913 | 48,596 |
| Partnership agreement & courses | 54,629 | - | 54,629 |
| Other trading activities | - | 23,596 | 23,596 |
| Investment income | 25,775 | 61,397 | 87,172 |
| **Total** | 264,971 | 136,906 | 401,877 |
| **EXPENDITURE ON** | | | |
| Raising funds | 14,845 | 7,569 | 22,414 |
| **Charitable activities** | | | |
| Advice to and work with schools | 62,957 | - | 62,957 |
| Governance costs | 13,535 | - | 13,535 |
| Support costs | 60,773 | 189,945 | 250,718 |
| **Total** | 152,110 | 197,514 | 349,624 |
| **NET INCOME/(EXPENDITURE)** | 112,861 | (60,608) | 52,253 |
| **Transfers between funds** | 114,394 | (114,394) | - |
| **Other recognised gains/(losses)** | | | |
| Gains/(losses) on revaluation of fixed assets | (246,199) | 102,829 | (143,370) |



continued...

## 9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

| | Unrestricted fund £ | Endowment fund £ | Total funds £ |
|---|---|---|---|
| **Net movement in funds** | (18,944) | (72,173) | (91,117) |
| **RECONCILIATION OF FUNDS** | | | |
| Total funds brought forward | 424,550 | 3,554,940 | 3,979,490 |
| **TOTAL FUNDS CARRIED FORWARD** | 405,606 | 3,482,767 | 3,888,373 |

## 10. TANGIBLE FIXED ASSETS

| | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|---|---|---|---|
| **COST** | | | |
| At 1 September 2022 and 31 August 2023 | 13,735 | 2,060 | 15,795 |
| **DEPRECIATION** | | | |
| At 1 September 2022 | 8,684 | 1,374 | 10,058 |
| Charge for year | 2,107 | 686 | 2,793 |
| At 31 August 2023 | 10,791 | 2,060 | 12,851 |
| **NET BOOK VALUE** | | | |
| At 31 August 2023 | 2,944 | - | 2,944 |
| At 31 August 2022 | 5,051 | 686 | 5,737 |

## 11. FIXED ASSET INVESTMENTS

| | Investment properties £ | Unlisted investments £ | Total £ |
|---|---|---|---|
| **Cost or valuation** | | | |
| At 1 September 2022 | 835,750 | 3,012,950 | 3,848,700 |
| Additions at cost | - | 116,827 | 116,827 |
| Disposals | (130,750) | - | (130,750) |
| Revaluation adjustment | - | (118,170) | (118,170) |
| **At 31 August 2023** | 705,000 | 3,011,607 | 3,716,607 |

| | 2023 | 2022 |
|---|---|---|
| Historical cost (unlisted investments only) | 1,887,281 | 1,770,933 |

Investment properties do not have any historical cost as the Board received legacies and gifts. The difference between historical cost and market value is included within the relevant funds.

The investment properties were valued as at 31 August 2021 by the Board's land agents, Andrew Granger & Co Ltd, Chartered Surveyors. The basis of valuation was on an open market basis based on existing use and prevailing permissions. The Board undertakes valuations every 3 years.



continued...

## 11. FIXED ASSET INVESTMENTS - continued

The Leicester Diocesan Board of Education acts as a custodian of two properties on behalf of The Saint Nicholas House Educational Foundation. These properties have not been recognised in the accounts of Leicester Diocesan Board of Education as it does not have beneficial interest. The valuation of these properties is £700,000.

All the unlisted investments of the Board are in CBF Church of England Common Investment Funds managed by CCLA Investment Management Limited & Savills Investment Management

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| CBF Investment Fund | 2,580,856 | 2,497,304 |
| Savills Property Fund | 430,751 | 515,646 |
| | 3,011,607 | 3,012,950 |

## 12. INVESTMENT PROPERTY

| | £ |
|---|---|
| **FAIR VALUE** | |
| At 1 September 2022 | 835,750 |
| Disposals | (130,750) |
| At 31 August 2023 | 705,000 |
| **NET BOOK VALUE** | |
| At 31 August 2023 | 705,000 |
| At 31 August 2022 | 835,750 |

Fair value at 31 August 2023 is represented by:

| | £ |
|---|---|
| Valuation in 2021 | 705,000 |

## 13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Other debtors | 30,335 | 53,147 |
| Prepayments and accrued income | 38,338 | 14,725 |
| | 68,673 | 67,872 |



continued...

## 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Trade creditors | 45,938 | 90,104 |
| Social security and other taxes | 10,809 | 9,798 |
| VAT | 186 | 3,016 |
| Other creditors | 502,451 | 639,691 |
| DFC funds | 134,809 | 80,019 |
| Accruals and deferred income | 19,681 | 9,741 |
| | 713,874 | 832,369 |

## 15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted fund | Endowment fund | 2023 Total funds | 2022 Total funds |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Fixed assets | 2,944 | - | 2,944 | 5,737 |
| Investments | 356,427 | 3,360,180 | 3,716,607 | 3,848,700 |
| Current assets | 749,409 | - | 749,409 | 866,305 |
| Current liabilities | (713,874) | - | (713,874) | (832,369) |
| | 394,906 | 3,360,180 | 3,755,086 | 3,888,373 |

## 16. MOVEMENT IN FUNDS

| | At 1.9.22 | Net movement in funds | Transfers between funds | At 31.8.23 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Unrestricted funds** | | | | |
| General fund | 405,607 | 119,228 | (129,929) | 394,906 |
| **Endowment funds** | | | | |
| S554 Income Fund | - | (129,929) | 129,929 | - |
| S554 Capital Fund | 3,059,930 | (122,588) | (3,413) | 2,933,929 |
| Baxter Hall Fund | 305,000 | - | - | 305,000 |
| Other Foundations | 117,838 | - | 3,413 | 121,251 |
| **TOTAL FUNDS** | 3,888,374 | (133,288) | - | 3,755,086 |



continued...

## 16. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 318,258 | (184,100) | (14,928) | 119,228 |
| **Endowment funds** | | | | |
| S554 Income Fund | 95,208 | (225,138) | - | (129,929) |
| S554 Capital Fund | - | - | (122,586) | (122,572) |
| Baxter Hall Fund | - | - | - | - |
| Other Foundations | - | - | - | - |
| **TOTAL FUNDS** | 413,466 | (409,238) | (137,516) | (133,288) |

**Comparatives for movement in funds**

| | At 1.9.21 £ | Net movement in funds £ | Transfers between funds £ | At 31.8.22 £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 424,550 | 93,576 | (112,519) | 405,606 |
| **Endowment funds** | | | | |
| S554 Income funds | - | (135,850) | 135,850 | - |
| S554 Capital funds | 3,130,558 | (70,628) | - | 3,059,930 |
| Baxter Hall Fund | 305,000 | 23,331 | (23,331) | 305,000 |
| Other Foundations | 119,382 | (1,544) | - | 117,838 |
| **TOTAL FUNDS** | 3,979,490 | (91,117) | - | 3,888,373 |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 264,971 | (152,110) | (19,286) | 93,576 |
| **Endowment funds** | | | | |
| S554 Income Fund | 61,398 | (197,250) | - | (135,850) |
| S554 Capital Fund | 51,913 | - | (122,540) | (70,628) |
| Baxter Hall Fund | 23,596 | (265) | - | 23,331 |
| Other Foundations | - | - | (1,544) | (1,554) |
| **TOTAL FUNDS** | 401,877 | (349,624) | (143,370) | (91,117) |



continued...

## 16. MOVEMENT IN FUNDS - continued

The transfer in the year, between the General fund and the s554 Income Fund is to fund the deficit on this fund, as costs allocated exceeded the income generated.

**Revaluation Reserve**
Included in the fund balances above is a revaluation reserve of £1,809,501 (investment property £705,000 and investments £1,104,501). As at 31st August 2023, the revaluation reserve is allocated as follows, general fund £196,908, Baxter Hall £300,000, s554 capital fund £1,273,073 and other foundations £40,320.

**Endowment funds**

s554 Income and Capital funds
These principally represent funds and income held under trusts arising from the sale of redundant educational properties. The Board as trustees may, after payment of any expenses incurred in connection with the administration of the trusts, apply the capital and income of the relevant trust assets for any of the following purposes:

- in or towards the purchase of a site for, or the erection, improvement or enlargement of:
  - the premises of any relevant school in the area
  - the premises of a teacher's house for use in connection with any relevant school in the area
  - for the maintenance of any relevant school in the area or of a teacher's house for use in connection with any relevant school in the area.

The income arising from these trusts may additionally be used, after payment of any expenses incurred in connection with the administration of the trust, for any of the following purposes:

- in or towards the provision of advice, guidance and resources (including materials) in connection with any matter related to the management of, or education provided at, any relevant school in the area
- the provision of services for the carrying out of any inspection of any relevant school in the area required by Part I of the School Inspection Act 1996(a); and
- to defray the cost of employing or engaging staff in connection with the application of capital or income of the relevant trust assets.

**The Baxter Hall fund**
This represents the book value of the Baxter Hall property as revalued from time to time.

**Other Foundations**

| | Total 2023 | Total 2022 |
|---|---|---|
| | £ | £ |
| Gilmorton, Edward Chandler | 3,768 | 3,823 |
| Leicester, G A Robinson | 12,344 | 12,214 |
| Stoke Golding | 410 | 397 |
| Rev Towers Earl Shilton | 42,278 | 41,732 |
| Hathern, Old School House | 62,451 | 60,641 |
| | 121,251 | 118,807 |



continued...

## 16. MOVEMENT IN FUNDS - continued

During any year the Board can become aware of redundant schools and/or schoolhouses of which it has no record. When this occurs, the Board acts under current legislation to acquire the asset for its work. The Board has no means of identifying such cases in advance.

## 17. EMPLOYEE BENEFIT OBLIGATIONS

**Pension costs**
Three employees of the Board participated in pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Board and the other participating employers. This is the Church Workers Pension Fund. 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.

These schemes are multi-employer last man standing defined benefit pension schemes for which the Board is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme.

**Church Workers Pension Fund - Pension Builder Scheme**
The Board participates in the Pension Builder Scheme section of the Church Workers Pension Fund 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 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 subdivision of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme, this means it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the scheme were a defined contribution scheme. The pension costs charged to the SoFA in the year represent contributions payable.

The most recent scheme valuation completed was carried out as at 31 December 2019. This revealed, on the ongoing assumptions used, an overall deficit of £10.6m. The scheme's actuaries have proposed that the deficit is to be eliminated within 7 years without the need for additional contributions from the employers involved in the scheme. There is therefore no requirement for deficit payments at the current time.


continued...

## 17. EMPLOYEE BENEFIT OBLIGATIONS - continued

The Board contributes 10% of basic salary. There is no minimum contribution for employees. The pension costs for the period of £4,083 (2022: £9,119) are equal to the contributions paid by the Board and there were no contributions outstanding at the period end.

**Teachers' Pension Scheme**
The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014.

The Diocesan Director of Education and Deputy Director of Education are members of the TPS.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**
The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £33,873 (2022: £18,477).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme.


continued...

## 18. RELATED PARTY DISCLOSURES

The Board is related to Leicester Diocesan Board of Finance (LDBF).

During the year grants were received from LDBF of £113,522 (2022: £119,826)

## 19. SCHOOLS' DFC FUNDS

With effect from 1 April 2006 the DfE paid over to schools the funds available for 2006/07 plus any unspent funds from prior years, which could be used for the 90% cost of building works, previously reimbursed by the DfE.

The Voluntary Aided Schools agreed that the Board should hold these funds and meet any 90% contributions from them. The value of the funds at 31st August 2022 was £137,255 (2022: £80,019).

Each school's unspent amount of the total is identifiable.

## 20. ANALYSIS OF TRANSFERS BETWEEN FUNDS

Overheads are apportioned based upon the allocation of staff time and is split between general and endowment fund. Transfers between funds and the reasons behind them are disclosed in Note 16.

## DETAILED STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 August 2023

| | 2023 £ | 2022 £ |
|---|---|---|
| **INCOME AND ENDOWMENTS** | | |
| **Donations and legacies** | | |
| Donations | 650 | 6 |
| Grant from Leicester DBF | 113,522 | 119,826 |
| Recharge to Derby DBE | 62,418 | 60,677 |
| | 176,590 | 180,509 |
| **Other trading activities** | | |
| Rents received | 24,732 | 23,596 |
| **Investment income** | | |
| Investment income | 124,540 | 85,650 |
| Deposit account interest | 3,454 | 1,522 |
| | 127,994 | 87,172 |
| **Charitable activities** | | |
| Admission appeal costs | 10,570 | 7,375 |
| Other income | 11,896 | 48,596 |
| Partnership agreement & course | 61,684 | 54,629 |
| | 84,150 | 110,600 |
| **Total incoming resources** | 413,466 | 401,877 |
| **EXPENDITURE** | | |
| **Other trading activities** | | |
| Other trading activities | - | 21,380 |
| **Charitable activities** | | |
| Advice to schools | 109,053 | 62,957 |
| **Support costs** | | |
| **Management** | | |
| Wages | 199,060 | 156,148 |
| Social security | 15,327 | 18,202 |
| Pensions | 38,205 | 29,240 |
| Office costs | 25,443 | 44,335 |
| Fixtures and fittings | 2,107 | 2,106 |
| Computer equipment | 687 | 687 |
| | 280,829 | 250,718 |
| **Governance costs** | | |
| Auditors' remuneration | 9,625 | 8,660 |
| Legal and professional fees | 9,731 | 4,875 |
| | 19,356 | 13,535 |

## DETAILED STATEMENT OF FINANCIAL ACTIVITIES
## For The Year Ended 31 August 2023

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| Total resources expended | 409,238 | 349,624 |
| **Net income** | 4,228 | 52,253 |

**LEICESTER DIOCESAN BOARD OF EDUCATION**

England & Wales - Charity number 1151692

# Accounts

REGISTERED COMPANY NUMBER: 08432843 (England and Wales)
REGISTERED CHARITY NUMBER: 1151692

# REPORT OF THE TRUSTEES AND

# AUDITED FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 31 AUGUST 2022

# FOR

# LEICESTER DIOCESAN BOARD OF EDUCATION
# (A COMPANY LIMITED BY GUARANTEE)

LEICESTER DIOCESAN BOARD OF EDUCATION

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For The Year Ended 31 August 2022


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**LEICESTER DIOCESAN BOARD OF EDUCATION**

**REFERENCE AND ADMINISTRATIVE DETAILS**
**For The Year Ended 31 August 2022**

| | |
|---|---|
| **Chair** | Canon S Adshead |
| **Diocesan Director of Education and Secretary to the Board** | Canon Carolyn Lewis |
| **Treasurer** | Canon S Adshead |
| **Ex officio** | Rt Revd M Snow (Bishop of Leicester)<br>Ven R Worsfold (Archdeacon of Leicester)<br>Ven C Wood (Archdeacon of Loughborough) |
| **Elected by Diocesan Synod** | Mr R Andrews<br>Mrs C Bampton<br>Mr D Jones<br>Revd J Hargreaves<br>Revd A Hall<br>Revd E Wilson<br>Mrs E Wayne-Hawker<br>Revd P Watson<br>Mrs M Green<br>Revd D Cowie<br>Revd Canon E Davies<br>Dr C Spencer<br>Revd Canon P O'Reilly<br>Miss A Reddecliffe (resigned 21 Feb 2022)<br>Revd J Taylor (appointed 21 Feb 2022, resigned 2 Nov 2022) |
| **Co-opted by the Board** | Mr N J Bardsley<br>Mrs A Leadbetter<br>Mrs S E Roddy (resigned 13 Sep 2021<br>Mrs J Stilwell (appointed 21 Feb 2022)<br>Mrs E Prokipczuc (resigned 21 Sep 2021)<br>Mrs S Batstone (appointed 21 Feb 2022) |
| **Bishop's nominees** | Canon S Adshead<br>Mr J Kerry (resigned 21 Feb 2022)<br>Ms M Wang (appointed 21 Feb 2022) |
| **Registered office** | St Martins House<br>7 Peacock Lane<br>Leicester<br>Leicestershire<br>LE1 5PZ |
| **Registered company number** | 08432843 (England and Wales) |
| **Registered charity number** | 1151692 |
| **Auditors** | Fortus Audit LLP<br>Chartered Accountants & Statutory Auditor<br>31 High View Close<br>Hamilton Office Park<br>Leicester<br>Leicestershire<br>LE4 9LJ |

| | |
|---|---|
| **Solicitors** | Stone King LLP<br>Boundary House<br>91 Charterhouse Street<br>London<br>EC1M 6HR |
| **Bankers** | Barclays Bank plc<br>Dominus Way<br>Meridian Business Park<br>Leicester<br>LE19 1RP |

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2022. The trustees have adopted the provisions of 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).

**Vision and strategy**

The Board's vision and strategy is derived from our key partners, our Bishop and the wider Diocese, the Church of England's Vision for Education and the Board's own evaluation of the needs of our Church school family.

The ***Diocesan Purpose*** is driven from our Christian Vision: The Kingdom of God. We seek to support one another across our Diocesan family to consider how we are 'Shaped by God' and how our daily lives reflect ten marks of mission. This then extends to asking ourselves three key questions about how we are deepening discipleship, growing the number of disciples and offering loving service of the world.

The ***Church of England's Education Office*** has published its vision for Education, 'Deeply Christian, Serving the Common Good'. This vision, for all of education and not simply Church schools, embraces the spiritual, physical, intellectual, emotional, moral and social development of children and young people. The Church of England, as a whole, seeks a vision of human flourishing for all, one that embraces excellence and academic rigour, but sets them in a wider framework. This is worked out theologically and educationally through four basic elements which permeates the vision:

- Wisdom
- Hope
- Community
- Dignity

The vision, in line with the Church of England's role as the established Church, is for the common good of the whole human community and its environment, whether national, regional or local. This reflects the Board's responsibility as a charity to provide benefit to the public. It is hospitable to diversity, respects freedom of religion and belief, and encourages others to contribute from the depths of their own traditions and understandings.

The Board believes that it makes its own, unique and distinct, contribution to the work of the wider diocesan purpose and the national Church. First of all, we recognise that we predominantly serve our family of Church schools and we aspire for them to contribute positively and effectively to the 'healthily plural educational system' by offering a distinctively Christian ethos. This, of course, must be delivered alongside academic rigour and excellence.

The Board also believe that our schools can and many already do, echo the marks of mission seen in 'Shaped by God.' Our schools can be places of transformation, inspiration, celebration and welcome.

The DBE's vision has captured the hearts and minds of many within our Church school family. As the school systems evolves, we believe that it is important to be consistent and steadfast in our work. We invite all schools to consider how their work reflects this vision and how they can play their part in the diocese and national network.

The Vision of the Board is:

**'Transforming the lives of children and young people'**

**Effective** :
As a result of visionary leadership and inspirational teaching, children and young people in the Diocese of Leicester achieve excellence. They are well-rounded and confident with a strong sense of self-worth. As learners transformed, they in turn transform their communities.

**Distinctive :**
Unequivocally Christ-like, our schools offer children and young people the opportunity to hear the Christian response to life's big questions. Christian Worship is invitational, offering the whole school community an opportunity for renewal and to encounter the person of Jesus Christ. Religious Education is exemplary, enabling a genuine understanding of the role of faith and belief in modern society.

