THE SOUTHWARK DIOCESAN BOARD OF EDUCATION (INCORPORATED)

England & Wales · Charity number 313001

Details

Other names	SDBE, SOUTHWARK DIOCESAN BOARD OF EDUCATION
Status	Registered
Legal form	Charitable company
Company number	00086641
Registered	1967-01-30
Register	View on the Charity Commission register

Contact

Address	Southwark Diocesan Board Of Edn 48 Union Street London London SE1 1TD
Phone	02072349200
Email	sdbe@southwark.anglican.org
Website	http://education.southwark.anglican.org/

Activities

Objects: 2 Objects(a) The Objects of the Charity are for the public benefit and specifically restricted to:2.1.1 promoting or assisting in the promotion of education in the Diocese that is consistent with the faith and practice of the Church of England;2.1.2 promoting or assisting in the promotion of religious education and religious worship in schools in the Diocese; 2.1.3 promoting or assisting in the promotion of church schools in the Diocese; 2.1.4 promoting co-operation between itself and other persons concerned with education in the Diocese.

Activities: Primary function is to develop Church of England Education. Services are provided in the form of 1: Advice and Guidance to Teachers, Governors, Trustees and Chaplains. 2: Training and Development for School Staff and Governors 3: Project Manangement and support for the development of School Buildings and Facilities and 4: Support for the provision and development of Education Chaplaincy.

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Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Education/training
- **Who:** Children/young People

Geography

- **Area of benefit:** DIOCESE OF SOUTHWARK
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£8,393,499	£9,815,901	£23,409,859	16
2023-12-31	£8,068,217	£8,090,904	£25,263,609	17
2022-12-31	£8,879,019	£4,787,865	£25,086,015	16
2021-12-31	£9,233,771	£10,899,338	£21,805,665	16
2020-12-31	£17,278,524	£6,441,654	£31,517,798	15

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Trustees

Name	Role	Appointed
Anthony Adeloye		2025-01-01
CHERYL PAYNE		2023-03-16
Dr CATHARINA STIBE-HICKSON		2014-04-03
Helen Poyton		2023-07-06
IRENE WOLSTENHOLME MVO		2022-01-01
MARTIN BRECKNELL		
MILES WINTER		2022-01-01
Matthew Sossick		2025-01-01
Michael Hartley		2025-01-01
RIGHT REV DR ROSEMARIE MALLETT		2020-11-13
Rev ARIADNE ROLANDA VAN DEN HOF		2017-01-01
Rev Dr Benjamin Vertannes		2025-01-01
Rev Dr Charlie Bell		2025-01-01
Rev Dr Daniel Eshun		2025-01-01
Rev Dr Melanie Harrington-Haynes		2025-01-01
Rev Ruth Chapman		2025-01-01
The Rt Revd Christopher Thomas James Chessun		2013-08-13
Vasantha Gnanadoss		2026-01-09
Ven SIMON GATES		2022-12-14

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THE SOUTHWARK DIOCESAN BOARD OF EDUCATION (INCORPORATED)

England & Wales - Charity number 313001

Accounts

SOUTHWARK DIOCESAN BOARD OF EDUCATION
Developing Church of England Education

DIRECTORS' ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Company limited by guarantee (00086641 England and Wales)
Registered charity (No. 313001)



