

**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

INDEX

Administrative Details	1
Trustees' Annual Report (incorporating the Director's Report)	3
Trustees' Responsibilities Statement	11
Independent Auditor's Report	12
Statement of Financial Activities (including income and expenditure account)	14
Statement of Financial Position	15
Notes to the Report & Financial Statements	16

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
--------------------------	------------	----------------

Leicester Diocesan Board of Education

Company Limited by Guarantee

Report and Financial Statements

For the year ended 31 August 2020

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

Leicester Diocesan Board of Education

Company Limited by Guarantee

Trustees' Annual Report

For the year ended 31 August 2020

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 financial 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.

Leicester Diocesan Board of Education

Company Limited by Guarantee

Trustees' Annual Report

For the year ended 31 August 2020

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.

Leicester Diocesan Board of Education

Company Limited by Guarantee

Trustees' Annual Report

For the year ended 31 August 2020

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 13%	13/93 14%	17%	0/4 0%	21%
Good	71/97 74%	68/93 73%	71%	3/4 75%	56%
Requires Improvement	11/97 11%	11/93 12%	9%	0/4 0%	16%
Inadequate	2/97 2%	1/93 1%	3%	1/4 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

Leicester Diocesan Board of Education

Company Limited by Guarantee

Trustees' Annual Report

For the year ended 31 August 2020

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.

Leicester Diocesan Board of Education

Company Limited by Guarantee

Trustees' Annual Report

For the year ended 31 August 2020

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 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.

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 of 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.

Leicester Diocesan Board of Education

Company Limited by Guarantee

Trustees' Annual Report

For the year ended 31 August 2020

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.

Leicester Diocesan Board of Education

Company Limited by Guarantee

Trustees' Annual Report

For the year ended 31 August 2020

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.

Leicester Diocesan Board of Education

Company Limited by Guarantee

Trustees' Annual Report

For the year ended 31 August 2020

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.

Leicester Diocesan Board of Education

Company Limited by Guarantee

Trustees' Annual Report

For the year ended 31 August 2020

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:



Stephen Adshead (May 20, 2021 16:28 GMT+1)

Canon S Adshead, Chairman

Leicester Diocesan Board of Education

Company Limited by Guarantee

Independent Auditor's Report

For the year ended 31 August 2020

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.

Leicester Diocesan Board of Education

Company Limited by Guarantee

Independent Auditor's Report

For the year ended 31 August 2020

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 (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	<u>1,814,664</u>		<u>1,789,800</u>	
			2,581,703		2,576,850
Current assets					
Debtors	13	1,002,279		1,087,725	
Deposits		207,457		166,252	
Cash at bank		<u>236,504</u>		<u>65,945</u>	
		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	<u>79,237</u>		<u>126,874</u>	
		345,989		318,472	
Net current assets			1,100,251		1,001,450
Net assets			<u>3,681,954</u>		<u>3,578,300</u>
Funds of the charity					
Unrestricted funds	17	427,197		208,285	
Endowment funds	17	3,254,757		3,370,015	
Total charity funds	17	<u>3,681,954</u>		<u>3,578,300</u>	

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:



Stephen Adshead (May 20, 2021 16:28 GMT+1)

Canon S Adshead
Chairman

Leicester Diocesan Board of Education

Company Limited by Guarantee

Notes to the Report and Financial Statement

For the year ended 31 August 2020

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 academies (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.

Leicester Diocesan Board of Education

Company Limited by Guarantee

Notes to the Report and Financial Statement

For the year ended 31 August 2020

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 note 17.

3.6 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.

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.

Leicester Diocesan Board of Education

Company Limited by Guarantee

Notes to the Report and Financial Statement

For the year ended 31 August 2020

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.

Leicester Diocesan Board of Education

Company Limited by Guarantee

Notes to the Report and Financial Statement

For the year ended 31 August 2020

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.

Leicester Diocesan Board of Education

Company Limited by Guarantee

Notes to the Report and Financial Statement

For the year ended 31 August 2020

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.

Leicester Diocesan Board of Education
Company Limited by Guarantee
Notes to the Report and Financial Statement
For the year ended 31 August 2020

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.

Leicester Diocesan Board of Education

Company Limited by Guarantee

Notes to the Report and Financial Statement

For the year ended 31 August 2020

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.

Leicester Diocesan Board of Education
Company Limited by Guarantee
Notes to the Report and Financial Statement
For the year ended 31 August 2020

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.

Leicester Diocesan Board of Education

Company Limited by Guarantee

Notes to the Report and Financial Statement

For the year ended 31 August 2020

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

Leicester Diocesan Board of Education

Company Limited by Guarantee

Notes to the Report and Financial Statement

For the year ended 31 August 2020

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 Diocese 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

Leicester Diocesan Board of Education

Company Limited by Guarantee

Notes to the Report and Financial Statement

For the year ended 31 August 2020

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.

Leicester Diocesan Board of Education

Company Limited by Guarantee

Notes to the Report and Financial Statement

For the year ended 31 August 2020

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
	<u>111,488</u>	<u>109,009</u>

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.

Leicester Diocesan Board of Education

Company Limited by Guarantee

Notes to the Report and Financial Statement

For the year ended 31 August 2020

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