**Rooted :**
Our schools are rooted in prayer, partnership with parish and wider community and the teachings of Jesus Christ. Children and young people receive excellent Religious Education equipping them with a firm knowledge of the Christian faith and other key faiths.

**Inclusive :**
Like Jesus himself, our schools are 'scandalously inclusive'. Children and families from all faiths and none are welcomed, respected and cherished. Serving the community in which they are placed, our schools exemplify, 'love your neighbour'.

In supporting 97 church schools across the Diocese of Leicester to realise this vision provides benefit to the public. This is achieved by training and equipping school leaders and governors to make educational provision of the highest quality, which in turn enables children and young people to contribute positively to society.

## OBJECTIVES AND ACTIVITIES

### Objectives and aims

The Board's objectives are the same as its statutory functions determined by the Diocesan Boards of Education Measure 2021 ("the measure"). They Diocesan Board of Education must:

- promote or assist in the promotion of education in the diocese that is consistent with the faith and practice of the Church of England;
- promote or assist in the promotion of religious education and religious worship in schools in the diocese;
- promote or assist in the promotion of church schools in the diocese;
- promote co-operation between itself and other persons concerned with education in the diocese;
- The functions assigned to the Board by the measure; and

The Board's principal objective during the year was the promotion of lifelong learning throughout the Diocese, effect being given to the belief that all true education must be based on Christian principles, and the promotion and stimulation of religious education according to the doctrines of the Church of England.

To achieve this the Board appoints staff to support the work of the church schools and the development of the ministry of ordained and lay people.

An additional aim of the Board's work is to promote and facilitate building work in Church of England schools within the Diocese. Creating and maintaining high quality learning environments has clear public benefit.

The Board operates a system which enables Voluntary Aided maintained schools to have their Devolved Formula Capital (DFC) Grant money lodged with the Board pending work being carried out. In addition to this, the Board is a member of a diocesan consortium, which receives School Condition Allocation (SCA) Grant money for capital work in Voluntary Aided maintained schools. An administration charge is levied for this service and details are published in the Board's Partnership Agreement with schools. Any interest received on these funds is re-invested for the purposes previously described.

The Board invests the majority of its funds through CCLA Investment Management who are accountable for investment performance. An element of the Board's funds need to be kept liquid because of its role in 'bridging' building projects in schools between payment of invoices to contractors and the receipt of grant funding.

The principal beneficiaries of the charity's services are the children and young people attending the 97 Church of England schools and academies in the Diocese. Wider than this, the Board also aims to promote and assist in the promotion of education consistent with the faith and practice of the Church of England.

## OBJECTIVES AND ACTIVITIES

### Achievements and performance

The Board develops a 3-year strategic plan which includes aspirational success indicators. Progress towards these is routinely monitored by the Board. During the financial year, the Board aimed to provide and support work amongst children and young people in church contexts by providing professional, pastoral and theological support. The principal public benefit of this work is the support offered by the Board for the provision of worthwhile organised activities for children and young people.

The Board continued to support this work through:

- Regular meetings and leadership development for school and trust leaders of church schools
- Support for schools in preparation for denominational inspections
- Giving advice and support to governing bodies and trust boards
- Managing the admission appeals on behalf of schools
- Advice and training on religious education and collective worship
- Working with strategic partners to ensure school effectiveness
- Development and oversight of building projects
- Advising governing bodies and trust boards in the appointment of head teachers

### Key activities for achieving objectives

- Providing school and trust leaders with pastoral and professional support.
- Organising training and developmental opportunities for school and trust leaders and lay leaders.
- The appointment, support and training of foundation governors.
- Offering legal advice for trustees, governing bodies and school leaders.
- Liaison with officers of national and local bodies, including Multi Academy Trusts, Local Authorities, Department for Education, Regional Director and Ofsted.
- Partnership working with the Church of England Education Office and other Diocesan Board of Education teams.
- Representation on those committees of Leicestershire County and City Councils, which deal with education issues

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and setting the grant making policy for the period.

In light of the changing educational environment, there is an expectation that the Board become increasingly responsible for the quality of provision within their schools.

### Grant making

During the period the Board made available capital grants to the governors of aided schools in relation to the Department for Education (DfE) scheme. Details of the grants made may be found in note 6 of these financial statements.

### Fundraising

The charitable company does not carry out significant fundraising activities.

## FINANCIAL REVIEW

In financial terms during 2021-22 the Board planned to:

- ensure that expenditure from general reserves did not exceed income before any realised or unrealised gains or losses on investments, for the period
- ensure that expenditure from s554 funds did not exceed those funds' income, before capital receipts and any realised or unrealised gains or losses on investments, for the period.

In the year the Board:

- made a surplus before any realised or unrealised gains or losses on investments on its general fund of £112,861 (2021: £69,534).
- made a deficit before any realised or unrealised gains or losses on investments on its endowment funds of £60,608 (2021: £115,471).
- made a transfer from general funds to endowment funds of £112,519 (2021: £115,650)

The Board has reviewed all available information, taking account of the current position and principal risks and have a reasonable expectation that the charity will be able to continue in operation and meet its liabilities as they fall due.

**Principal funding sources**
The principal funding sources for the charity are currently by way of grants from the Diocese of Leicester Board of Finance and investment income.

**Investment policy and objectives**
The investments of the Board are represented by:

- properties held under trusts
- investments in the CBF Investment and Property funds managed by CCLA Investment Management Limited and Savills Investment Management.

The movements in the Board's investments are shown at note 12 to these financial statements.

In the light of the market conditions prevalent during the period the Trustees consider the performance of the Board's investments to be satisfactory. It is the policy of the Board to adhere to the ethical investment guidelines issued by the Church of England.

**Reserves policy**
The reserves of the Board comprise those which may be expended for the normal objectives of the Board and those arising from Educational Foundations within the trusteeship of the Board (the Consolidated Fund), which may only be expended for specific purposes as shown in the notes to the financial statements. As at 31 August 2022 the total funds are £3,888,373 (2021: £3,979,490) as shown in the balance sheet.

Having considered financial risk, liquidity requirement and the timing of cashflows throughout the year, the Board's policy is to hold a balance of readily available realisable assets equivalent to 3 months of budgeted expenditure. As at 31 August 2022, the minimum amount required under this policy totalled £93,000 (2021: £89,995).

Actual free reserves in general and endowment funds totalled £3,046,886 (2021: £3,163,491). Free reserves in unrestricted funds were positive by £399,869 (2021: positive £408,551).

Actual free reserves are higher than the Board's policy due to prudent fiscal management.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

The Diocesan Board of Education is constituted in line with the Diocesan Boards of Education Measure 2021 and its Articles of Association.

**Recruitment and appointment of new trustees**
Trustees are recruited through advertisement within the Diocese of Leicester. This is mainly through the Diocesan Synod. Some trustees are ex-officio appointments and some are appointed by the Bishop of Leicester. Co-opted trustees are recruited on the basis of their skills and experience in church schools. Trustees are appointed under the categories shown in the Reference and Administrative information provided in this report.

**Organisational structure and decision making**
The Board is part of the Synodical structure of the Church of England and is responsible to and reports to the Synod of the Diocese of Leicester.

The Board operates through its meeting and those of the various sub-committees. The Board makes all major decisions, including those relating to financial matters.

Sub-committees scrutinise issues and make recommendations to the Board. Sub-committees have certain delegated powers under their Terms of Reference.

The Board adopted and continue to operate within the core objectives and remit of the Board and had the following sub-committees in the period to 31 August 2022:

**Church Schools Business & Finance Committee**
The principal responsibilities of this sub-committee are formulating and overseeing a coherent strategy for existing and future school provision across the Diocese and to monitor local and national developments that impact upon the strategy. The committee also monitors and manages all financial and property matters appertaining to the Board including maintenance and repair of voluntary aided schools in the Diocese, management of the Board's trustee responsibilities and investments and scrutiny of the Board's financial position and risk management policy and procedures.

**Supporting Church Schools Committee**
This sub-committee is responsible for formulating and overseeing a coherent strategy for existing and future church school provision across the Diocese in respect of effectiveness, distinctiveness and inclusivity. Also, to provide support and training services to schools, governors, clergy and teachers, to provide guidance on policy and curriculum issues, respond to resolutions from General Synod in relation to church schools and promote and pursue partnerships with Local Authorities, Multi-Academy Trusts and the Department for Education. The committee oversees the appointment of Foundation Governors and reviews the outcomes of denominational and Ofsted inspections. The committee overseas the Board's Admissions guidance and its support for schools in these matters.

**Strategic Group**
This sub-committee works with the Director on all matters of strategy and monitors the Board's progress towards its vision. The committee regularly reviews the development and growth of Multi Academy Trusts.

**Induction and training of new trustees**
At the first meeting of a new triennium the Board's role and function is explained. All members receive a copy of all the terms of reference for the sub-committees. Trustees receive training.

At the first meeting of each sub-committee the terms of reference are discussed, and the sub-committee's remit clarified. During triennium the Board has a variety of on-going opportunities to discuss the strategic plan for the coming three years.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

**Key management remuneration**
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 Charitable Company. During 2022 this was the Diocesan Director of Education and Secretary of the Board.

During the year, remuneration (including Employers National Insurance and pension) amounting to £106,958 was paid (2021: £106,058).

**Related parties**
Through the Synodical structure the Board is related to the Leicester Diocesan Board of Finance from whom it receives grant support, details of which are shown in the notes to the financial statements.

**Risk management**
The Trustees are required, under the Charities SORP 2019, to confirm as part of the Trustees' annual report that they have reviewed and taken steps to mitigate the major risks to which the Board is exposed. The following are assessed by the Board as major risks:

- **All Schools and Trusts: Governance.**
  Failure to understand roles and responsibilities. This represents a reputational risk of failure, including financial and educational.

- **All Schools and Trusts: Provision.**
  Failure to maintain good & outstanding provision, leading to reputational risks for the DBE; difficulty in finding suitable sponsor for school in an Ofsted category.

- **DBE: Funding.**
  DBE unable to finance staffing levels required to meet charitable objects / strategic aims. Income from investments and from DBF grant at risk due to wider financial constraints.

- **DBE: Staffing capacity for Statutory Functions.**
  DBE does not have sufficient capacity to undertake core statutory functions through loss or personnel or government legislation.

- **DBE: Staffing Capacity.**
  Major Incident. DBE does not have sufficient capacity to respond to a major incident, which impacts on the charity.

- **DBE: Staffing Capacity.**
  Land and capacity. Officer time required to manage land and property reduces capacity for core role.

In respect of each risk identified above, the Trustees have implemented strategies to mitigate and monitor the relevant issue. These mitigations include ensuring the relevant support, systems and expertise is available for schools and trusts as well as within the Board itself.

The responsibilities of the Trustees cover the identification and assessment of risks, taking appropriate steps to mitigate those highlighted as major risks to the Board and an annual review of risk, so as to ensure that the measures taken are adequate.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Modern Slavery Statement

The Board and the Charitable Foundations for which we are Trustees, are strongly opposed to slavery and human trafficking. We strive to act ethically and with integrity in all our business dealings and relationships to ensure that slavery and human trafficking are not taking place within our organisation or our supply chains.

### Safeguarding

The Board aspires for the lives of children and young people to be transformed through their experiences of a Church School education. Children should leave a Church school with confidence and a strong sense of self-worth.

Safeguarding is taken very seriously by the Board. The Church of England's Safeguarding policy has been adopted by the Board. All trustees complete school or church-based safeguarding training.

All diocesan schools are expected to maintain the highest standards in safeguarding policy and practice. All diocesan schools regardless of their status (VC, VA, Academy) come under the statutory oversight of their Local Authority (LA). LAs maintain statutory responsibility for ensuring the protection of the children within their area.

## FUNDS HELD AS CUSTODIAN TRUSTEE

The Board acts as custodian trustee for a number of small religious education funds. These funds are available to parishes to promote and deliver religious education to the younger society within their parishes.

The assets of these funds consist of either cash deposits or shares in the CBF Investment Fund. All such assets are held in accounts separate from those of the Board.

The total value of the assets held as custodian trustee is £88,226 (2021: £88,680) and relate to the following organisations:

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| St Nicholas House Education Foundation | 60 | 60 |
| Hugglescote RE Fund | 15,378 | 15,332 |
| Walcote RE Fund | 25,570 | 26,015 |
| Hoby School Fund | 10,000 | 10,000 |
| Cossington Day School Charity | - | - |
| Syston Junior RE Fund | 2,881 | 2,665 |
| Syston Infant RE Fund | 23,975 | 23,904 |
| Stony Stanton Junior School RE Fund | 2,917 | 2,908 |
| Syston Junior RE Fund (Shares) | 7,445 | 7,796 |
| | 88,226 | 88,680 |

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Leicester Diocesan Board of Education for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued**

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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

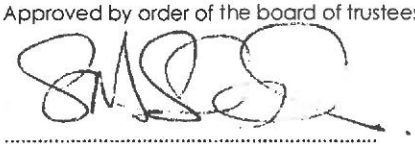
In so far as the trustees are aware:

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

**AUDITORS**

The auditors, Fortus Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 24 May 2023 and signed on its behalf by:



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Canon S M Adshead - Trustee

**Opinion**
We have audited the financial statements of Leicester Diocesan Board of Education (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**
In auditing the financial statements, we have concluded that the trustees' 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 charitable 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 trustees with respect to going concern are described in the relevant sections of this report.

**Other information**
The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP and the Companies Act 2006) and the relevant tax compliance regulations in the UK.

We understood how the charitable company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes and discussions with those charged with governance.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the charitable company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

We also performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

**Use of our report**
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Buckby FCA (Senior Statutory Auditor)
for and on behalf of Fortus Audit LLP
Chartered Accountants & Statutory Auditor
31 High View Close
Hamilton Office Park
Leicester
Leicestershire
LE4 9LJ

Date: 25/5/2023

**LEICESTER DIOCESAN BOARD OF EDUCATION**

**STATEMENT OF FINANCIAL ACTIVITIES**
**For The Year Ended 31 August 2022**

| | Notes | Unrestricted fund £ | Endowment fund £ | 2022 Total funds £ | 2021 Total funds £ |
|---|---|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | | | |
| Donations and legacies | | 180,509 | - | 180,509 | 156,058 |
| **Charitable activities** | | | | | |
| Admission appeal costs | | 7,375 | - | 7,375 | 4,575 |
| Other income | | (3,317) | 51,913 | 48,596 | 18,119 |
| Partnership agreement & courses | | 54,629 | - | 54,629 | 37,928 |
| Other trading activities | 3 | - | 23,596 | 23,596 | 27,579 |
| Investment income | 4 | 25,775 | 61,397 | 87,172 | 64,205 |
| **Total** | | 264,971 | 136,906 | 401,877 | 308,464 |
| **EXPENDITURE ON** | | | | | |
| Raising funds | 5 | 14,845 | 7,569 | 22,414 | 18,881 |
| **Charitable activities** | | | | | |
| Advice to and work with schools | | 62,957 | - | 62,957 | 44,682 |
| Governance costs | | 13,535 | - | 13,535 | 19,199 |
| Support costs | | 60,773 | 189,945 | 250,718 | 271,640 |
| **Total** | | 152,110 | 197,514 | 349,624 | 354,402 |
| **NET INCOME/(EXPENDITURE)** | | 112,861 | (60,608) | 52,253 | (45,938) |
| Transfers between funds | | (112,519) | 112,519 | - | - |
| **Other recognised gains/(losses)** | | | | | |
| Gains/(losses) on revaluation of fixed assets | | (19,286) | (124,084) | (143,370) | 343,473 |
| **Net movement in funds** | | (18,944) | (72,173) | (91,117) | 297,535 |
| **RECONCILIATION OF FUNDS** | | | | | |
| Total funds brought forward | | 424,550 | 3,554,940 | 3,979,490 | 3,681,955 |
| **TOTAL FUNDS CARRIED FORWARD** | | 405,606 | 3,482,767 | 3,888,373 | 3,979,490 |

The notes form part of these financial statements

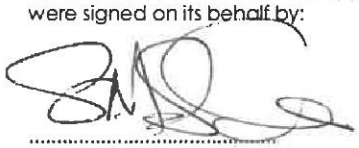
**LEICESTER DIOCESAN BOARD OF EDUCATION**

**BALANCE SHEET**
**31 August 2022**

| | Notes | 2022 £ | 2021 £ |
|---|---|---|---|
| **FIXED ASSETS** | | | |
| Tangible assets | 10 | 5,737 | 15,999 |
| **Investments** | | | |
| Investments | 11 | 3,012,950 | 2,618,137 |
| Investment property | 12 | 835,750 | 800,000 |
| | | 3,854,437 | 3,434,136 |
| **CURRENT ASSETS** | | | |
| Debtors | 13 | 67,872 | 44,012 |
| Cash at bank | | 798,433 | 1,143,200 |
| | | 866,305 | 1,187,212 |
| **CREDITORS** | | | |
| Amounts falling due within one year | 14 | (832,369) | (641,858) |
| **NET CURRENT ASSETS** | | 33,936 | 545,354 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 3,888,373 | 3,979,490 |
| **NET ASSETS** | | 3,888,373 | 3,979,490 |
| **FUNDS** | 16 | | |
| Unrestricted funds | | 405,606 | 424,550 |
| Endowment funds | | 3,482,767 | 3,554,940 |
| **TOTAL FUNDS** | | 3,888,373 | 3,979,490 |

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 24 May 2023 and were signed on its behalf by:



Canon S M Adshead - Trustee

The notes form part of these financial statements

## 1. GENERAL INFORMATION

The Charitable Company is a public benefit entity and a private company limited by guarantee without share capital, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is St Martins House, 7 Peacock Lane, Leicester, LE1 5PZ.

The principal activity of the charity is to promote lifelong learning throughout the Diocese, effect being given to the belief that all true education must be based on Christian principles, and the promotion and stimulation of religious education according to the doctrines of the Church of England.

**Statement of compliance**
The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

## 2. ACCOUNTING POLICIES

**Basis of preparing the financial statements**
The financial statements are prepared on a going concern basis under the historical cost convention, modified to include the revaluation of investment properties and fixed asset investments which are measured at their market value through income or expenditure.

The financial statements are presented in GBP £ sterling which is the functional currency of the charity.

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

**Financial reporting standard 102 - reduced disclosure exemptions**
The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

**Going concern policy**
The trustees regularly assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

The Board have considered the continuing impact of COVID-19 on the charitable company's income and operating cost base. They have prepared forecasts of income and expenditure for the period to 31 August 2025, which shows that they have sufficient reserves and cash to be able to continue for the foreseeable future.

The Board have concluded therefore that the entity remains a going concern and continue to adopt the going concern basis of preparation for these financial statements.

**Group accounts policy**
The Charitable Company are members of 10 academies (single and multiple academy trusts) and the Diocese of Leicester Educational Trust.



continued...

## 2. ACCOUNTING POLICIES - continued

**Group accounts policy (continued)**
The Board's policy is for non-consolidation of either of the academies, trust or company into the Board accounts as it can demonstrate that no parent / subsidiary relationship exists.

The policy is reviewed annually to ensure compliance with the national guidance and any developments in the relationship between the Board and the Trusts.