Registered & Principal Office:
48 Union Street
London SE1 1TD

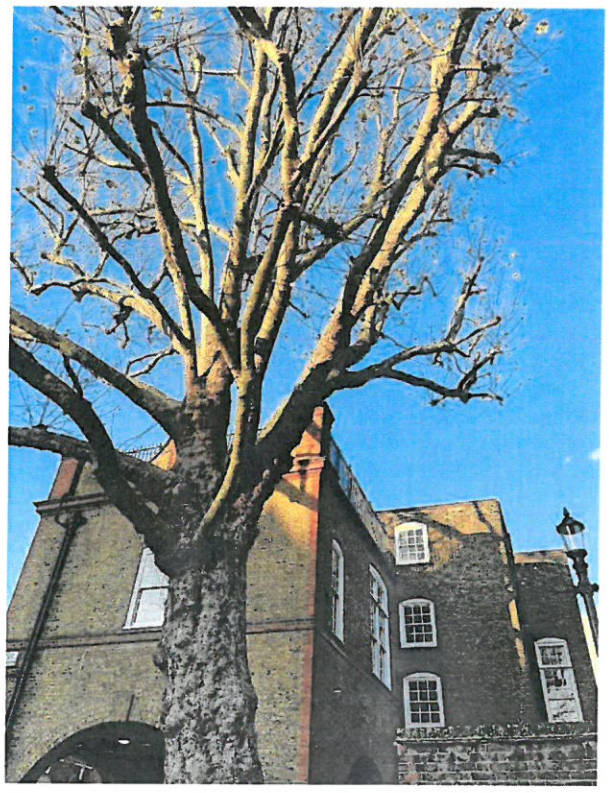
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Trustees	The Rt Revd Christopher Chessun (President) The Rt Revd Dr Rosemarie Mallett (Chair) Dr Anthony Adeloye (appointed 1 January 2025) Revd Dr Charlie Bell (appointed 1 January 2025) Martin Brecknell Elizabeth Broad Revd Ruth Chapman (appointed 1 January 2025) Andrew Christie (appointed 1 January 2025, resigned 19 June 2025) Helen Dixon (resigned 31 December 2024) Revd Dr Daniel Eshun (appointed 1 January 2025) Prof Peter Flew (resigned 31 December 2024) Ven Simon Gates Revd Dr Melanie Harrington-Haynes (appointed 1 January 2025) Michael Hartley (appointed 1 January 2025) Revd Annie Kurk (resigned 31 December 2024) Maria McBean (resigned 31 December 2024) Ekundayo Olomu (resigned 31 December 2024) Cheryl Payne Helen Poyton Revd Tomos Reed (resigned 31 December 2024) Alberta Rosenior (resigned 31 December 2024) Matthew Sossick (appointed 1 January 2025) Dr Catharina Stibe Hickson Revd Ariadne Van den Hof Revd Dr Benjamin Vertannes Miles Winter Irene Wolstenholme MVO Revd Erica Wooff (resigned 31 December 2024)
Senior leadership team	Roz Cordner (Director of Education) Pia Longman (Asst Director of Education)
Company secretary	Roz Cordner

Registered office	48 Union Street London SE1 1TD
Charity registration	313001
Company registration	00086641
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Bankers	National Westminster Bank plc P.O. Box 3038 57 Victoria Street London SW1H 0HN
Solicitors	Winckworth Sherwood Arbor 255 Blackfriars Road London SE1 9AX



Above and front cover: June 2024. St John's CofE School, Kingston. Hope for the future 'Wonderful World' exhibition of over 200 works of art by children from all classes.

Acronyms, abbreviations and definitions

CCLA	Central Board of Finance of the Church of England
CEFEL	Church of England Foundation for Educational Leadership
CofE	Church of England
CPD	Continuing Professional Development
DFC	Devolved Formula Capital
DfE	Department for Education
Diocese	The Anglican Diocese of Southwark
EDIB	Equity, Diversity, Inclusion and Belonging
FE	Further Education
FTE	Full time equivalent
F/HE	Further & Higher Education
HE	Higher Education
LA	Local Authority
MAT	Multi-Academy Trust
MOU	Memorandum of Understanding
NPQ	National Professional Qualification
NSE	National Society for Education (formerly CEFEL)
OFSTED	Office for Standards in Education
PA	Partnership Agreement
RAFT	Retrofit Action for Tomorrow
RE	Religious Education
RI	Requires Improvement
SACRE	Standing Advisory Council on Education
SAT	Stand Alone Academy Trust
SDBE	Southwark Diocesan Board of Education
SDBE MAT	Southwark Diocesan Board of Education Multi-Academy Trust
SDES	Southwark Diocesan Education Services
SDHTA	Southwark Diocesan Head Teachers' Association
SIAMS	Statutory Inspection of Anglican and Methodist Schools
SLA	Service Level Agreement
SLT	Senior Leadership Team
SMITF	St Martin-in-the-Fields
SMNUFT	St Mary Newington United Foundation Trust
SOFA	Statement of Financial Activities
VA	Voluntary Aided
VASCA	Voluntary Aided Schools Condition Allocation

Directors' Annual Report

The Board members, who are also Trustees and Directors for the purposes of charity law, have pleasure in presenting their annual report, together with the audited financial statements, for the year ended 31 December 2024.

OBJECTIVES AND ACTIVITIES

Background

The SDBE Charity exists to fulfil the statutory duties of the Diocese of Southwark for the education of the 35,000 children and young people attending its 103 (101 from August 2024) schools and academies. Within the diocesan family of schools, the SDBE provides advice, support and offers development of the distinctively Christian ethos is schools which remain inclusive and are here to serve their local communities. In addition, the SDBE provides support to chaplaincy in the F/HE colleges and universities across the diocese.