**Income**
All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income, the amount can be measured reliably, and it is probable that the income will be received.

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided there are no donor- imposed restrictions as to the timing of any related expenditure, in which case recognition is deferred until the pre-condition is met.

Revenue grants included in donations and legacies are credited as income when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

**Expenditure**
All expenditure is included in the financial statements on an accruals basis. Expenditure includes any VAT which cannot be fully recovered and is classified under headings of the statement of Financial Activities to which it relates:

- expenditure on charitable activities includes all costs incurred by a charity in undertaking its charitable activities, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- cost of other trading activities includes expenditure that relates to the delivery of courses to schools.

Expenditure is allocated to those cost categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity.

Support costs are apportioned between the activities on a reasonable and consistent basis based upon specific nominals.

**Grants payable**
Grants to schools are accrued for as expenditure when the recipient is notified of the grant.

**Investments**
Investments are shown at market value at the balance sheet date with any gain or loss taken to the Statement of Financial Activities. Investments held by the Board as custodian trustee are not included in these financial statements.

Realised gains or losses on investments are recognised when investments are sold. Unrealised gains or losses are accounted for on the revaluation of investments.

Investments and their gains and losses are allocated to funds based upon the nature of the investment source.

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



continued...

2. ACCOUNTING POLICIES - continued

**Cash at bank and deposits**
Cash at bank and deposits 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.

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

**Employee benefits**
Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

**Critical accounting judgements and key sources of estimation uncertainty**
In the application of the company's accounting policies, which are described above, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Management do not deem there to be any key sources of estimation uncertainty. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgement that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements is the valuation of the investment properties. These are valued by the trustees using guidance from an independent professional valuer. Investment properties are measured at each year end at their open market value.

**Property investments**
Property investments are held at open market value based upon external property valuations. Their valuations are derived from the most recent valuation, performed by Andrew Granger & Co Ltd as at 31 August 2021, with the exception of the land at Plungar which was valued as at 31 August 2022 based on the post-balance sheet sale value.

**Tangible fixed assets**
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|---|---|
| Fixtures and fittings | - Straight line over 7 years |
| Computer equipment | - Straight line over 3 years |

**Fund accounting**
Fund balances are split between unrestricted and endowment (restricted) funds:

- the general fund is an unrestricted fund, which may be used at the Trustees' discretion;
- the endowment (restricted) fund consists of funds where there are imposed restrictions on their use.

Further details of these funds are given in note 16.



continued...

## 3. OTHER TRADING ACTIVITIES

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Rents received | 23,596 | 27,579 |

## 4. INVESTMENT INCOME

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Investment income | 85,650 | 63,091 |
| Deposit account interest | 1,522 | 1,114 |
| | 87,172 | 64,205 |

## 5. RAISING FUNDS

**Raising donations and legacies**

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Raising funds | 22,414 | 18,881 |

## 6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Auditors' remuneration | 8,660 | 11,839 |
| Depreciation - owned assets | 2,793 | 2,649 |

## 7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2022 nor for the year ended 31 August 2021.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 August 2022 nor for the year ended 31 August 2021.

## 8. STAFF COSTS

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 156,148 | 149,476 |
| Social security costs | 18,202 | 7,165 |
| Other pension costs | 29,240 | 27,943 |
| | 203,590 | 184,584 |

The average monthly number of employees during the year was as follows:

| | 2022 | 2021 |
|---|---|---|
| Administration and support | 3 | 3 |



continued...

## 8. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2022 | 2021 |
|---|---|---|
| £70,001 - £80,000 | - | 1 |
| £80,001 - £90,000 | 1 | - |
| | 1 | 1 |

Pension payments of £20,122 were made for the highest paid employee (2021: £18,478).
No other employees earned £60,000 or more in the current or preceding period.

**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 Charitable Company. During 2022 this was the Diocesan Director of Education and Secretary of the Board.

During the year, remuneration (including Employers National Insurance and pension) amounting to £106,958 was paid (2021: £106,058).

## 9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £ | Endowment fund £ | Total funds £ |
|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | |
| Donations and legacies | 156,058 | - | 156,058 |
| **Charitable activities** | | | |
| Admission appeal costs | 4,575 | - | 4,575 |
| Other income | 18,119 | - | 18,119 |
| Partnership agreement & courses | 37,928 | - | 37,928 |
| Other trading activities | - | 27,579 | 27,579 |
| Investment income | 28,541 | 35,664 | 64,205 |
| **Total** | 245,221 | 63,243 | 308,464 |
| **EXPENDITURE ON** | | | |
| Raising funds | - | 18,881 | 18,881 |
| **Charitable activities** | | | |
| Advice to and work with schools | 44,682 | - | 44,682 |
| Governance costs | 4,800 | 14,399 | 19,199 |
| Support costs | 126,205 | 145,435 | 271,640 |
| **Total** | 175,687 | 178,715 | 354,402 |
| **NET INCOME/(EXPENDITURE)** | 69,534 | (115,472) | (45,938) |
| **Transfers between funds** | (115,650) | 115,650 | - |
| **Other recognised gains/(losses)** | | | |
| Gains on revaluation of fixed assets | 43,469 | 300,004 | 343,473 |
| **Net movement in funds** | (2,647) | 300,182 | 297,535 |



continued...

## 9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

| | Unrestricted fund £ | Endowment fund £ | Total funds £ |
|---|---|---|---|
| **RECONCILIATION OF FUNDS** | | | |
| Total funds brought forward | 427,197 | 3,254,758 | 3,681,955 |
| **TOTAL FUNDS CARRIED FORWARD** | 424,550 | 3,554,940 | 3,979,490 |

## 10. TANGIBLE FIXED ASSETS

| | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|---|---|---|---|
| **COST** | | | |
| At 1 September 2021 | 13,735 | 9,529 | 23,264 |
| Disposals | - | (7,469) | (7,469) |
| At 31 August 2022 | 13,735 | 2,060 | 15,795 |
| **DEPRECIATION** | | | |
| At 1 September 2021 | 6,578 | 687 | 7,265 |
| Charge for year | 2,106 | 687 | 2,793 |
| At 31 August 2022 | 8,684 | 1,374 | 10,058 |
| **NET BOOK VALUE** | | | |
| At 31 August 2022 | 5,051 | 686 | 5,737 |
| At 31 August 2021 | 7,157 | 8,842 | 15,999 |

## 11. FIXED ASSET INVESTMENTS

| | Investment properties £ | Unlisted investments £ | Total £ |
|---|---|---|---|
| **Cost or valuation** | | | |
| At 1 September 2021 | 800,000 | 2,618,137 | 3,418,1374 |
| Additions at cost | - | 723,933 | 723,933 |
| Disposals | - | (150,000) | (150,000) |
| Revaluation adjustment | 35,750 | (179,120) | (143,370) |
| **At 31 August 2022** | 835,750 | 3,012,950 | 3,848,700 |

| | 2022 | 2021 |
|---|---|---|
| Historical cost (unlisted investments only) | 1,770,933 | 1,197,000 |

Investment properties do not have any historical cost as the Board received legacies and gifts. The difference between historical cost and market value is included within the relevant funds.

The investment properties were valued as at 31 August 2021 by the Board's land agents, Andrew Granger & Co Ltd, Chartered Surveyors. The basis of valuation was on an open market basis based on existing use and prevailing permissions. The Board undertakes valuations every 3 years.



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## 11. FIXED ASSET INVESTMENTS - continued

The Leicester Diocesan Board of Education acts as a custodian of two properties on behalf of The Saint Nicholas House Educational Foundation. These properties have not been recognised in the accounts of Leicester Diocesan Board of Education as it does not have beneficial interest. The valuation of these properties is £700,000.

All the unlisted investments of the Board are in CBF Church of England Common Investment Funds managed by CCLA Investment Management Limited & Savills Investment Management

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| CBF Investment Fund | 2,497,304 | 2,182,901 |
| Savills Property Fund | 515,646 | 435,236 |
| | 3,012,950 | 2,618,137 |

## 12. INVESTMENT PROPERTY

| | £ |
|---|---|
| **FAIR VALUE** | |
| At 1 September 2021 | 800,000 |
| Revaluation | 35,750 |
| At 31 August 2022 | 835,750 |
| **NET BOOK VALUE** | |
| At 31 August 2022 | 835,750 |
| At 31 August 2021 | 800,000 |

Fair value at 31 August 2022 is represented by:

| | £ |
|---|---|
| Valuation in 2021 | 800,000 |
| Revaluation in 2022 | 35,750 |
| | 835,750 |

## 13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Amounts due from related parties | - | 4,314 |
| Other debtors | 53,147 | 20,583 |
| Prepayments and accrued income | 14,725 | 19,115 |
| | 67,872 | 44,012 |



continued...

## 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Trade creditors | 90,104 | 20,155 |
| Social security and other taxes | 9,798 | 6,390 |
| VAT | 3,016 | - |
| Other creditors | 639,691 | 516,001 |
| DFC funds | 80,019 | 79,238 |
| Accruals and deferred income | 9,741 | 20,074 |
| | 832,369 | 641,858 |

## 15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted fund | Endowment fund | 2022 Total funds | 2021 Total funds |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Fixed assets | 5,737 | - | 5,737 | 15,999 |
| Investments | 365,934 | 3,482,766 | 3,848,700 | 3,418,137 |
| Current assets | 866,305 | - | 866,305 | 1,187,212 |
| Current liabilities | (832,369) | - | (832,369) | (641,858) |
| | 405,607 | 3,482,766 | 3,888,373 | 3,979,490 |

## 16. MOVEMENT IN FUNDS

| | At 1.9.21 | Net movement in funds | Transfers between funds | At 31.8.22 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Unrestricted funds** | | | | |
| General fund | 424,550 | 93,576 | (112,519) | 405,607 |
| **Endowment funds** | | | | |
| S554 Income Fund | - | (135,852) | 135,850 | - |
| S554 Capital Fund | 3,130,558 | (70,628) | - | 3,059,930 |
| Baxter Hall Fund | 305,000 | 23,331 | (23,331) | 305,000 |
| Other Foundations | 119,382 | (1,544) | - | 117,838 |
| **TOTAL FUNDS** | 3,979,490 | (91,117) | - | 3,888,373 |

Net movement in funds, included in the above are as follows:

| | Incoming resources | Resources expended | Gains and losses | Movement in funds |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Unrestricted funds** | | | | |
| General fund | 264,971 | (152,110) | (19,286) | 93,576 |
| **Endowment funds** | | | | |
| S554 Income Fund | 61,398 | (197,250) | - | (135,852) |
| S554 Capital Fund | 51,913 | - | (122,540) | (70,628) |
| Baxter Hall Fund | 23,596 | (265) | - | 23,331 |
| Other Foundations | - | - | (1,544) | (1,544) |
| **TOTAL FUNDS** | 401,877 | (349,624) | (143,370) | (91,117) |



continued...

## 16. MOVEMENT IN FUNDS - continued

### Comparatives for movement in funds

| | At 1.9.20 £ | Net movement in funds £ | Transfers between funds £ | At 31.8.21 £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 427,197 | 113,003 | (115,650) | 424,550 |
| **Endowment funds** | | | | |
| S554 Income Fund | - | (131,957) | 131,957 | - |
| S554 Capital Fund | 2,838,269 | 292,289 | - | 3,130,558 |
| Baxter Hall Fund | 305,000 | 16,307 | (16,307) | 305,000 |
| Other Foundations | 111,488 | 7,894 | - | 119,382 |
| **TOTAL FUNDS** | 3,681,955 | 297,535 | 115,650 | 3,979,490 |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 245,221 | (175,687) | 43,469 | 113,003 |
| **Endowment funds** | | | | |
| S554 Income Fund | 35,485 | (167,442) | - | (131,957) |
| S554 Capital Fund | - | - | 292,289 | 292,289 |
| Baxter Hall Fund | 27,579 | (11,272) | - | 16,307 |
| Other Foundations | 179 | - | 7,715 | 7,894 |
| **TOTAL FUNDS** | 308,464 | (354,402) | 343,473 | 297,535 |



continued...

## 16. MOVEMENT IN FUNDS - continued

The transfer in the year, between the General fund and the s554 Income Fund is to fund the deficit on this fund, as costs allocated exceeded the income generated.

The transfer between the Baxter Hall fund and the General fund is in respect of net rental income generated which can be used for general purposes.

**Revaluation Reserve**
Included in the fund balances above is a revaluation reserve of £2,077,767 (investment property £835,750 and investments £1,242,017). As at 31st August 2022, the revaluation reserve is allocated as follows, general fund £246,786, Baxter Hall £300,000, s554 capital fund £1,490,661 and other foundations £40,320.

**Endowment funds**
s554 Income and Capital funds
These principally represent funds and income held under trusts arising from the sale of redundant educational properties. The Board as trustees may, after payment of any expenses incurred in connection with the administration of the trusts, apply the capital and income of the relevant trust assets for any of the following purposes:

- in or towards the purchase of a site for, or the erection, improvement or enlargement of:
- the premises of any relevant school in the area
- the premises of a teacher's house for use in connection with any relevant school in the area
- for the maintenance of any relevant school in the area or of a teacher's house for use in connection with any relevant school in the area.
-

The income arising from these trusts may additionally be used, after payment of any expenses incurred in connection with the administration of the trust, for any of the following purposes:

- in or towards the provision of advice, guidance and resources (including materials) in connection with any matter related to the management of, or education provided at, any relevant school in the area
- the provision of services for the carrying out of any inspection of any relevant school in the area required by Part I of the School Inspection Act 1996(a); and
- to defray the cost of employing or engaging staff in connection with the application of capital or income of the relevant trust assets.

**The Baxter Hall fund**
This represents the book value of the Baxter Hall property as revalued from time to time.


continued...

## 16. MOVEMENT IN FUNDS - continued

| Other Foundations | Total 2022 | Total 2021 |
|---|---|---|
| | £ | £ |
| Gilmorton,Edward Chandler | 3,823 | 3,995 |
| Leicester, G A Robinson | 12,214 | 12,292 |
| Stoke Golding | 397 | 397 |
| Rev Towers Earl Shilton | 41,732 | 42,238 |
| Hathern, Old School House | 60,641 | 60,460 |
| | 118,807 | 119,382 |

During any year the Board can become aware of redundant schools and/or schoolhouses of which it has no record. When this occurs, the Board acts under current legislation to acquire the asset for its work. The Board has no means of identifying such cases in advance.

## 17. EMPLOYEE BENEFIT OBLIGATIONS

**Pension costs**
Three employees of the Board participated in pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Board and the other participating employers. This is the Church Workers Pension Fund. 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.

These schemes are multi-employer last man standing defined benefit pension schemes for which the Board is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme.

**Church Workers Pension Fund - Pension Builder Scheme**
The Board participates in the Pension Builder Scheme section of the Church Workers Pension Fund 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 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 subdivision of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme, this means it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the scheme were a defined contribution scheme. The pension costs charged to the SoFA in the year represent contributions payable.



continued...

## 17. EMPLOYEE BENEFIT OBLIGATIONS - continued

The most recent scheme valuation completed was carried out as at 31 December 2019. This revealed, on the ongoing assumptions used, an overall deficit of £10.6m. The scheme's actuaries have proposed that the deficit is to be eliminated within 7 years without the need for additional contributions from the employers involved in the scheme. There is therefore no requirement for deficit payments at the current time.

The Board contributes 10% of basic salary. There is no minimum contribution for employees. The pension costs for the period of £9,119 (2021: £9,466) are equal to the contributions paid by the Board and there were no contributions outstanding at the period end.

**Teachers' Pension Scheme**
The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014.

The Diocesan Director of Education and the Deputy Diocesan Director of Education are both members of the TPS.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**
The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended) published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation 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 (amended). The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2019 determined an employer rate of 23.68%, which was payable from September 2019 (this includes the administration levy of 0.08%).

The employer's pension costs paid to TPS in the year amounted to £20,122 (2021: £18,477).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.



continued...

## 18. RELATED PARTY DISCLOSURES

The Board is related to Leicester Diocesan Board of Finance.

At the end of the period the following amounts, were receivable or (payable) by the Board in respect of related parties:

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Leicester Diocesan Board of Finance in respect of grants receivable, loans and contribution to costs | - | 4,313 |

## 19. SCHOOLS' DFC FUNDS

With effect from 1 April 2006 the DfE paid over to schools the funds available for 2006/07 plus any unspent funds from prior years, which could be used for the 90% cost of building works, previously reimbursed by the DfE.

The Voluntary Aided Schools agreed that the Board should hold these funds and meet any 90% contributions from them. The value of the funds at 31st August 2022 was £80,019 (2021: £124,536).

Each school's unspent amount of the total is identifiable.

## 20. ANALYSIS OF TRANSFERS BETWEEN FUNDS

Overheads are apportioned based upon the allocation of staff time and is split between general and endowment fund. Transfers between funds and the reasons behind them are disclosed in Note 16.

## DETAILED STATEMENT OF FINANCIAL ACTIVITIES
## For The Year Ended 31 August 2022

| | 2022 £ | 2021 £ |
|---|---|---|
| **INCOME AND ENDOWMENTS** | | |
| **Donations and legacies** | | |
| Gifts | - | (1) |
| Donations | 6 | - |
| Grant from Leicester DBF | 180,503 | 156,059 |
| | 180,509 | 156,058 |
| **Other trading activities** | | |
| Rents received | 23,596 | 27,579 |
| **Investment income** | | |
| Investment income | 85,650 | 63,091 |
| Deposit account interest | 1,522 | 1,114 |
| | 87,172 | 64,205 |
| **Charitable activities** | | |
| Admission appeal costs | 7,375 | 4,575 |
| Other income | 48,596 | 18,119 |
| Partnership agreement & course | 54,629 | 37,928 |
| | 110,600 | 60,622 |
| **Total incoming resources** | 401,877 | 308,464 |
| **EXPENDITURE** | | |
| **Other trading activities** | | |
| Other trading activities | 21,380 | 18,881 |
| **Charitable activities** | | |
| Advice to schools | 62,957 | 44,682 |
| **Support costs** | | |
| **Management** | | |
| Wages | 156,148 | 149,476 |
| Social security | 18,202 | 7,165 |
| Pensions | 29,240 | 27,943 |
| Office costs | 44,335 | 84,407 |
| Fixtures and fittings | 2,106 | 1,962 |
| Computer equipment | 687 | 687 |
| | 250,718 | 271,640 |
| **Governance costs** | | |
| Auditors' remuneration | 8,660 | 11,839 |
| Legal and professional fees | 4,875 | 7,360 |
| | 13,535 | 19,199 |

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| Total resources expended | 349,624 | 354,402 |
| **Net income/(expenditure)** | 52,253 | (45,938) |

**LEICESTER DIOCESAN BOARD OF EDUCATION**

England & Wales - Charity number 1151692

# Accounts

# Leicester Diocesan Board of Education
## Company Limited by Guarantee

## Reports and Financial Statements
## For the year ended 31 August 2021

Company Registration Number 08432843

Charity Registration Number 1151692

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COMPANIES HOUSE

**Leicester Diocesan Board of Education**

**Company Limited by Guarantee**

**Reports and Financial Statements**

***For the year ended 31 August 2021***

**Company Registration Number 08432843**

**Charity Registration Number 1151692**

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**Leicester Diocesan Board of Education**
**Company Limited by Guarantee**
**Reports and Financial Statements**
**For the year ended 31 August 2021**

| | |
|---|---|
| **Registered charity name** | Leicester Diocesan Board of Education |
| **Charity registration number** | 1151692 |
| **Company registration number** | 8432843 |
| **Chairman** | Canon S Adshead |
| **Diocesan Director of Education and Secretary of the Board** | Canon Carolyn Lewis |
| **Treasurer** | Canon S Adshead |

**Trustees and members of the Leicester Diocesan Board of Education ("the Board")**

No Trustees had any beneficial interest in the charity during the year. The following Trustees, unless otherwise stated, served during the year and are still in office at the date of this report:

| | | |
|---|---|---|
| **Ex officio** | Rt Revd M Snow (Bishop of Leicester)<br>Ven R Worsfold (Archdeacon of Leicester)<br>Ven C Wood (Archdeacon of Loughborough) | |
| **Elected by Diocesan Synod** | Mr R Andrews<br>Mrs C Bampton<br>Mr D Jones<br>Revd J Hargreaves<br>Miss A Reddecliffe (resigned 21 Feb 2022)<br>Dr C Spencer<br>Revd E Wilson<br>Revd Canon P O'Reilly<br>Mrs E Wayne-Hawker | Revd P Watson<br>Mrs M Green<br>Revd D Cowie<br>Revd Canon E Davies<br>Revd A Hall<br>Revd J Taylor (appointed 21 Feb 2022) |
| **Co-opted by the Board** | Mr S E Roddy (resigned 13 Sept 2021)<br>Mrs A Leadbeater<br>Mrs E Prokipczuc (resigned 21 Sept 2021) | Mr N J Bardsley<br>Mrs J Stillwell (appointed 21 Feb 2022)<br>Mrs S Batstone (appointed 21 Feb 2022) |
| **Bishop's nominees** | Canon S Adshead<br>Mr J Kerry (resigned 21 Feb 2022) | Revd R Woodall (resigned 01 August 2021)<br>Ms M Wang (appointed 21 Feb 2022) |

| | |
|---|---|
| **Registered office & Charity address** | St Martins House<br>7 Peacock Lane<br>Leicester<br>LE1 5PZ |
| **Telephone** | 0116 261 5200 |
| **Auditor** | BHP LLP<br>2 Rutland Park<br>Sheffield<br>South Yorkshire<br>S10 2PD |
| **Solicitors** | Stone King LLP<br>Boundary House<br>91 Charterhouse Street<br>London<br>EC1M 6HR |
| **Bankers** | Barclays Bank plc<br>Dominus Way<br>Meridian Business Park<br>Leicester<br>LE19 1RP |
| **Chartered surveyors** | YMD Boon Limited<br>York House<br>Fernie Road<br>Market Harborough<br>Leicestershire<br>LE16 7PH |
| **Land agents** | Andrew Granger & Co Ltd<br>2 High Street<br>Loughborough<br>Leicestershire<br>LE11 2PY |
| **Investment managers** | Savills Investment<br>Charities Property Fund<br>33 Margaret Street<br>London<br>W1G 0JD<br><br>CCLA Investment Management Ltd<br>Senator House<br>85 Queen Street<br>London<br>EC4V 4ET |
| **Insurance brokers** | Towergate Risk Solutions (Towergate Underwriting Group Limited)<br>*Towergate House*<br>Eclipse Park<br>Maidstone<br>Kent<br>ME14 3EN |

The Trustees, who are also the directors for the purposes of company law, present their report and the audited financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financials statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

**Vision and strategy**

The Board's vision and strategy is derived from our key partners, our Bishop and the wider Diocese, the Church of England's Vision for Education and the Board's own evaluation of the needs of our Church school family.

The ***Diocesan Purpose*** is driven from our Christian Vision: The Kingdom of God. We seek to support one another across our Diocesan family to consider how we are 'Shaped by God' and how our daily lives reflect ten marks of mission. This then extends to asking ourselves three key questions about how we are deepening discipleship, growing the number of disciples and offering loving service of the world.

The ***Church of England's Education Office*** has published its vision for Education, 'Deeply Christian, Serving the Common Good'. This vision, for all of education and not simply Church schools, embraces the spiritual, physical, intellectual, emotional, moral and social development of children and young people. The Church of England, as a whole, seeks a vision of human flourishing for all, one that embraces excellence and academic rigour, but sets them in a wider framework. This is worked out theologically and educationally through four basic elements which permeates the vision:

- Wisdom
- Hope
- Community
- Dignity

The vision, in line with the Church of England's role as the established Church, is for the common good of the whole human community and its environment, whether national, regional or local. This reflects the Board's responsibility as a charity to provide benefit to the public. It is hospitable to diversity, respects freedom of religion and belief, and encourages others to contribute from the depths of their own traditions and understandings.

The Board believes that it makes its own, unique and distinct, contribution to the work of the wider diocesan purpose and the national Church. First of all, we recognise that we predominantly serve our family of Church schools and we aspire for them to contribute positively and effectively to the 'healthily plural educational system' by offering a distinctively Christian ethos. This, of course, must be *delivered alongside academic rigour and excellence.*

The Board also believe that our schools can and many already do, echo the marks of mission seen in 'Shaped by God.' Our schools can be places of transformation, inspiration, celebration and welcome.

The DBE's vision has captured the hearts and minds of many within our Church school family. As the school systems evolves, we believe that it is important to be consistent and steadfast in our work. We invite all schools to consider how their work reflects this vision and how they can play their part in the diocese and national network.

The Vision of the Board is:

*'Transforming the lives of children and young people'*

***Effective***: As a result of **visionary leadership** and **inspirational teaching**, children and young people in the Diocese of Leicester achieve **excellence**. They are **well-rounded** and **confident** with a strong sense of **self-worth**. As **learners transformed**, they in turn transform their communities.

***Distinctive***: **Unequivocally Christ-like**, our schools offer children and young people the opportunity to hear the Christian response to **life's big questions**. Christian **Worship is invitational**, offering the whole school community an opportunity for **renewal** and to **encounter the person of Jesus Christ**. **Religious Education** is **exemplary**, enabling a genuine understanding of the role of **faith and belief in modern society**.

***Rooted***: Our schools are rooted in **prayer, partnership with parish** and wider community and the **teachings of Jesus Christ**. Children and young people receive **excellent Religious Education** equipping them with a **firm knowledge** of the **Christian** faith and **other key faiths.**

***Inclusive***: Like Jesus himself, our schools are '**scandalously inclusive**'. Children and families from **all faiths and none** are **welcomed, respected** and **cherished. Serving the community** in which they are placed, our schools exemplify, '**love your neighbour**'.

In supporting 97 church schools across the Diocese of Leicester to realise this vision provides benefit to the public. This is achieved by training and equipping school leaders and governors to make educational provision of the highest quality, which in turn enables children and young people to contribute positively to society.

**Objectives and activities**

The Board's objectives are the same as its statutory functions determined by the Diocesan Boards of Education Measure 2021 ("the measure"). They Diocesan Board of Education must:

- promote or assist in the promotion of education in the diocese that is consistent with the faith and practice of the Church of England;
- promote or assist in the promotion of religious education and religious worship in schools in the diocese;
- promote or assist in the promotion of church schools in the diocese;
- promote co-operation between itself and other persons concerned with education in the diocese
- The functions assigned to the Board by the measure; and

The Board's principal objective during the year was the promotion of lifelong learning throughout the Diocese, effect being given to the belief that all true education must be based on Christian principles, and the promotion and stimulation of religious education according to the doctrines of the Church of England.

To achieve this the Board appoints staff to support the work of the church schools and the development of the ministry of ordained and lay people.

An additional aim of the Board's work is to promote and facilitate building work in Church of England schools within the Diocese. Creating and maintaining high quality learning environments has clear public benefit.

*The Board operates a system which enables Voluntary Aided maintained schools to have their Devolved Formula Capital (DFC) Grant* money lodged with the Board pending work being carried out. In addition to this, the Board is a member of a diocesan consortium, which receives School Condition Allocation (SCA) Grant money for capital work in Voluntary Aided maintained schools. An administration charge is levied for this service and details are published in the Board's Partnership Agreement with schools. Any interest received on these funds is re-invested for the purposes previously described.

The Board invests the majority of its funds through CCLA Investment Management who are accountable for investment performance. An element of the Board's funds need to be kept liquid because of its role in 'bridging' building projects in schools between payment of invoices to contractors and the receipt of grant funding.

The principal beneficiaries of the charity's services are the children and young people attending the 97 Church of England schools and academies in the Diocese. Wider than this, the Board also aims to promote and assist in the promotion of education consistent with the faith and practice of the Church of England.

**Achievements and performance**

The Board develops a 3-year strategic plan which includes aspirational success indicators. Progress towards these is routinely monitored by the Board. During the financial year, the Board aimed to provide and support work amongst children and young people in church contexts by providing professional, pastoral and theological support. The principal public benefit of this work is the support offered by the Board for the provision of worthwhile organised activities for children and young people.

During the financial year, the Board aimed to provide and support work amongst children and young people in church contexts by providing professional, pastoral and theological support. The principal public benefit of this work is the support offered by the Board for the provision of worthwhile organised activities for children and young people.

The Board continued to support this work through;

- Regular meetings and leadership development for school and trust leaders of church schools.
- The support of denominational inspections and the training of inspectors
- Giving advice and support to governing bodies and trust boards
- Managing the admission appeals on behalf of schools
- Advice and training on religious education and collective worship
- Working with strategic partners to ensure school effectiveness
- Development and oversight of building projects
- Advising governing bodies and trust boards in the appointment of head teachers

**Key activities for achieving objectives**

- Providing school and trust leaders with pastoral and professional support.
- Organising training and developmental opportunities for school and trust leaders and lay leaders.
- The appointment, support and training of foundation governors.
- Offering legal advice for trustees, governing bodies and school leaders.
- Liaison with officers of national and local bodies, including Teaching School Alliances, Multi Academy Trusts, Local Authorities, Department for Education, Regional Schools Commissioner and Ofsted.
- Partnership working with the Church of England Education Office and other Diocesan Board of Education teams.
- Representation on those committees of Leicestershire County and City Councils, which deal with education issues

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and setting the grant making policy for the period.

In light of the changing educational environment, there is an expectation that the Board become increasingly responsible for the quality of provision within their schools.

**Structure, governance and management**

The Diocesan Board of Education is constituted in line with the Diocesan Boards of Education Measure 2021 and its Articles of Association.

Trustees

**Recruitment and Appointment**

Trustees are recruited through advertisement within the Diocese of Leicester. This is mainly through the Diocesan Synod. Some trustees are ex-officio appointments and some are appointed by the Bishop of Leicester. Co-opted trustees are recruited on the basis of their skills and experience in church schools. Trustees are appointed under the categories shown in the Reference and Administrative information provided in this report.

**Induction and training**

At the first meeting of a new triennium the Board's role and function is explained. All members receive a copy of all the terms of reference for the sub-committees.

At the first meeting of each sub-committee the terms of reference are discussed, and the sub-committee's remit clarified.

During triennium the Board has a variety of on-going opportunities to discuss the strategic plan for the coming three years.

Organisational and decision-making structure

The Board is part of the Synodical structure of the Church of England and is responsible to and reports to the Synod of the Diocese of Leicester.

The Board operates through its meeting and those of the various sub-committees. The Board makes all major decisions, including those relating to financial matters.

Sub-committees scrutinise issues and make recommendations to the Board. Sub-committees have certain delegated powers under their Terms of Reference.

The Board is governed by the certificate of incorporation in accordance with the Companies Act 2006 and the Charities Act 2011.

The Board adopted and continue to operate within the core objectives and remit of the Board and had the following sub-committees in the period to 31 August 2021:

**Church Schools Business & Finance Committee.** The principal responsibilities of this sub-committee are formulating and overseeing a coherent strategy for existing and future school provision across the Diocese and to monitor local and national developments that impact upon the strategy. Also monitoring and managing all financial and property matters appertaining to the Board including maintenance and repair of voluntary aided schools in the Diocese, management of the Board's trustee responsibilities and investments and scrutiny of the Board's financial position and risk management policy and procedures.

**Supporting Church Schools Committee.** This sub-committee is responsible for formulating and overseeing a coherent strategy for existing and future church school provision across the Diocese in respect of their effectiveness, distinctiveness and inclusivity. Also, to provide support and training services to schools, governors and teachers, to provide guidance on policy and curriculum issues, respond to resolutions from General Synod in relation to church schools and promote and pursue partnerships with Local Authorities. The committee oversees the appointment of Foundation Governors and is responsible for the management of SIAMS (Statutory Inspection of Anglican and Methodist Schools). The committee overseas the Board's Admissions guidance and its support for schools in these matters.

**Strategic Group.** This sub-committee works with the Director on all matters of strategy and monitors the Board's progress towards its vision. The committee regularly reviews the development and growth of Multi Academy Trusts.

Related parties

Through the Synodical structure the Board is related to the Leicester Diocesan Board of Finance from whom it receives grant support, details of which are shown at note 5(i) to the financial statements.

Risk management

The Trustees are required, under the Charities SORP 2019, to confirm as part of the Trustees' annual report that they have reviewed and taken steps to mitigate the major risks to which the Board is exposed. The following are assessed by the Board as major risks:

- **All Schools and Trusts: Governance.** Failure to understand roles and responsibilities. This represents a reputational risk of failure, including financial and educational.

- **All Schools and Trusts: Provision.** Failure to maintain good & outstanding provision, leading to reputational risks for the DBE; *difficulty in finding suitable sponsor for school in an Ofsted category.*

- **DBE: Funding.** DBE unable to finance staffing levels required to meet charitable objects / strategic aims. Income from investments and from DBF grant at risk due to Covid-19 impact.

- **DBE: Staffing capacity for Statutory Functions.** DBE does not have sufficient capacity to undertake core statutory functions through loss or personnel or government legislation.

- **DBE: Staffing Capacity.** Major Incident. DBE does not have sufficient capacity to respond to a major incident, which impacts on the charity. E.g. Covid-19.

- **DBE: Staffing Capacity.** Land and capacity. Officer time required to manage land and property reduces capacity for core role.

In respect of each risk identified above, the Trustees have implemented strategies to mitigate and monitor the relevant issue. These mitigations include ensuring the relevant support, systems and expertise is available for schools and Trusts as well as within the Board itself.

The responsibilities of the Trustees cover the identification and assessment of risks, taking appropriate steps to mitigate those highlighted as major risks to the Board and an annual review of risk so as to ensure that the measures taken are adequate.

**Modern Slavery Statement**
The Board and the Charitable Foundations for which we are Trustees, are strongly opposed to slavery and human trafficking. We strive to act ethically and with integrity in all our business dealings and relationships to ensure that slavery and human trafficking are not taking place within our organisation or our supply chains.

**Financial review**
In financial terms during 2020-21 the Board planned to:

- ensure that expenditure from general reserves did not exceed income before any realised or unrealised gains or losses on investments, for the period
- ensure that expenditure from s554 funds did not exceed those funds' income, before capital receipts and any realised or unrealised gains or losses on investments, for the period.

The principal funding sources for the charity are currently by way of grants from the Diocese of Leicester Board of Finance and investment income.

In the year the Board:
- made a surplus before any realised or unrealised gains or losses on investments on its general fund of £69,534 (2020: £195,381).

- made a deficit before any realised or unrealised gains or losses on investments on its endowment funds of £115,471 (2020: £116,591.

- made a transfer from general funds to endowment funds of £115,650 (2020: £23,314)

The Board has reviewed all available information, taking account of the current position and principal risks and have a reasonable expectation that the charity will be able to continue in operation and meet its liabilities as they fall due.

**Fundraising**
The charitable company does not carry out significant fundraising activities.

Overall financial performance

The overall financial performance in 2021 may be summarised as follows:

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **General funds** | | | | |
| *Income and endowments* | 245,221 | | 398,638 | |
| Less: expenditure including transfers | (291,337) | | (179,943) | |
| | | (46,116) | | 218,695 |
| **Endowment funds** | | | | |
| Income and endowments excluding capital receipts | 63,243 | | 76,774 | |
| Less: expenditure including transfers | (63,064) | | (216,679) | |
| | | 179 | | (139,905) |
| | | (45,937) | | 78,790 |
| **Movements in capital funds** | | | | |
| Loss on disposal of shares | | - | | - |
| Gains on revaluation of property and share portfolio | | 343,473 | | 24,864 |
| **Net movement in funds during the period as shown on the SOFA** | | 297,536 | | 103,654 |

Reserves

The reserves of the Board comprise those which may be expended for the normal objectives of the Board and those arising from Educational Foundations within the trusteeship of the Board (the Consolidated Fund), which may only be expended for specific purposes as shown in note 17 on pages 27 and 28.

As at 31 August 2021 the total funds are £3,979,490 (2020: £3,681,954) as shown in the Statement of Financial Position on page 16.

Having considered financial risk, liquidity requirement and the timing of cashflows throughout the year, the Board's policy is to hold a balance of readily available realisable assets equivalent to 3 months of budgeted expenditure. As at 31 August 2021, the minimum amount required under this policy totalled £89,995 (2020: £93,952).

Actual free reserves in general and endowment funds totalled £3,163,491 (2020: £2,914,915). Free reserves in unrestricted funds were positive by £408,551 (2020: positive £420,158)

Actual free reserves are higher than the Board's policy due to prudent fiscal management.

Investment policy

The investments of the Board are represented by:

- properties held under trusts
- investments in the CBF Investment and Property funds managed by CCLA Investment Management Limited and Savills Investment Management.

The movements in the Board's investments are shown at note 12 to these financial statements.

In the light of the market conditions prevalent during the period the Trustees consider the performance of the Board's investments to be satisfactory. It is the policy of the Board to adhere to the ethical investment guidelines issued by the Church of England.

Grant making policies

During the period the Board made grants to the governors of aided schools in relation to the Department for Education (DfE) scheme. Details of the grants made may be found in note 6 of these financial statements.

Funds held as custodian trustee

The Board acts as custodian trustee for a number of small religious education funds. These funds are available to parishes to promote and deliver religious education to the younger society within their parishes.

The assets of these funds consist of either cash deposits or shares in the CBF Investment Fund. All such assets are held in accounts separate from those of the Board.

The total value of the assets held as custodian trustee is £88,680 (2020: £92,952) and relate to the following organisations:

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| St Nicholas House Education Foundation | 60 | 60 |
| Hugglescote RE Fund | 15,332 | 20,292 |
| Walcote RE Fund | 26,015 | 25,964 |
| Hoby School Fund | 10,000 | 10,000 |
| Cossington Day School Charity | - | 12 |
| Syston Junior RE Fund | 2,665 | 2,460 |
| Syston Infant RE Fund | 23,904 | 23,857 |
| Stony Stanton Junior School RE Fund | 2,908 | 3,681 |
| Syston Junior RE Fund (Shares) | 7,796 | 6,626 |
| | 88,680 | 92,952 |

Impact of COVID-19

The activities of the schools supported by the Board, and some of the training and other activities of the Board, were significantly impacted by COVID-19 during the year. This however did not have a significant impact on the Board's finances nor is it expected to impact on the Board's long term ability to continue its operations.