Objectives

The purpose and objects of the Charity are set out in its two main constitutional documents:

i) The Diocesan Boards of Education Measure 2021; and
ii) The Articles of Association of the Southwark Diocesan Board of Education.

Shaped by these, the Charity's vision is expressed below:

- To enable the mission of God through the work of the Board;
- To be a high-performing Diocesan Board of Education, promoting excellence in education both locally and nationally;
- To develop and grow highly effective, inclusive Church of England schools rooted in Christian values;
- To celebrate and share the richness, quality and success of our schools and chaplaincies; and
- To offer exemplary service to our schools and chaplaincies.



06 September 2024
Bishop Martin joined celebrations for the official status, new name and opening of Roehampton Church Forest School, Wandsworth.

OBJECTIVES AND ACTIVITIES (continued)

Activities

The work of the SDBE runs within three key areas; Church School Effectiveness, Development of Chaplaincy in schools, colleges and universities, and development and growth. As such the charity advises governors of all its schools (VA, Foundation, MAT and SAT) on any matter affecting church schools in the diocese including, but not limited to development in the following areas;

1. Supporting school improvement, professional development of teachers and school leaders, CPD for staff and governors, professional advice and pastoral care;
2. Providing advice to any proposed changes to the status, viability and future of all schools (including significant changes);
3. Approving all new buildings, alterations and refurbishments to Church School buildings;
4. Appointing and supporting SDBE foundation governors for all church schools;
5. Advising and supporting governing bodies on the appointment of headteachers and senior staff;
6. Receiving and considering the reports of all formal inspections (SIAMS and Ofsted) at all church schools, which are required to be carried out under the Education Act 2005; analyzing outcomes and further development of support shapes the ongoing CPD and briefing to schools. Key headlines are shared with the Board and its committees;
7. Providing Chaplaincy Development support across the seven HE and five FE institutions, in addition to the chaplaincy development and support that is given to our schools;
8. Ensuring CofE representation at the 11 SACREs across the diocese; representation on LA Committees for Overview and Scrutiny (or equivalent democratic services meeting);
9. Providing a comprehensive professional offer via The Partnership Agreement to all schools and academies including headteacher and senior leader meetings and promoting and supporting the annual Southwark Diocesan Head Teachers' Association (SDHTA) conference;
10. Structuring the advisory team to enable flexibility in offering additional support, training and development from year to year to meet any immediate needs in addition to the core offer;
11. Overseeing building works and repairs in VA school buildings and managing school buildings for schools which have closed.
12. Supporting schools towards net zero through a capital programme of building, retrofit and training.

Public benefit

In pursuit of its operations and activities, the Trustees have paid due regard to the Charity Commission guidance on public benefit in deciding what activities the Charity should undertake on behalf of and for our principal beneficiaries and service users at the Church of England schools and the students and staff of the universities and colleges located within the Diocese of Southwark. In practice, this means maintenance of the relationship with our thirty five thousand children and young people in the maintained education sector throughout the Diocese of Southwark, in real terms we achieve this through regular contact with school leaders and governors and in response to requests for advice and support via our Partnership Agreement for Church of England schools and academies and our relationship with the Southwark Diocesan Head Teachers' Association (SDHTA).

The charity does not undertake external fundraising so is not registered with the Fundraising Regulator. No complaints have been received in respect of fundraising in the current or prior year.

ACHIEVEMENTS AND PERFORMANCE

CHURCH SCHOOL EFFECTIVENESS

Religious Education (RE)

Secondary RE

Support for RE in secondary schools was bolstered by frequent school visits and teacher-led networks for RE Heads of Department. Three secondary schools received SIAMS inspections this year and their RE departments received positive recognition of the role the subject plays in the flourishing of students in their schools.

For the second year, Year 12 students studying Religious Studies A-Level attended a Study Day, *Place, Space and Identity*. The day began with a question-and-answer session with the precentor of Southwark Cathedral followed by lunch and talk at Union Street. Rev Dr Daniel Eshun continued the theme and shared his reflections on the topic through the lens of Ghana's history with the transatlantic slave trade.

Primary RE

This year we completed the review of our primary school Diocesan Syllabus for Religious Education. The second phase involved a wide review of the whole syllabus with units being reframed to take an approach of learning through different lenses of believing, thinking and living. The new syllabus reflects the latest pedagogy and developments in education and RE. It is aimed to reflect the current times and context in which we are living. It was available for schools to start implementing from September 2024. The academic year 2024-2025 is a transition year with schools moving onto it as and when it is appropriate in their context. Schools are being supported through training.