### Trustees' responsibilities statement

The trustees (who are also directors of Leicester Diocesan Board of Education for the purposes of company law) are responsible for preparing the Trustees' Annual 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### Appointment of auditors

The appointment of BHP LLP as auditors to the Board has been agreed at the Annual General Meeting.

### Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The trustees report was approved by the Board of Trustees on Aug 30, 2022 and signed behalf of the board of trustees by:

**Canon S Adshead, Chairman**

## Independent Auditor's Report to the Members of Leicester Diocesan Board of Education

### Opinion

We have audited the financial statements of Leicester Diocesan Board of Education (the 'charitable company') for the year ended 31 August 2021, which comprise the Statement of Financial Activities, the Statement of Financial Position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021, and of its 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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 charitable 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 trustees 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 report of the trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- We focused on laws and regulations relevant to the charitable company which could give rise to a material the engagement partner ensured that the engagement team collectively had the appropriate competence and capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the entity through discussions with trustees and other management, and from our knowledge and experience of this charity's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the entity, including safeguarding legislation, health and safety and data protection laws;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

**Auditor's responsibilities for the audit of the financial statements (continued)**

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/Our-work/Audit/Audit-and-assurance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

**Use of our report**

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

BHP LLP

Jane Marshall (Senior statutory auditor)

For and on behalf of

BHP LLP
2 Rutland Park
Sheffield
S10 2PD

Date: 31 August 2022

## Leicester Diocesan Board of Education

**Company Limited by Guarantee**

**Statement of Financial Activities (including income and expenditure account)**

**For the year ended 31 August 2021**

| | Note | Unrestricted funds | Endowment funds | Total 2021 | Total 2020 |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Income and endowments** | | | | | |
| Donations and legacies | 5(i) | **156,059** | **-** | **156,059** | 272,183 |
| Charitable activities | 5(ii) | **60,622** | **-** | **60,622** | 102,223 |
| Other trading activities | 5(iii) | **-** | **27,579** | **27,579** | 42,318 |
| Investment income | 5(iv) | **28,540** | **35,664** | **64,204** | 58,688 |
| **Total income** | | **245,221** | **63,243** | **308,464** | 475,412 |
| **Expenditure** | | | | | |
| Expenditure on raising funds: | | | | | |
| Cost of other trading activities | 6(i) | **-** | **18,880** | **18,880** | 36,073 |
| Expenditure on charitable activities | 6(ii) | **175,687** | **159,834** | **335,521** | 360,549 |
| Other expenditure | 6(iii) | **-** | **-** | **-** | - |
| **Total expenditure** | | **175,687** | **178,714** | **354,401** | 396,622 |
| **Net income/ (expenditure)** | | **69,534** | **(115,471)** | **(45,937)** | 78,790 |
| Realised loss in year on unlisted investments | | **-** | **-** | **-** | - |
| ***Unrealised gains / (losses) in the year on:*** | | | | | |
| Land and property | | **-** | **40,000** | **40,000** | - |
| Unlisted investments | | **43,469** | **260,004** | **303,473** | 24,864 |
| **Net income** | | **113,003** | **184,533** | **297,536** | 103,654 |
| Transfers between funds | 18 | **(115,650)** | **115,650** | **-** | |
| **Net movement in funds** | | **(2,647)** | **300,183** | **297,536** | 103,654 |
| **Reconciliation of funds** | | | | | |
| Total funds brought forward | | **427,197** | **3,254,757** | **3,681,954** | 3,578,300 |
| Net movement in funds | | **(2,647)** | **300,183** | **297,536** | 103,654 |
| **Total funds carried forward** | 17 | **424,550** | **3,554,940** | **3,979,490** | 3,681,954 |

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure of the charity are derived from continuing activities.

## Leicester Diocesan Board of Education

**Company Limited by Guarantee**

**Statement of Financial Position**

**As at 31st August 2021**

| | Note | 2021 | | 2020 | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Fixed assets** | | | | | |
| Tangible fixed assets | 11 | **15,999** | | 7,039 | |
| Property investments | 12 | **800,000** | | 760,000 | |
| Other investments | 12 | **2,618,137** | | 1,814,664 | |
| | | | **3,434,136** | | 2,581,703 |
| **Current assets** | | | | | |
| Debtors | 13 | **44,011** | | 1,002,279 | |
| Deposits | | **243,949** | | 207,457 | |
| Cash at bank | | **899,252** | | 236,504 | |
| | | **1,187,212** | | 1,446,240 | |
| **Creditors: amounts falling due within one year** | | | | | |
| Creditors | 14 | **517,322** | | 266,752 | |
| DFC Funds held for schools | 15 | **124,536** | | 79,237 | |
| | | **641,858** | | 345,989 | |
| **Net current assets** | | | **545,354** | | 1,100,251 |
| **Net assets** | | | **3,979,490** | | 3,681,954 |
| **Funds of the charity** | | | | | |
| Unrestricted funds (of which £457,235 (2020 - £370,040) is held in a revaluation reserve) | 17 | | **424,550** | | 427,197 |
| Endowment funds (of which £1,763,902 (2020 - £1,507,625) is held in a revaluation reserve) | 17 | | **3,554,940** | | 3,254,757 |
| **Total charity funds** | 17 | | **3,979,490** | | 3,681,954 |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of Trustees and authorised for issue on Aug 30, 2022 and were signed on its behalf of the board by:

Canon S Adshead
Chairman

## 1 General information

The Charitable Company is a public benefit entity and a private company limited by guarantee without share capital, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is St Martins House, 7 Peacock Lane, Leicester, LE1 5PZ.

The principal activity of the charity is to promote lifelong learning throughout the Diocese, effect being given to the belief that all true education must be based on Christian principles, and the promotion and stimulation of religious education according to the doctrines of the Church of England.

## 2 Statement of compliance

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and republic of Ireland (FRS 102) issued in October 2019, the *Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)*, the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

## 3 Accounting policies

The principal accounting policies are as follows:

### 3.1 Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include the revaluation of investment properties and fixed asset investments which are measured at their market value through income or expenditure.

The financial statements are presented in GBP £ sterling which is the functional currency of the charity.

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

### 3.2 Going concern policy

The trustees regularly assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

The charity made an unrestricted deficit for the year of £2,647 and at the year end had free reserves of £408,551.

The Board have considered the continuing impact of COVID-19 on the charitable company's income and operating cost base. They have prepared forecasts of income and expenditure for the period to 31 August 2023 which shows that they have sufficient reserves and cash to be able to continue for the foreseeable future.

The Board have concluded therefore that the entity remains a going concern and continue to adopt the going concern basis of preparation for these financial statements.

### 3.3 Group accounts policy

The Charitable Company are members of 10 academies (single and multiple academy trusts) and the Diocese of Leicester Educational Trust.

The Board's policy is for non-consolidation of either of the academies, trust or company into the Board accounts as it can demonstrate that no parent / subsidiary relationship exists.

The policy is reviewed annually to ensure compliance with the national guidance and any developments in the relationship between the Board and the Trusts.

### 3.4 Cash flow statement

The trustees have taken advantage of the exemption in FRS 102 and SORP 2019 from including a cash flow statement in the financial statements on the grounds that the charity qualifies as a small charity under the standard.

### 3.5 Fund accounting

Fund balances are split between unrestricted and endowment (restricted) funds:

- the general fund is an unrestricted fund, which may be used at the Trustees' discretion;
- the endowment (restricted) fund consists of funds where there are imposed restrictions on their use.

Further details of these funds are given in note17.

### 3.6 Income

All incoming resources are included in the Statement of Financial Activities when the charity it legally entitled to the income, the amount can be measured reliably, and it is probable that the income will be received.

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided there are no donor-imposed restrictions as to the timing of any related expenditure, in which case recognition is deferred until the pre-condition is met.

Revenue grants included in donations and legacies are credited as income when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

### 3.7 Expenditure

All expenditure is included in the financial statements on an accruals basis. Expenditure includes any VAT which cannot be fully recovered and is classified under headings of the statement of Financial Activities to which it relates:

- expenditure on charitable activities includes all costs incurred by a charity in undertaking its charitable activities, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- cost of other trading activities includes expenditure that relates to the delivery of courses to schools.

Expenditure is allocated to those cost categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity.

Support costs are apportioned between the activities on a reasonable and consistent basis based upon specific nominals.

**Grants payable**
Grants to schools are accrued for as expenditure when the recipient is notified of the grant.

### 3.8 Tangible fixed assets and depreciation

Fixed assets (excluding investments) are stated at cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over their expected useful life, as follows:

| | |
|---|---|
| Office equipment | 7 years |
| Computer equipment | 3 years |

### 3.9 Property investments

Property investments are held at open market value based upon external property valuations. Their valuations are derived from the most recent valuation, performed by Andrew Granger & Co Ltd as at 31 August 2021, with the exception of the land at Plungar which was valued as at 1st July 2021.

## 3 Accounting policies (continuing)

### 3.10 Investments

Investments are shown at market value at the date of the statement of financial position and any gain or loss taken to the Statement of Financial Activities. Investments held by the Board as custodian trustee are not included in these financial statements.

Realised gains or losses on investments are recognised when investments are sold. Unrealised gains or losses are accounted for on the revaluation of investments.

Investments and their gains and losses are allocated to funds based upon the nature of the investment source.

### 3.11 Debtors

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

### 3.12 Cash at Bank and Deposits

Cash at bank and deposits 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.

### 3.13 Creditors

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

### 3.14 Employee benefits

*Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.*

### 3.15 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described above, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Management do not deem there to be any key sources of estimation uncertainty. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Investment properties**

The critical judgement that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements is the valuation of the investment properties. These are valued by the trustees using guidance from an independent professional valuer. Investment properties are measured at each year end at their open market value.

## 4 Pension costs

Three employees of the Board participated in pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Board and the other participating employers. This is the Church Workers Pension Fund. 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.

These schemes are multi-employer last man standing defined benefit pension schemes for which the Board is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme.

**Church Workers Pension Fund – Pension Builder Scheme**

The Board participates in the Pension Builder Scheme section of the Church Workers Pension Fund 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 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 subdivision of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme, this means it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the scheme were a defined contribution scheme. The pension costs charged to the SoFA in the year represent contributions payable.

The most recent scheme valuation completed was carried out as at 31 December 2019. This revealed, on the ongoing assumptions used, an overall deficit of £10.6m. The scheme's actuaries have proposed that the deficit is to be eliminated within 7 years without the need for additional contributions from the employers involved in the scheme. There is therefore no requirement for deficit payments at the current time.

The Board contributes 10% of basic salary. There is no minimum contribution for employees. The pension costs for the period of £9,466 (2020: £9,162) are equal to the contributions paid by the Board and there were no contributions outstanding at the period end.

## 4 Pension costs (continuing)

**Teachers' Pension Scheme**
The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014.

The Diocesan Director of Education is the only member of the TPS.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended) published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation 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 (amended). The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2019 determined an employer rate of 23.68%, which was payable from September 2019 (this includes the administration levy of 0.08%).

The employer's pension costs paid to TPS in the year amounted to £18,477 (2020: £12,604).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

## 5 Income and endowments

### (i) Donations and legacies

| | *Unrestricted funds* | *Endowment funds* | Total 2021 | Total 2020 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Donations received | - | - | - | 72,116 |
| Grant from Leicester DBF | 156,059 | - | 156,059 | 200,067 |
| | 156,059 | - | 156,059 | 272,183 |

In 2020, £272,183 of donations were allocated to the general fund.

### (ii) Charitable activities

| | Unrestricted funds | Endowment funds | Total 2021 | Total 2020 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Admission appeal costs | 4,575 | - | 4,575 | 1,435 |
| Partnership Agreement & Courses | 37,928 | - | 37,928 | 66,827 |
| Other income | 18,119 | - | 18,119 | 33,961 |
| | 60,622 | - | 60,622 | 102,223 |

In 2020, charitable activities income totalled £102,223, all of which was allocated to the general fund.

### (iii) Other trading activities

| | Unrestricted funds | Endowment funds | Total 2021 | Total 2020 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Rents received | - | 27,579 | 27,579 | 42,318 |
| | - | 27,579 | 27,579 | 42,318 |

In 2020: £42,318 of rents received were allocated to the endowment fund.

### (iv) Investment income

| | Unrestricted funds | Endowment funds | Total 2021 | Total 2020 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Other interest | 41 | - | 41 | 421 |
| Investment income | 28,499 | 34,550 | 63,049 | 56,949 |
| Deposit interest | - | 1,114 | 1,114 | 1,318 |
| | 28,540 | 35,664 | 64,204 | 58,688 |

In 2020 investment income totalled £58,688, of which £24,232 was allocated to the general fund and £34,456 was allocated to the endowment fund.

## 6 Resources expended

*(i) Cost of other trading activities*

| | Unrestricted funds | Endowment funds | Total 2021 | Total 2020 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Rent costs | - | 3,957 | 3,957 | 3,642 |
| Baxter Hall costs | - | 11,272 | 11,272 | 7,830 |
| Course & event expenditure | - | 3,651 | 3,651 | 24,601 |
| | - | 18,880 | 18,880 | 36,073 |

In 2020, costs of other trading activities totalled £36,073 and were allocated to the endowment fund.

**(ii) Expenditure on charitable activities**

| | Unrestricted funds | Endowment funds | Total 2021 | Total 2020 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Advice to and work with schools | 44,683 | - | 44,683 | 50,671 |
| Governance costs (see iv) | 4,800 | 14,399 | 19,199 | 23,645 |
| Support costs (see v) | 126,204 | 145,435 | 271,639 | 286,233 |
| | 175,687 | 159,834 | 335,521 | 360,549 |

In 2020, costs totalled £360,549, of which £179,943 were allocated to the general fund and £180,606 allocated to the endowment fund.

**(iii) Other expenditure**

| | Unrestricted funds | Endowment funds | Total 2021 | Total 2020 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Amounts due from Diocese of Leicester Educational Trust Limited written off | - | - | - | - |
| | - | - | - | - |

In addition, there are grants made to School Governors of aided schools in respect of repairs and improvements. These amounts are fully recoverable from the DfE, School Governors and other third parties. In 2021 these grants and recoveries amounted to £185,871 (2020: £377,946).

**(iv) Governance**

| | Unrestricted funds | Endowment funds | Total 2021 | Total 2020 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Audit fee | 2,960 | 8,879 | 11,839 | 9,271 |
| Other statutory costs | - | - | - | 555 |
| Governance support costs | 1,840 | 5,520 | 7,360 | 13,819 |
| | 4,800 | 14,399 | 19,199 | 23,645 |

In 2020, costs totalling £6,328 were allocated to the general fund and costs totalling £17,317 were allocated to the endowment funds.

**(v) Support costs**

| | Unrestricted funds | Endowment funds | Total 2021 | Total 2020 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Staff costs | 111,832 | 72,752 | 184,584 | 209,262 |
| Office costs | 13,102 | 38,325 | 51,427 | 37,485 |
| Travel costs | 607 | 661 | 1,268 | 5,982 |
| Legal & Professional | - | 31,710 | 31,710 | 13,493 |
| Depreciation | 662 | 1,987 | 2,649 | 20,011 |
| | 126,204 | 145,435 | 271,639 | 286,233 |

In 2020 Support costs totalling £122,944 were allocated to the general fund and £163,289 were allocated to endowment funds.

## 7 Expenditure on charitable activities by activity type

| | Activities undertaken directly | Support costs | Total 2021 | Total 2020 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Charitable expenditure | 44,683 | 271,639 | 316,322 | 336,904 |
| Cost of other trading activities | 18,880 | - | 18,880 | 36,073 |
| Governance costs | 11,839 | 7,360 | 19,199 | 23,645 |
| Other costs | - | - | - | - |
| **Total - 2021** | **75,402** | **278,999** | **354,401** | **396,622** |
| Total - 2020 | 96,570 | 300,052 | 396,622 | |

## 8 Net income

Net income is stated after charging or crediting:

| | Total 2021 | Total 2020 |
|---|---|---|
| | £ | £ |
| Depreciation of tangible fixed assets | 2,649 | 7,322 |
| Fees payable for the audit of the financial statements | 11,839 | 9,271 |

## 9 Staff numbers and costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

| | Total 2021 | Total 2020 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 149,476 | 169,754 |
| Social security costs | 7,165 | 17,742 |
| Pension costs | 27,943 | 21,766 |
| | 184,584 | 209,262 |

| Average number employed | Number | Number |
|---|---|---|
| Administration and support | 3 | 5 |

During the year there was one employee whose emoluments amounted to more than £70,000 but less than £80,000 (excluding pension contribution) (2020: one). Pension payments of £18,478 were made for this employee (2020: £12,604). No other employees earned £60,000 or more in the current or preceding period.

### 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 Charitable Company. During 2020 this was the Diocesan Director of Education and Secretary of the Board, Carolyn Lewis.

During the year, remuneration (including Employers National Insurance and pension) amounting to £106,058 was paid (2020: £100,064).

## 10 Board trustee members' emoluments and expenses

None of the Board members received any emoluments from the Board for services performed as trustees (2020: none). Board members received £Nil (2020: £Nil) for the reimbursement of travelling and out of pocket expenses.

## 11 Tangible fixed assets

| | Office equipment | Computer equipment | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost or valuation** | | | |
| At 1 September 2020 | 11,637 | 6,487 | 18,124 |
| Additions at cost | 2,098 | 9,529 | 11,627 |
| Disposals | - | (6,487) | (6,487) |
| **At 31 August 2021** | **13,735** | **9,529** | **23,264** |
| **Depreciation** | | | |
| At 1 September 2020 | 4,616 | 6,469 | 11,085 |
| Charge for the year | 1,962 | 687 | 2,649 |
| Eliminated on disposal | - | (6,469) | (6,469) |
| **At 31 August 2021** | **6,578** | **687** | **7,265** |
| **Net book value at 31 August 2021** | **7,157** | **8,842** | **15,999** |
| Net book value at 31 August 2020 | 7,021 | 18 | 7,039 |

## 12 Fixed asset investments

| | Investment properties | Unlisted Investments | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost or valuation** | | | |
| At 1 September 2020 | 760,000 | 1,814,664 | 2,574,664 |
| Additions at cost | - | 500,000 | 500,000 |
| Disposals | - | - | - |
| Revaluation adjustment | 40,000 | 303,473 | 343,473 |
| **At 31 August 2021** | **800,000** | **2,618,137** | **3,418,137** |

| | 2021 | 2020 |
|---|---|---|
| Historical cost (unlisted investments only) | 1,197,000 | 697,000 |

Investment properties do not have any historical cost as the Board received legacies and gifts. The difference between historical cost and market value is included within the relevant funds.

The investment properties were valued as at 31st August 2021 by the Board's land agents, Andrew Granger & Co Ltd, Chartered Surveyors. The basis of valuation was on an open market basis based on existing use and prevailing permissions. The Board undertakes valuations every 3 years.

The Leicester Diocesan Board of Education acts as a custodian of two properties on behalf of The Saint Nicholas House Educational Foundation. These properties have not been recognised in the accounts of Leicester Diocesan Board of Education as it does not have beneficial interest. The valuation of these properties is £700,000.

All the unlisted investments of the Board are in CBF Church of England Common Investment Funds managed by CCLA Investment Management Limited & Savills Investment Management.

| | Total 2021 | Total 2020 |
|---|---|---|
| | £ | £ |
| CBF Investment Fund | **2,182,901** | 1,394,468 |
| Savills Property Fund | **435,236** | 420,196 |
| **Total investments** | **2,618,137** | **1,814,664** |

## 13 Debtors

| | Total 2021 | Total 2020 |
|---|---|---|
| | £ | £ |
| Other debtors | 20,582 | 22,248 |
| Amounts due from related parties | 4,313 | 959,313 |
| *Prepayments and accrued income* | 19,116 | 20,718 |
| | 44,011 | 1,002,279 |

## 14 Creditors: amounts falling due within one year

| | Total 2021 | Total 2020 |
|---|---|---|
| | £ | £ |
| Schools' Building works and other creditors | 490,858 | 252,112 |
| Taxation & Social Security | 6,390 | (8) |
| Accruals and deferred income | 20,074 | 14,648 |
| | 517,322 | 266,752 |

Included in the above is £2,512 in relation to deferred rental income (2020: £6,238).

## 15 Schools' DFC funds

With effect from 1 April 2006 the DfE paid over to schools the funds available for 2006/07 plus any unspent funds from prior years, which could be used for the 90% cost of building works, previously reimbursed by the DfE.

The Voluntary Aided Schools agreed that the Board should hold these funds and meet any 90% contributions from them. The value of the funds at 31st August 2021 was £124,536 (2020: £79,237).

Each school's unspent amount of the total is identifiable.

## 16 Related party transactions

The Board is related to Leicester Diocesan Board of Finance, Diocese of Leicester Educational Trust and Diocese of Leicester Educational Services Ltd.

At the end of the period the following amounts, were receivable or (payable) by the Board in respect of related parties:

| | Total 2021 | Total 2020 |
|---|---|---|
| | £ | £ |
| Leicester Diocesan Board of Finance in respect of grants receivable, loans and contribution to costs | 4,313 | 959,313 |

The Board was charged £129,689 (2020: £108,819) by the Leicester Diocesan Board of Finance in the period for salaries, office room hire and related services.

Income and expenditure in the period which passed through the Board, but which relates to related companies, can be summarised as follows:

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Income | Expenditure | Income | Expenditure |
| | £ | £ | £ | £ |
| Diocese of Leicester Board of Finance | 16,099 | 129,689 | 24,801 | 108,820 |

## 17 Analysis of charitable funds

| | Balance at 01/09/2020 | Income | Expenditure | Transfers | Other recognised gains and losses | Balance at 31/08/2021 |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| **Unrestricted funds** | | | | | | |
| General fund | 427,197 | 245,221 | (175,687) | (115,650) | 43,469 | 424,550 |
| **Total unrestricted funds** | **427,197** | **245,221** | **(175,687)** | **(115,650)** | **43,469** | **424,550** |
| **Endowment funds** | | | | | | |
| s554 Income Fund | - | 35,485 | (167,442) | 131,957 | | - |
| s554 Capital Fund | 2,838,269 | - | - | | 292,289 | 3,130,558 |
| Baxter Hall Fund | 305,000 | 27,579 | (11,272) | (16,307) | - | 305,000 |
| Other foundations | 111,488 | 179 | - | - | 7,715 | 119,382 |
| **Total endowment funds** | **3,254,757** | **63,243** | **(178,714)** | **115,650** | **300,004** | **3,554,939** |
| **Total funds** | **3,681,954** | **308,464** | **(354,401)** | **-** | **343,473** | **3,979,490** |

The transfer in the year, between the General fund and the s554 Income Fund is to fund the deficit on this fund, as costs allocated exceeded the income generated.

The transfer between the Baxter Hall fund and the General fund is in respect of net rental income generated which can be used for general purposes.

**Revaluation Reserve**

Included in the fund balances above is a revaluation reserve of £2,221,137 (investment property £800,000 and investments £1,421,137). As at 31st August 2021, the revaluation reserve is allocated as follows, general fund £457,235, Baxter Hall £300,000, s554 capital fund £1,422,038 and other foundations £41,864.

| | Balance at 01/09/2019 | Income | Expenditure | Transfers | Other recognised gains and losses | Balance at 31/08/2020 |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| **Unrestricted funds** | | | | | | |
| General fund | 208,285 | 398,638 | (179,943) | (23,314) | 23,531 | 427,197 |
| **Total unrestricted funds** | **208,285** | **398,638** | **(179,943)** | **(23,314)** | **23,531** | **427,197** |
| **Endowment funds** | | | | | | |
| s554 Income Fund | 122,937 | 62,599 | (208,850) | 23,314 | - | - |
| s554 Capital Fund | 2,956,912 | - | - | (118,643) | - | 2,838,269 |
| Baxter Hall Fund | 181,157 | 13,029 | (7,829) | 118,643 | - | 305,000 |
| Other foundations | 109,009 | 1,146 | | - | 1,333 | 111,488 |
| **Total endowment funds** | **3,370,015** | **76,774** | **(216,679)** | **23,314** | **1,333** | **3,254,757** |
| **Total funds** | 3,578,300 | **475,412** | **(396,622)** | **-** | **24,864** | **3,681,954** |

**Revaluation Reserve**

Included in the fund balances above is a revaluation reserve of £1,877,664 (investment property £760,000 and investments £1,117,664). As at 31st August 2020, the revaluation reserve is allocated as follows, general fund £370,040, Baxter Hall £300,000, s554 capital fund £1,173,475 and other foundations £34,149.

## 17 Analysis of charitable funds (continued)

**Endowment funds**

**s554 Income and Capital funds**

*These principally represent funds and income held under trusts arising from the sale of redundant educational properties. The Board as* trustees may, after payment of any expenses incurred in connection with the administration of the trusts, apply the capital and income of the relevant trust assets for any of the following purposes:

- in or towards the purchase of a site for, or the erection, improvement or enlargement of:
  - o the premises of any relevant school in the area
  - o the premises of a teacher's house for use in connection with any relevant school in the area
  - o for the maintenance of any relevant school in the area or of a teacher's house for use in connection with any relevant school in the area.

The income arising from these trusts may additionally be used, after payment of any expenses incurred in connection with the administration of the trust, for any of the following purposes:

- in or towards the provision of advice, guidance and resources (including materials) in connection with any matter related to the management of, or education provided at, any relevant school in the area
- the provision of services for the carrying out of any inspection of any relevant school in the area required by Part I of the School *Inspection Act 1996(a); and*
- to defray the cost of employing or engaging staff in connection with the application of capital or income of the relevant trust assets.

**The Baxter Hall fund**

This represents the book value of the Baxter Hall property as revalued from time to time.

| **Other Foundations** | **Total 2021** | Total 2020 |
|---|---|---|
| | **£** | **£** |
| Gilmorton, Edward Chandler | 3,995 | 3,535 |
| Leicester, G A Robinson | 12,292 | 10,314 |
| Stoke Golding | 397 | 394 |
| Rev Towers Earl Shilton | 42,238 | 37,292 |
| Hathern Old School House | 60,460 | 59,953 |
| | 119,382 | 111,488 |

During any year the Board can become aware of redundant schools and/or schoolhouses of which it has no record. When this occurs, the Board acts under current legislation to acquire the asset for its work. The Board has no means of identifying such cases in advance.

## 18 Analysis of transfers between funds

*Overheads are apportioned based upon the allocation of staff time and is split between general and endowment fund. Transfers* between funds and the reasons behind them are disclosed in Note 17.

## 19 Net assets by fund

| 31st August 2021 | Unrestricted funds £ | Endowment funds £ | Total 2021 £ |
|---|---|---|---|
| **Fixed assets** | | | |
| Tangible fixed assets | 15,999 | - | 15,999 |
| Property investments | - | 800,000 | 800,000 |
| Other investments | 247,789 | 2,370,348 | 2,618,137 |
| Net current assets | 160,762 | 384,592 | 545,354 |
| Total net assets | 424,550 | 3,554,940 | 3,979,490 |

| 31st August 2020 | Unrestricted funds £ | Endowment funds £ | Total 2020 £ |
|---|---|---|---|
| **Fixed assets** | | | |
| Tangible fixed assets | 7,039 | - | 7,039 |
| Property investments | - | 760,000 | 760,000 |
| Other investments | 247,789 | 1,566,875 | 1,814,664 |
| | | | - |
| Net current assets | 172,369 | 927,882 | 1,100,251 |
| Total net assets | 427,197 | 3,254,757 | 3,681,954 |

**LEICESTER DIOCESAN BOARD OF EDUCATION**

England & Wales - Charity number 1151692

# Accounts

# Leicester Diocesan Board of Education
## Company Limited by Guarantee

## Report and Financial Statements
## For the year ended 31 August 2020

Company Registration Number 08432843

Charity Registration Number 1151692

# Leicester Diocesan Board of Education

**Company Limited by Guarantee**

**Report and Financial Statements**

## For the year ended 31 August 2020

**Company Registration Number 08432843**

**Charity Registration Number 1151692**

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# Leicester Diocesan Board of Education

**Company Limited by Guarantee**

**Report and Financial Statements**

**For the year ended 31 August 2020**

| | |
|---|---|
| **Registered charity name** | Leicester Diocesan Board of Education |
| **Charity registration number** | 1151692 |
| **Company registration number** | 8432843 |
| **Chairman** | Canon S Adshead |
| **Diocesan Director of Education and Secretary of the Board** | Canon Carolyn Lewis |
| **Treasurer** | Canon S Adshead |

**Trustees and members of the Leicester Diocesan Board of Education ("the Board")**

No Trustees had any beneficial interest in the charity during the year. The following Trustees, unless otherwise stated served during the year and are still in office at the date of this report:

**Ex officio**

Rt Revd M Snow (Bishop of Leicester)
Ven R Worsfold (Archdeacon of Leicester)
Ven C Wood (Archdeacon of Loughborough)
Canon S Adshead (Chairman)

**Elected by Diocesan Synod**

Canon S Adshead
Mr R Andrews
Mrs C Bampton
Mr D Jones
Revd J Hargreaves
Miss A Reddecliffe
Dr C Spencer
Revd E Wilson
Revd Canon P O'Reilly
Mrs E Wayne-Hawker
Revd P Watson
Mrs M Green
Revd D Cowie
Revd Canon E Davies
Revd A Hall

**Co-opted by the Board**

Mr S E Roddy
Mrs E Prokipczuc
Mrs A Leadbeater
Mr N J Bardsley
Mrs C Ward-Lewis
Mrs A McKenzie

**Resignations during period:**

Mrs C Ward-Lewis (31 August 2020)
Mrs A McKenzie (20 December 2019)

**Bishop's nominees**

Mr J Kerry
Revd R Woodall

| | |
|---|---|
| **Registered office & Charity address** | St Martins House<br>7 Peacock Lane<br>Leicester<br>LE1 5PZ |
| **Telephone** | 0116 261 5200 |
| **Auditor** | BHP LLP<br>2 Rutland Park<br>Sheffield<br>South Yorkshire<br>S10 2PD |
| **Solicitors** | Stone King LLP<br>Boundary House<br>91 Charterhouse Street<br>London<br>EC1M 6HR |
| **Bankers** | Barclays Bank plc<br>Dominus Way<br>Meridian Business Park<br>Leicester<br>LE19 1RP |
| **Chartered surveyors** | YMD Boon Limited<br>York House<br>Fernie Road<br>Market Harborough<br>Leicestershire<br>LE16 7PH |
| **Land agents** | Andrew Granger & Co Ltd<br>2 High Street<br>Loughborough<br>Leicestershire<br>LE11 2PY |
| **Investment managers** | Savills Investment<br>Charities Property Fund<br>33 Margaret Street<br>London<br>W1G 0JD<br><br>CCLA Investment Management Ltd<br>Senator House<br>85 Queen Street<br>London<br>EC4V 4ET |
| **Insurance brokers** | Towergate Risk Solutions (Towergate Underwriting Group Limited)<br>Towergate House<br>Eclipse Park<br>Maidstone<br>Kent<br>ME14 3EN |

The Trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 August 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financials statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

**Vision and strategy**

The Board's vision and strategy is derived from our key partners, our Bishop and the wider Diocese, the Church of England's Vision for Education and the Board's own evaluation of the needs of our Church school family.

The ***Diocesan Purpose*** is driven from our Christian Vision: The Kingdom of God. We seek to support one another across our Diocesan family to consider how we are 'Shaped by God' and how our daily lives reflect ten marks of mission. This then extends to asking ourselves three key questions about how we are deepening discipleship, growing the number of disciples and offering loving service of the world.

The ***Church of England's Education Office*** has published its vision for Education, 'Deeply Christian, Serving the Common Good'. This vision, for all of education and not simply Church schools, embraces the spiritual, physical, intellectual, emotional, moral and social development of children and young people. The Church of England, as a whole, seeks a vision of human flourishing for all, one that embraces excellence and academic rigour, but sets them in a wider framework. This is worked out theologically and educationally through four basic elements which permeates the vision:

- Wisdom
- Hope
- Community
- Dignity

The vision, in line with the Church of England's role as the established Church, is for the common good of the whole human community and its environment, whether national, regional or local. This reflects the Board's responsibility as a charity to provide benefit to the public. It is hospitable to diversity, respects freedom of religion and belief, and encourages others to contribute from the depths of their own traditions and understandings.

The Board believes that it makes its own, unique and distinct, contribution to the work of the wider diocesan purpose and the national Church. First of all, we recognise that we predominantly serve our family of Church schools and we aspire for them to contribute positively and effectively to the 'healthily plural educational system' by offering a distinctively Christian ethos. This, of course, must be delivered alongside academic rigour and excellence.

The Board also believe that our schools can and many already do, echo the marks of mission seen in 'Shaped by God.' Our schools can be places of transformation, inspiration, celebration and welcome.

The DBE's vision has captured the hearts and minds of many within our Church school family. There is some way to go and we believe that it is important to be consistent and steadfast in our work. We invite all schools to consider how their work reflects this vision and how they can play their part in the diocese and national network.

The Vision of the Board is:

***'Transforming the lives of children and young people'***

***Effective*** **:** As a result of **visionary leadership** and **inspirational teaching**, children and young people in the Diocese of Leicester achieve **excellence**. They are **well-rounded** and **confident** with a strong sense of **self-worth**. As **learners transformed**, they in turn transform their communities.

***Distinctive*** **: Unequivocally Christ-like,** our schools offer children and young people the opportunity to hear the Christian response to **life's big questions**. Christian **Worship is invitational**, offering the whole school community an opportunity for **renewal** and to **encounter the person of Jesus Christ**. **Religious Education** is **exemplary**, enabling a genuine understanding of the role of **faith and belief in modern society**.

***Rooted*** **:** Our schools are rooted in **prayer, partnership with parish** and wider community and the **teachings of Jesus Christ**. Children and young people receive **excellent Religious Education** equipping them with a **firm knowledge** of the **Christian** faith and **other key faiths.**

***Inclusive*** **:** Like Jesus himself, our schools are '**scandalously inclusive'**. Children and families from **all faiths and none** are **welcomed, respected** and **cherished**. **Serving the community** in which they are placed, our schools exemplify, '**love your neighbour**'.

In supporting 97 church schools across the Diocese of Leicester to realise this vision provides benefit to the public. This is achieved by training and equipping school leaders and governors to make educational provision of the highest quality, which in turn enables children and young people to contribute positively to society.

**Objectives and activities**

The Board's objectives are the same as its statutory functions determined by the Diocesan Boards of Education Measure 1991 ("the measure"). They are as follows:

- To promote or assist in the promotion of education in the Diocese, being education which is consistent with the faith and practice of the Church of England;
- To promote or assist in the promotion of religious education and religious worship in schools within the Diocese;
- To promote or assist in the promotion of church schools in the Diocese and to advise the governors of such schools and trustees of church educational endowments and any other body or person concerned on any matter affecting church schools in the Diocese;
- To promote cooperation between the Board and bodies or persons concerned in any respect with education in the Diocese;
- The functions assigned to the Board by the measure; and
- Such other functions not contrary to the measure as are assigned to the Board by the Diocesan Synod, other than functions relating to church schools or church educational endowments.

The Board's principal objective during the year was the promotion of lifelong learning throughout the Diocese, effect being given to the belief that all true education must be based on Christian principles, and the promotion and stimulation of religious education according to the doctrines of the Church of England.

To achieve this the Board appoints staff to support the work of the church schools and the development of the ministry of ordained and lay people.

An additional aim of the Board's work is to promote and facilitate building work in Church of England schools within the Diocese. Creating and maintaining high quality learning environments has clear public benefit.

The Board operates a system which enables Voluntary Aided maintained schools to have their Devolved Formula Capital (DFC) Grant money lodged with the Board pending work being carried out. In addition to this, the Board is a member of a diocesan consortium, which receives School Condition Allocation (SCA) Grant money for capital work in Voluntary Aided maintained schools. This scheme replaced the Locally Coordinated Voluntary Aided Programme (LCVAP). From September 2019, an administration charge is levied for this service and details are published in the Board's Partnership Agreement with schools. Any interest received on these funds is re-invested for the purposes previously described.

The Board invests the majority of its funds through CCLA Investment Management who are accountable for investment performance. An element of the Board's funds need to be kept liquid because of its role in 'bridging' building projects in schools between payment of invoices to contractors and the receipt of grant funding.

The principal beneficiaries of the charity's services are the children and young people attending the 97 Church of England schools and academies in the Diocese. Wider than this, the Board also aims to promote and assist in the promotion of education consistent with the faith and practice of the Church of England

**Achievements and performance**
This table shows the Ofsted and SIAMS (Statutory Inspection for Anglican & Methodist Schools) gradings for the 97 schools within the diocese.

| | Total | Primary | National | Secondary | National |
|---|---|---|---|---|---|
| **Outstanding** | **13/97**<br>**13%** | **13/93**<br>**14%** | 17% | **0/4**<br>**0%** | 21% |
| **Good** | **71/97**<br>**74%** | **68/93**<br>**73%** | 71% | **3/4**<br>**75%** | 56% |
| **Requires Improvement** | **11/97**<br>**11%** | **11/93**<br>**12%** | 9% | **0/4**<br>**0%** | 16% |
| **Inadequate** | **2/97**<br>**2%** | **1/93**<br>**1%** | 3% | **1/4**<br>**25%** | 7% |
| **SIAMS** | | **Outstanding** | **Good** | **Satisfactory** | **Inadequate** |
| Primary | | 36 | 53 | 3 | 1 |
| Secondary | | 1 | 3 | 0 | 0 |

During the financial year, the Board aimed to provide and support work amongst children and young people in church contexts by providing professional, pastoral and theological support. The principal public benefit of this work is the support offered by the Board for the provision of worthwhile organised activities for children and young people.

The Board continued to support this work through;

- Regular meetings and leadership development for school and trust leaders of church schools.
- The support of denominational inspections and the training of inspectors
- Giving advice and support to governing bodies and trust boards
- Managing the admission appeals on behalf of schools
- Advice and training on religious education and collective worship
- Working with strategic partners to ensure school effectiveness
- Development and oversight of building projects
- Advising governing bodies and trust boards in the appointment of head teachers

**Key activities for achieving objectives**

- Providing school and trust leaders with pastoral and professional support
- Organising training and developmental opportunities for school and trust leaders and lay leaders
- The appointment, support and training of foundation governors. This training has been broadened to include school effectiveness as well as distinctiveness and inclusiveness
- Offering legal advice for trustees, governing bodies and school leaders
- Liaison with officers of national and local bodies, including Teaching School Alliances, Multi Academy Trusts, Local Authorities, Department for Education, Regional Schools Commissioner and Ofsted
- Partnership working with the Church of England Education Office and other Diocesan Board of Education teams
- Representation on those committees of Leicestershire County and City Councils, which deal with education issues

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and setting the grant making policy for the period.

In light of the changing educational environment, there is an expectation that the Board become increasingly responsible for the quality of provision within their schools.

**Structure, governance and management**

The Diocesan Board of Education is constituted in line with the Diocesan Boards of Education Measure 1991 and its Articles of Association.

Trustees

**Recruitment and Appointment**

Trustees are recruited through advertisement within the Diocese of Leicester. This is mainly through the Diocesan Synod. Some trustees are ex-officio appointments and some are appointed by the Bishop of Leicester. Co-opted trustees are recruited on the basis of their skills and experience in church schools. Trustees are appointed under the categories shown in the Reference and Administrative information provided in this report.

**Induction and training**

At the first meeting of a new triennium the Board's role and function is explained. All members receive a copy of all the terms of reference for the sub-committees.
At the first meeting of each sub-committee the terms of reference are discussed, and the sub-committee's remit clarified.

During triennium the Board has a variety of on-going opportunities to discuss the strategic plan for the coming three years.

Organisational and decision-making structure

The Board is part of the Synodical structure of the Church of England and is responsible to and reports to the Synod of the Diocese of Leicester.

The Board operates through its meeting and those of the various sub-committees. The Board makes all major decisions, including those relating to financial matters.

Sub-committees scrutinise issues and make recommendations to the Board. Sub-committees have certain delegated powers under their Terms of Reference.

The Board is governed by the certificate of incorporation in accordance with the Companies Act 2006 and the Charities Act 2011.

The Board adopted and continue to operate within the core objectives and remit of the Board and had the following sub-committees in the period to 31 August 2020:

**Church Schools Business & Finance Committee**. The principal responsibilities of this sub-committee are formulating and overseeing a coherent strategy for existing and future school provision across the Diocese and to monitor local and national developments that impact upon the strategy. Also monitoring and managing all financial and property matters appertaining to the Board including maintenance and repair of voluntary aided schools in the Diocese, management of the Board's trustee responsibilities and investments and scrutiny of the Board's financial position and risk management policy and procedures.

**Supporting Church Schools Committee**. This sub-committee is responsible for formulating and overseeing a coherent strategy for existing and future church school provision across the Diocese in respect of their effectiveness, distinctiveness and inclusivity. Also, to provide support and training services to schools, governors and teachers, to provide guidance on policy and curriculum issues, respond to resolutions from General Synod in relation to church schools and promote and pursue partnerships with Local Authorities. The committee oversees the appointment of Foundation Governors and is responsible for the management of SIAMS (Statutory Inspection of Anglican and Methodist Schools). The committee overseas the Board's Admissions guidance and its support for schools in these matters.

**Strategic Group.** This sub-committee works with the Director on all matters of strategy and monitors the Board's progress towards its vision. The committee regularly reviews the development and growth of Multi Academy Trusts.

Related parties

Through the Synodical structure the Board is related to the Leicester Diocesan Board of Finance from whom it receives grant support, details of which are shown at note 5(i) to the financial statements.

Risk management

The Trustees are required, under the Charities SORP 2019, to confirm as part of the Trustees' annual report that they have reviewed and taken steps to mitigate the major risks to which the Board is exposed. The following are assessed by the Board as major risks:

- **All Schools and Trusts: Governance**. Failure to understand roles and responsibilities. This represents a reputational risk of failure, including financial and educational.

- **All Schools and Trusts: Provision.** Failure to maintain good & outstanding provision, leading to reputational risks for the DBE; difficulty in finding suitable sponsor for school in an Ofsted category.

- **DBE: Funding.** DBE unable to finance staffing levels required to meet charitable objects / strategic aims. Income from investments and from DBF grant at risk due to Covid-19 impact.

- **DBE: Staffing capacity for Statutory Functions.** DBE does not have sufficient capacity to undertake core statutory functions through loss or personnel or government legislation.

- **DBE: Staffing Capacity.** Major Incident. DBE does not have sufficient capacity to respond to a major incident, which impacts on the charity. E.g. Covid-19.

- **DBE: Staffing Capacity.** Land and capacity. Officer time required to manage land and property reduces capacity for core role.

In respect of each risk identified above, the Trustees have implemented strategies to mitigate and monitor the relevant issue. These mitigations include ensuring the relevant support, systems and expertise is available for schools and Trusts as well as within the Board itself.

The responsibilities of the Trustees cover the identification and assessment of risks, taking appropriate steps to mitigate those highlighted as major risks to the Board and an annual review of risk so as to ensure that the measures taken are adequate.

**Modern Slavery Statement**

The Board and the Charitable Foundations for which we are Trustee, are strongly opposed to slavery and human trafficking. We strive to act ethically and with integrity in all our business dealings and relationships to ensure that slavery and human trafficking is not taking place within our organisation or our supply chains.

**Financial review**

In financial terms during 2020 the Board planned to:

- ensure that expenditure from general reserves did not exceed income before any realised or unrealised gains or losses on investments, for the period
- ensure that expenditure from s554 funds did not exceed those funds' income, before capital receipts and any realised or unrealised gains or losses on investments, for the period.

The principal funding sources for the charity are currently by way of grants from the Diocese of Leicester Board of Finance and investment income.

In the year the Board:

- made a surplus before any realised or unrealised gains or losses on investments on its general fund of £218,695 (2019: surplus £147,802).
- made a deficit before any realised or unrealised gains or losses on investments on its s554 fund of £139,905 (2019: deficit £131,153).

made a transfer from the general fund to s554 funds of £23,314 (2019: £Nil)

The Board has reviewed all available information, taking account of the current position and principal risks and have a reasonable expectation that the charity will be able to continue in operation and meet its liabilities as they fall due.

Overall financial performance

The overall financial performance in 2020 may be summarised as follows:

| | 2020 | | 2019 | |
|---|---|---|---|---|
| | **£** | **£** | £ | £ |
| **General funds** | | | | |
| Income and endowments | 398,638 | | 279,707 | |
| Less: expenditure including transfers | (179,943) | | (131,905) | |
| | | 218,695 | | 147,802 |
| **Endowment funds** | | | | |
| Income and endowments excluding capital receipts | 76,774 | | 140,913 | |
| Less: expenditure including transfers | (216,679) | | (272,066) | |
| | | (139,905) | | (131,153) |
| | | 78,790 | | 16,649 |
| **Movements in capital funds** | | | | |
| Loss on disposal of shares | | - | | (212) |
| Gains on revaluation of share portfolio | | 24,864 | | 87,594 |
| **Net movement in funds during the period as shown on the SOFA** | | 103,654 | | 104,031 |

Reserves

The reserves of the Board comprise those which may be expended for the normal objectives of the Board and those arising from Educational Foundations within the trusteeship of the Board (the Consolidated Fund), which may only be expended for specific purposes as shown in note 17 on pages 26 and 27.

As at 31 August 2020 the total funds are £3,681,954 (2019: £3,578,300) as shown in the Statement of Financial Position on page 15.

Having considered financial risk, liquidity requirement and the timing of cashflows throughout the year, the Board's policy is to hold a balance of readily available realisable assets equivalent to 3 months of budgeted expenditure. As at 31 August 2020, the minimum amount required under this policy totalled £93,852 (2019: £90,350).

Actual free reserves in general and endowment funds totalled £2,914,915 (2019: £2,791,250). Free reserves in unrestricted funds were positive by £420,158 (2019: positive £181,235)

Actual free reserves are higher than the Board's policy due to prudent fiscal management.

Investment policy

The investments of the Board are represented by:

- properties held under trusts
- investments in the CBF Investment and Property funds managed by CCLA Investment Management Limited.

The movements in the Board's investments are shown at note 12 to these financial statements.

In the light of the market conditions prevalent during the period the Trustees consider the performance of the Board's investments to be satisfactory. It is the policy of the Board to adhere to the ethical investment guidelines issued by the Church of England.

Grant making policies

During the period the Board made grants to the governors of aided schools in relation to the Department for Education (DfE) scheme. Details of the grants made may be found in note 6 of these financial statements.

Funds held as custodian trustee

The Board acts as custodian trustee for a number of small religious education funds. These funds are available to parishes to promote and deliver religious education to the younger society within their parishes.

The assets of these funds consist of either cash deposits or shares in the CBF Investment Fund. All such assets are held in accounts separate from those of the Board.

The total value of the assets held as custodian trustee is £92,952 (2019: £92,175) and relate to the following organisations:

| | **2020** | 2019 |
|---|---|---|
| | **£** | £ |
| St Nicholas House Education Foundation | **60** | **60** |
| Hugglescote RE Fund | **20,292** | **20,162** |
| Walcote RE Fund | **25,964** | **25,797** |
| Hoby School Fund | **10,000** | **10,000** |
| Cossington Day School Charity | **12** | **12** |
| Syston Junior RE Fund | **2,460** | **2,253** |
| Syston Infant RE Fund | **23,857** | **23,703** |
| Stony Stanton Junior School RE Fund | **3,681** | **3,786** |
| Syston Junior RE Fund (Shares) | **6,626** | **6,402** |
| | **92,952** | **92,175** |

Impact of COVID-19

The activities of the schools supported by the Board, and some of the training and other activities of the Board, were significantly impacted by COVID-19 during the year. This however did not have a significant impact on the Board's finances nor is it expected to impact on the Board's long term ability to continue its operations.

**Trustees' responsibilities statement**

The trustees (who are also directors of Leicester Diocesan Board of Education for the purposes of company law) are responsible for preparing the Trustees' Annual 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Appointment of auditors**

The appointment of BHP LLP as auditors to the Board has been agreed at the Annual General Meeting.

**Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The trustees report was approved by the Board of Trustees on May 20, 2021 and signed behalf of the board of trustees by:

SMA
Stephen Adshead (May 20, 2021 16:28 GMT+1)

**Canon S Adshead, Chairman**

**Independent Auditor's Report to the Members of Leicester Diocesan Board of Education**

**Opinion**
We have audited the financial statements of Leicester Diocesan Board of Education (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, (including the income and expenditure account) the Statement of Financial Position 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020, and of its 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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

We have nothing to report in this regard.

**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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/Our-work/Audit/Audit-and-assurance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

**Use of our report**

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

Jane Marshall

Jane Marshall (May 20, 2021 16:40 GMT+1)

Jane Marshall (Senior statutory auditor)

For and on behalf of

BHP LLP
2 Rutland Park
Sheffield
S10 2PD

Date: May 20, 2021

# Leicester Diocesan Board of Education

**Company Limited by Guarantee**

**Statement of Financial Activities (including income and expenditure account)**

**For the year ended 31 August 2020**

| | Note | Unrestricted funds | Endowment funds | Total 2020 | Total 2019 |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Income and endowments** | | | | | |
| Donations and legacies | 5(i) | **272,183** | **-** | **272,183** | 201,396 |
| Charitable activities | 5(ii) | **102,223** | **-** | **102,223** | 121,863 |
| Other trading activities | 5(iii) | **-** | **42,318** | **42,318** | 38,987 |
| Investment income | 5(iv) | **24,232** | **34,456** | **58,688** | 58,374 |
| **Total income** | | **398,638** | **76,774** | **475,412** | 420,620 |
| **Expenditure** | | | | | |
| Expenditure on raising funds: | | | | | |
| Cost of other trading activities | 6(i) | **-** | **36,073** | **36,073** | 14,290 |
| Expenditure on charitable activities | 6(ii) | **179,943** | **180,606** | **360,549** | 330,846 |
| Other expenditure | 6(iii) | **-** | **-** | **-** | 58,835 |
| **Total expenditure** | | **179,943** | **216,679** | **396,622** | 403,971 |
| **Net income** | | **218,695** | **(139,905)** | **78,790** | 16,649 |
| Transfers between funds | 18 | **(23,314)** | **23,314** | **-** | - |
| **Net income** | | **195,381** | **(116,591)** | **78,790** | 16,649 |
| Realised loss in year on unlisted investments | | **-** | **-** | **-** | (212) |
| **Unrealised gains in the year on:** | | | | | |
| Unlisted investments | | **23,531** | **1,333** | **24,864** | 87,594 |
| **Net movement in funds** | | **218,912** | **(115,258)** | **103,654** | 104,031 |
| **Reconciliation of funds** | | | | | |
| Total funds brought forward | | **208,285** | **3,370,015** | **3,578,300** | 3,474,269 |
| Net movement in funds | | **218,912** | **(115,258)** | **103,654** | 104,031 |
| **Total funds carried forward** | 17 | **427,197** | **3,254,757** | **3,681,954** | 3,578,300 |

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure of the charity are derived from continuing activities.

## Leicester Diocesan Board of Education

**Company Limited by Guarantee**

**Statement of Financial Position**

**As at 31st August 2020**

| | Note | 2020 | | 2019 | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Fixed assets** | | | | | |
| Tangible fixed assets | 11 | **7,039** | | 27,050 | |
| Property investments | 12 | **760,000** | | 760,000 | |
| Other investments | 12 | **1,814,664** | | 1,789,800 | |
| | | | **2,581,703** | | 2,576,850 |
| **Current assets** | | | | | |
| Debtors | 13 | **1,002,279** | | 1,087,725 | |
| Deposits | | **207,457** | | 166,252 | |
| Cash at bank | | **236,504** | | 65,945 | |
| | | **1,446,240** | | 1,319,922 | |
| **Creditors: amounts falling due within one year** | | | | | |
| Creditors | 14 | **266,752** | | 191,598 | |
| DFC Funds held for schools | 15 | **79,237** | | 126,874 | |
| | | **345,989** | | 318,472 | |
| **Net current assets** | | | **1,100,251** | | 1,001,450 |
| **Net assets** | | | **3,681,954** | | 3,578,300 |
| **Funds of the charity** | | | | | |
| Unrestricted funds | 17 | | **427,197** | | 208,285 |
| Endowment funds | 17 | | **3,254,757** | | 3,370,015 |
| **Total charity funds** | 17 | | **3,681,954** | | 3,578,300 |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of Trustees and authorised for issue on May 20, 2021 and were signed on its behalf of the board by:

SMA

Stephen Adshead (May 20, 2021 16:28 GMT+1)

Canon S Adshead
Chairman

## 1 General Information

The Charitable Company is a public benefit entity and a private company limited by guarantee without share capital, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is St Martins House, 7 Peacock Lane, Leicester, LE1 5PZ.

The principal activity of the charity is to promote lifelong learning throughout the Diocese, effect being given to the belief that all true education must be based on Christian principles, and the promotion and stimulation of religious education according to the doctrines of the Church of England.

## 2 Statement of compliance

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

## 3 Accounting policies

The principal accounting policies are as follows:

### 3.1 Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include the revaluation of investment properties and fixed asset investments which are measured at their market value through income or expenditure.

The financial statements are presented in GBP £ sterling which is the functional currency of the charity.

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

### 3.2 Going concern policy

The trustees regularly assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

The charity made an unrestricted surplus for the year of £218,912 and at the year end had free reserves of £420,158.

The Board have considered the continuing impact of COVID-19 on the charitable company's income and operating cost base. They have prepared forecasts of income and expenditure for the period to 31 August 2022 which shows that they have sufficient reserves and cash to be able to continue for the foreseeable future.

The Board have concluded therefore that the entity remains a going concern and continue to adopt the going concern basis of preparation for these financial statements.

### 3.3 Group Accounts policy

The Charitable Company are members of 10 acadamies (single and multiple academy trusts), the Diocese of Leicester Educational Trust and the company, Diocese of Leicester Educational Services Limited.

The Board's policy is for non-consolidation of either of the academies, trust or company into the Board accounts as it can demonstrate that no parent / subsidiary relationship exists.

The Diocese of Leicester Educational Services Limited is a dormant company.

The policy is reviewed annually to ensure compliance with the national guidance and any developments in the relationship between the Board and the Trusts.

### 3.4 Cash flow statement

The trustees have taken advantage of the exemption in FRS 102 and SORP 2019 from including a cash flow statement in the financial statements on the grounds that the charity qualifies as a small charity under the standard.

### 3.5 Fund accounting

Fund balances are split between unrestricted and endowment (restricted) funds:

- the general fund is an unrestricted fund, which may be used at the Trustees' discretion;
- the endowment (restricted) fund consists of funds where there are imposed restrictions on their use.

Further details of these funds are given in note17.

### 3.6 Income

All incoming resources are included in the Statement of Financial Activities when the charity it legally entitled to the income, the amount can be measured reliably, and it is probable that the income will be received.

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided there are no donor-imposed restrictions as to the timing of any related expenditure, in which case recognition is deferred until the pre-condition is met.

Revenue grants included in donations and legacies are credited as income when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

### 3.7 Expenditure

All expenditure is included in the financial statements on an accruals basis. Expenditure includes any VAT which cannot be fully recovered and is classified under headings of the statement of Financial Activities to which it relates:

- expenditure on charitable activities includes all costs incurred by a charity in undertaking its charitable activities, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- cost of other trading activities includes expenditure that relates to the delivery of courses to schools.

Expenditure is allocated to those cost categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity.

Support costs are apportioned between the activities on a reasonable and consistent basis based upon the time spent by staff undertaking the activities.

**Grants payable**
Grants to schools are accrued for as expenditure when the recipient is notified of the grant.

### 3.8 Tangible fixed assets and depreciation

Fixed assets (excluding investments) are stated at cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over their expected useful life, as follows:

| | |
|---|---|
| Office equipment | 10 years |
| Computer equipment | 3 years |

### 3.9 Property investments

Property investments are held at open market value based upon external property valuations. The last valuation was performed by Andrew Granger & Co Ltd as at 31 August 2018.

## 3 Accounting policies (continuing)

### 3.10 Investments

Investments are shown at market value at the date of the statement of financial position and any gain or loss taken to the Statement of Financial Activities. Investments held by the Board as custodian trustee are not included in these financial statements.

Realised gains or losses on investments are recognised when investments are sold. Unrealised gains or losses are accounted for on the revaluation of investments.

Investments and their gains and losses are allocated to funds based upon the nature of the investment source.

### 3.11 Debtors

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

### 3.12 Cash at Bank and Deposits

Cash at bank and deposits 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.

### 3.13 Creditors

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

### 3.14 Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

### 3.15 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described above, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Management do not deem there to be any key sources of estimation uncertainty. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Investment properties**

The critical judgement that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements is the valuation of the investment properties. These are valued by the trustees using guidance from an independent professional valuer. Investment properties are measured at each year end at their open market value.

## 4 Pension costs

Four employees of the Board participated in pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Board and the other participating employers. This is the Church Workers Pension Fund. 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.

These schemes are multi-employer last man standing defined benefit pension schemes for which the Board is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme.

**Church Workers Pension Fund – Pension Builder Scheme**

The Board participates in the Pension Builder Scheme section of the Church Workers Pension Fund 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 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 subdivision of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme, this means it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the scheme were a defined contribution scheme. The pension costs charged to the SoFA in the year represent contributions payable.

The most recent scheme valuation completed was carried out as at 31 December 2019. This revealed, on the ongoing assumptions used, an overall deficit of £10.6m. The scheme's actuaries have proposed that the deficit is to be eliminated within 7 years without the need for additional contributions from the employers involved in the scheme. There is therefore no requirement for deficit payments at the current time.

The Board contributes 10% of basic salary. There is no minimum contribution for employees. The pension costs for the period of £9,161 (2019: £7,100) are equal to the contributions paid by the Board and there were no contributions outstanding at the period end.

## 4 Pension costs (continuing)

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014.

The Diocesan Director of Education is the only member of the TPS.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended) published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation 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 (amended). The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2019 determined an employer rate of 23.68%, which was payable from September 2019 (this includes the administration levy of 0.08%).

The employer's pension costs paid to TPS in the year amounted to £12,604 (2019: £12,098).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

## 5 Incoming and endowments

**(i) Donations and legacies**

| | Unrestricted funds | Endowment funds | Total 2020 | Total 2019 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Donations received | **72,116** | **-** | **72,116** | **-** |
| Grant from Leicester DBF | **200,067** | **-** | **200,067** | 201,396 |
| | **272,183** | **-** | **272,183** | **201,396** |

In 2019, £201,396 of donations were allocated to the general fund.

**(ii) Charitable activities**

| | Unrestricted funds | Endowment funds | Total 2020 | Total 2019 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Admission appeal costs | **1,435** | **-** | **1,435** | 7,078 |
| Partnership Agreement & Courses | **66,827** | **-** | **66,827** | 48,680 |
| Other income | **33,961** | **-** | **33,961** | 66,105 |
| | **102,223** | **-** | **102,223** | **121,863** |

In 2019, charitable activities income totalled £121,863 - £59,670 was allocated to the general fund and £62,193 was allocated to the endowment fund.

**(iii) Other trading activities**

| | Unrestricted funds | Endowment funds | Total 2020 | Total 2019 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Rents received | **-** | **42,318** | **42,318** | 38,897 |
| | **-** | **42,318** | **42,318** | **38,897** |

In 2019: £38,987 of rents received were allocated to the endowment fund.

**(iv) Investment income**

| | Unrestricted funds | Endowment funds | Total 2020 | Total 2019 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Other interest | **421** | **-** | **421** | 632 |
| Investment income | **23,713** | **33,236** | **56,949** | 56,367 |
| Deposit interest | **98** | **1,220** | **1,318** | 1,375 |
| | **24,232** | **34,456** | **58,688** | **58,374** |

In 2019, investment income totalled £58,374, of which £18,641 was allocated to the general fund and £39,733 was allocated to the endowment fund.

## 6 Resources expended

**(i) Cost of other trading activities**

| | Unrestricted funds | Endowment funds | Total 2020 | Total 2019 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Rent costs | - | 3,642 | 3,642 | 2,861 |
| Baxter Hall costs | - | 7,830 | 7,830 | 9,256 |
| Course & event expenditure | - | 24,601 | 24,601 | 2,173 |
| | - | 36,073 | 36,073 | 14,290 |

In 2019, costs of other trading activities totalled £14,290 and were allocated to the endowment fund.

**(ii) Expenditure on charitable activities**

| | Unrestricted funds | Endowment funds | Total 2020 | Total 2019 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Advice to and work with schools | 50,671 | - | 50,671 | 202,231 |
| Governance costs (see iv) | 6,328 | 17,317 | 23,645 | 23,609 |
| Support costs (see v) | 122,944 | 163,289 | 286,233 | 105,006 |
| | 179,943 | 180,606 | 360,549 | 330,846 |

In 2019, costs totalled £330,846 - £158,483 allocated to the general fund and £172,363 allocated to the endowment fund.

**(iii) Other expenditure**

| | Unrestricted funds | Endowment funds | Total 2020 | Total 2019 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Amounts due from Diocese of Leicester Educational Trust Limited written off | - | - | - | 58,835 |
| | - | - | - | 58,835 |

In addition, there are grants made to School Governors of aided schools in respect of repairs and improvements. These amounts are fully recoverable from the DfE, School Governors and other third parties. In 2020, these grants and recoveries amounted to £377,946 (2019: £550,766).

**(iv) Governance**

| | Unrestricted funds | Endowment funds | Total 2020 | Total 2019 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Audit fee | 2,318 | 6,953 | 9,271 | 8,000 |
| Other statutory costs | 555 | - | 555 | 1,723 |
| Governance support costs | 3,455 | 10,364 | 13,819 | 13,886 |
| | 6,328 | 17,317 | 23,645 | 23,609 |

In 2019, costs totalled £23,609 and were allocated to the general fund.

**(v) Support costs**

| | Unrestricted funds | Endowment funds | Total 2020 | Total 2019 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Staff costs | 110,681 | 98,581 | 209,262 | 86,098 |
| Office costs | 5,931 | 31,554 | 37,485 | 3,718 |
| Travel costs | 1,329 | 4,653 | 5,982 | 1,249 |
| Legal & Professional | - | 13,493 | 13,493 | 4,861 |
| Depreciation | 5,003 | 15,008 | 20,011 | 9,080 |
| | 122,944 | 163,289 | 286,233 | 105,006 |

In 2019, Support costs totalling £36,378 and were allocated to the general fund - £68,628 were allocated to endowment funds.

## 7 Expenditure on charitable activities by activity type

| | Activities undertaken directly | Support costs | Total 2020 | Total 2019 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Charitable expenditure | **50,671** | **286,233** | **336,904** | 307,237 |
| Cost of other trading activities | **36,073** | **-** | **36,073** | 14,290 |
| Governance costs | **9,826** | **13,819** | **23,645** | 23,609 |
| Other costs | **-** | **-** | **-** | 58,835 |
| **Total - 2020** | **96,570** | **300,052** | **396,622** | **403,971** |
| Total - 2019 | 226,244 | 177,727 | 403,971 | |

## 8 Net income

Net income is stated after charging or crediting:

| | Total 2020 | Total 2019 |
|---|---|---|
| | £ | £ |
| Depreciation of tangible fixed assets | **7,322** | 9,080 |
| Fees payable for the audit of the financial statements | **9,271** | 8,000 |

## 9 Staff numbers and costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

| | Total 2020 | Total 2019 |
|---|---|---|
| | £ | £ |
| Wages and salaries | **169,754** | 146,088 |
| Social security costs | **17,742** | 15,208 |
| Pension costs | **21,766** | 19,198 |
| | **209,262** | **180,494** |

| **Average number employed** | **Number** | Number |
|---|---|---|
| Administration and support | **5** | 5 |

During the year there was one employee whose emoluments amounted to more than £70,000 but less than £80,000 (excluding pension contribution) (2019: one). Pension payments of £12,604 were made for this employee (2019: £12,098). No other employees earned £60,000 or more in the current or preceding period.

**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 Charitable Company. During 2020 this was the Diocesan Director of Education and Secretary of the Board, Carolyn Lewis. During the year, remuneration (including Employers National Insurance and pension) amounting to £100,064 was paid (2019: £94,396).

## 10 Board trustee members' emoluments and expenses

None of the Board members received any emoluments from the Board for services performed as trustees (2019: none). Board members do receive the reimbursement of travelling and out of pocket expenses.

## 11 Tangible fixed assets

| | Office equipment | Computer equipment | Total 2020 |
|---|---|---|---|
| | £ | £ | £ |
| **Cost or valuation** | | | |
| At 1 September 2019 | 27,836 | 18,887 | 46,723 |
| Additions at cost | - | - | - |
| Disposals | (16,199) | (12,400) | (28,599) |
| **At 31 August 2020** | **11,637** | **6,487** | **18,124** |
| | | | |
| **Depreciation** | | | |
| At 1 September 2019 | 6,032 | 13,641 | 19,673 |
| Charge for the year | 2,094 | 5,228 | 7,322 |
| Eliminated on disposal | (3,510) | (12,400) | (15,910) |
| **At 31 August 2020** | **4,616** | **6,469** | **11,085** |
| | | | |
| **Net book value at 31 August 2020** | **7,021** | **18** | **7,039** |
| Net book value at 31 August 2019 | 21,804 | 5,246 | 27,050 |

## 12 Fixed asset investments

| | Investment properties | Unlisted investments | Total 2020 |
|---|---|---|---|
| | £ | £ | £ |
| **Cost or valuation** | | | |
| At 1 September 2019 | 760,000 | 1,789,800 | 2,549,800 |
| Additions at cost | - | - | - |
| Disposals | - | - | - |
| Revaluation adjustment | - | 24,864 | 24,864 |
| **At 31 August 2020** | **760,000** | **1,814,664** | **2,574,664** |
| | | | |
| Historical cost (unlisted investments only) | | 697,000 | 697,000 |

Investment properties do not have any historical cost as the Board received legacies and gifts. The difference between historical cost and market value is included within the relevant funds.

The investment properties were valued as at 31 August 2018 by the Board's land agents, Andrew Granger & Co Ltd, Chartered Surveyors. The basis of valuation was on an open market basis based on existing use and prevailing permissions. The Board undertakes valuations every 3 years. The Directors are of the opinion that the market value of the investment properties as included in the accounts at 31st August 2020 remains appropriate.

The Leicester Diocesan Board of Education acts as a custodian of two properties on behalf of The Saint Nicholas House Educational Foundation. These properties have not been recognised in the accounts of Leicester Diocesan Board of Education as it does not have beneficial interest. The valuation of these properties is £700,000.

All the unlisted investments of the Board are in CBF Church of England Common Investment Funds managed by CCLA Investment Management Limited & Savills Investment Management.

| | Total 2020 | Total 2019 |
|---|---|---|
| | £ | £ |
| CBF Investment Fund | **1,394,468** | 1,344,146 |
| CBF Property Fund | **420,196** | 445,654 |
| **Total investments** | **1,814,664** | **1,789,800** |

## 13 Debtors

| | Total 2020 | Total 2019 |
|---|---|---|
| | £ | £ |
| In respect of Schools' Building Works | - | 145,313 |
| Other debtors | **22,248** | 62,778 |
| Amounts due from related parties | **959,313** | 862,000 |
| Prepayments and accrued income | **20,718** | 17,634 |
| | **1,002,279** | **1,087,725** |

## 14 Creditors: amounts falling due within one year

| | Total 2020 | Total 2019 |
|---|---|---|
| | £ | £ |
| Schools' Building works and other creditors | **252,112** | 160,385 |
| VAT | **(8)** | 9,933 |
| Accruals and deferred income | **14,648** | 21,280 |
| | **266,752** | **191,598** |

Included in the above is £2,660 in relation to deferred rental income (2019: £5,238).

## 15 Schools' DFC funds

With effect from 1 April 2006 the DfE paid over to schools the funds available for 2006/07 plus any unspent funds from prior years, which could be used for the 90% cost of building works, previously reimbursed by the DfE.

The Voluntary Aided Schools agreed that the Board should hold these funds and meet any 90% contributions from them. The value of the funds at 31 August 2020 was £79,237 (2019: £126,874).

Each school's unspent amount of the total is identifiable.

## 16 Related party transactions

The Board is related to Leicester Diocesan Board of Finance, Diocese of Leicester Educational Trust and Diocese of Leicester Educational Services Ltd.

At the end of the period the following amounts, were receivable or (payable) by the Board in respect of related parties:

| | Total 2020 | Total 2019 |
|---|---|---|
| | £ | £ |
| Leicester Diocesan Board of Finance in respect of grants receivable, loans and contribution to costs | **959,313** | 866,813 |

In the year to August 2019, Other Expenditure of £58,835 was included in the Statement of Financial Activities. This related to the amount due from the Diocesan of Leicester Educational Trust which was not deemed recoverable and was provided for in that year. There is no equivalent in the year to August 2020.

The Board was charged £108,819 (2019: £111,258) by the Leicester Diocesan Board of Finance in the period for salaries, office room hire and related services.

Income and expenditure in the period which passed through the Board, but which relates to related companies, can be summarised as follows:

| | 2020 | | 2019 | |
|---|---|---|---|---|
| | **Income** | **Expenditure** | Income | Expenditure |
| | £ | £ | £ | £ |
| Diocese of Leicester Board of Finance | 24,801 | 108,820 | 52,215 | 111,258 |
| Diocese of Leicester Educational Trust | - | - | - | 400 |

## 17 Analysis of charitable funds

| | Balance at 01/09/19 | Income | Expenditure | Transfers | Other recognised gains and losses | Balance at 31/08/20 |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| **Unrestricted funds** | | | | | | |
| General fund | 208,285 | 398,638 | (179,943) | (23,314) | 23,531 | 427,197 |
| **Total unrestricted funds** | **208,285** | **398,638** | **(179,943)** | **(23,314)** | **23,531** | **427,197** |
| **Endowment funds** | | | | | | |
| s554 Income Fund | 122,937 | 62,599 | (208,850) | 23,314 | - | - |
| s554 Capital Fund | 2,956,912 | - | - | (118,643) | - | 2,838,269 |
| Baxter Hall Fund | 181,157 | 13,029 | (7,829) | 118,643 | - | 305,000 |
| Other foundations | 109,009 | 1,146 | | - | 1,333 | 111,488 |
| **Total endowment funds** | **3,370,015** | **76,774** | **(216,679)** | **23,314** | **1,333** | **3,254,757** |
| **Total funds** | 3,578,300 | **475,412** | **(396,622)** | **-** | **24,864** | **3,681,954** |

The transfer between funds of £118,644 is made to reflect the full value of Baxter Hall in the Baxter Hall Fund at the year end. In prior years the carrying value of Baxter Hall had been split between the s554 Capital Fund and the Baxter Hall Fund. The transfer of £23,314 between the s554 Income Fund and the General Fund is a permitted reallocation of excess expenditure in the s554 Income Fund.

**Revaluation Reserve**

Included in the fund balances above is a revaluation reserve of £1,877,664 (investment property £760,000 and investments £1,117,664). As at 31 August 2020, the revaluation reserve is allocated as follows, general fund £370,040, Baxter Hall £300,000, s554 capital fund £1,173,475 and other foundations £34,149.

| | Balance at 01/09/18 | Income | Expenditure | Transfers | Other recognised gains and losses | Balance at 31/08/19 |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| **Unrestricted funds** | | | | | | |
| General fund | (22,428) | **279,707** | **(158,483)** | **26,578** | **82,911** | **208,285** |
| **Total unrestricted funds** | (22,428) | 279,707 | (158,483) | 26,578 | 82,911 | 208,285 |
| **Endowment funds** | | | | | | |
| s554 Income Fund | 262,293 | **123,366** | **(236,232)** | **(26,490)** | **-** | **122,937** |
| s554 Capital Fund | 2,954,878 | **-** | **-** | **-** | **2,034** | **2,956,912** |
| Baxter Hall Fund | 174,389 | **16,024** | **(9,256)** | **-** | **-** | **181,157** |
| Other foundations | 105,137 | **1,523** | **-** | **(88)** | **2,437** | **109,009** |
| **Total endowment funds** | 3,496,697 | 140,913 | (245,488) | (26,578) | 4,471 | 3,370,015 |
| **Total funds** | 3,474,269 | 420,620 | (403,971) | - | 87,382 | 3,578,300 |

**Revaluation Reserve**

Included in the fund balances above is a revaluation reserve of £1,852,800 (investment property £760,000 and investments £1,092,800). As at 31 August 2020, the revaluation reserve is allocated as follows, general fund £346,509, Baxter Hall £300,000, s554 capital fund £1,173,475 and other foundations £32,816.

## 17 Analysis of charitable funds (continued)

**Endowment funds**

**s554 Income and Capital funds**

These principally represent funds and income held under trusts arising from the sale of redundant educational properties. The Board as trustees may, after payment of any expenses incurred in connection with the administration of the trusts, apply the capital and income of the relevant trust assets for any of the following purposes:

- in or towards the purchase of a site for, or the erection, improvement or enlargement of:
  - the premises of any relevant school in the area
  - the premises of a teacher's house for use in connection with any relevant school in the area
  - for the maintenance of any relevant school in the area or of a teacher's house for use in connection with any relevant school in the area.

The income arising from these trusts may additionally be used, after payment of any expenses incurred in connection with the administration of the trust, for any of the following purposes:

- in or towards the provision of advice, guidance and resources (including materials) in connection with any matter related to the management of, or education provided at, any relevant school in the area
- the provision of services for the carrying out of any inspection of any relevant school in the area required by Part I of the School Inspection Act 1996(a); and
- to defray the cost of employing or engaging staff in connection with the application of capital or income of the relevant trust assets.

**The Baxter Hall fund**

This represents the book value of the Baxter Hall property as revalued from time to time.

| **Other Foundations** | **Total 2020** | Total 2019 |
|---|---|---|
| | **£** | **£** |
| Gilmorton, Edward Chandler | 3,535 | 3,323 |
| Leicester, G A Robinson | 10,314 | 9,643 |
| Stoke Golding | 394 | 394 |
| Rev Towers Earl Shilton | 37,292 | 35,696 |
| Hathern Old School House | 59,953 | 59,953 |
| | 111,488 | 109,009 |

During any year the Board can become aware of redundant schools and/or schoolhouses of which it has no record. When this occurs, the Board acts under current legislation to acquire the asset for its work. The Board has no means of identifying such cases in advance.

## 18 Analysis of transfers between funds

Overheads are apportioned based upon the allocation of staff time and is split between general and endowment fund. Transfers between funds and the reasons behind them are disclosed in Note 17.

## 19 Net assets by fund

| | Unrestricted funds | Endowment funds | Total 2020 |
|---|---|---|---|
| | £ | £ | £ |
| **Fixed assets** | | | |
| Tangible fixed assets | **7,039** | **-** | **7,039** |
| Property investments | **-** | **760,000** | **760,000** |
| Other investments | **247,789** | **1,566,875** | **1,814,664** |
| **Current assets** | | | |
| Debtors | **980,029** | **22,250** | **1,002,279** |
| Deposits | **24,903** | **182,554** | **207,457** |
| Cash at bank | **(817,921)** | **1,054,425** | **236,504** |
| **Creditors** | | | |
| Creditors | **(14,642)** | **(252,110)** | **(266,752)** |
| DFC Funds | | **(79,237)** | **(79,237)** |
| **Net assets** | **427,197** | **3,254,757** | **3,681,954** |

| | Unrestricted funds | Endowment funds | Total 2019 |
|---|---|---|---|
| | £ | £ | £ |
| **Fixed assets** | | | |
| Tangible fixed assets | 27,050 | - | 27,050 |
| Property investments | - | 760,000 | 760,000 |
| Other investments | 238,847 | 1,550,953 | 1,789,800 |
| **Current assets** | | | |
| Debtors | - | 1,087,725 | 1,087,725 |
| Deposits | 17,485 | 148,767 | 166,252 |
| Cash at bank | (65,164) | 131,109 | 65,945 |
| **Creditors** | | | |
| Creditors | (9,933) | (181,665) | (191,598) |
| DFC Funds | - | (126,874) | (126,874) |
| **Net assets** | 208,285 | 3,370,015 | 3,578,300 |