Collective Worship

We held our Leavers Services for Year 6 pupils attending our primary schools. The services were a chance to join with other Year 6s from the diocesan Church School family to give thanks to God for their time in their Church of England primary school and to ask God to travel with them as they move onto secondary school and beyond. This year we included representative secondary pupils to share their experience of primary to secondary transition. We also had one of our secondary pupils translating one of the services into British Sign Language. The theme was 'Valuing the Gifts of Every Person.' This celebrated 30 years since the first women were ordained priest in the Church of England. Our Leavers Services reflected on valuing the God-given gifts of every person in our school communities and how they had contributed to the primary school experience for our Leavers. As ever, our services were well supported by the Cathedral Chapter and our bishops. More than 2000 pupils attended from over 50 schools. Each child was given a Leavers' Service bookmark with a special prayer written for the occasion.

Growing Faith

Southwark Diocese was awarded a grant for three Flourish Worshipping Communities pilot project. This was as a result of a joint bid between the SDBE and Southwark Diocese. The ministers will be based in schools within the parishes of St Michael and All Angels, The Good Shepherd, Lee and St James' Bermondsey. A Flourish Minister has begun work at Trinity School, Lewisham and The Good Shepherd Church. The end of 2024 saw fine tuning for the third round of recruitment for the two further positions. This funding is for two years.

Statutory Inspection of Anglican and Methodist Schools (SIAMS)

2024 saw the new SIAMS Framework, introduced in September 2023, becoming embedded in schools. One major development was the move away from one word overall and specific grades to an emphasis on one of two judgements and more emphasis on the narrative in the personalised SIAMS inspection report that each school receives.

Diocesan SIAMS training has been led centrally and in schools for different stakeholders. Our programme of Diocesan SIAMS visits has continued, focusing on supporting schools likely to be inspected in the next couple of years. The SDBE has advised, encouraged and supported schools to continue with self-evaluation of their Christian distinctiveness, which will be drawn upon when they have their next SIAMS inspection.

ACHIEVEMENTS AND PERFORMANCE (continued)

CHURCH SCHOOL EFFECTIVENESS

Ofsted and SIAMS inspections data

There were 23 Ofsted inspections and 20 SIAMS inspections across the calendar year.

Summary of School Ofsted inspection grades in 2024

	No. of schools	Good or better	Outstanding	Good	Requires Improvement	Inadequate
% of schools Inspected in 2024		87	22	65	13	0
No of schools Inspected in 2024	23/103	20	5	15	3	0
Overall Effectiveness as of 31 August 2024	103	**96%** 99	**16%** 17	**80%** 82	**4%** 4	**0%** 0

Summary of School SIAMS inspection grades under the new framework in 2023;
100% of schools inspected in 2024 received a J1: The school is living up to its foundation as a church school.

COMMUNICATIONS

Communications

In 2024, SDBE developed its communications strategy strengthening our engagement with key stakeholders and wider audiences. Central to the development was the institution of SDBE Spotlight, a monthly bulletin to all schools. As well as signposting future opportunities, Spotlight shares a liturgical reflection, national updates and reading recommendations. A crucial element is the 'Schools Focus' section which shares and celebrates schools' achievements and excellence across the diocese. In 2024, SDBE revised the house style and continues to focus on branding and marketing to ensure consistency and clarity of identity and mission. This included materials for services and conferences. The website and social media continue to be utilised for a range of purposes including promoting training, sharing information and celebrating SDBE and school events. SDBE works closely with the Southwark Diocese communications team, including sharing information for publication and working together on key projects such as the Diocesan Advent Calendar which featured five schools from across the diocese.

ACHIEVEMENTS AND PERFORMANCE (continued)

PROFESSIONAL ADVICE, TRAINING, DEVELOPMENT AND NETWORKING

Headteacher Wellbeing

The SDBE ran the first Wellbeing Conference for headteachers and senior leaders in June. Attendees were invited to *Receive, Reconnect and Refresh.* Held at Whitelands College and sponsored by the Whitelands College Guild, the event celebrated the College's teacher-training legacy.
Prof. Cecilia Essau highlighted the prevalence of global anxiety disorder, and resilience-building in children, followed by a panel discussion on applying resilience principles for personal and professional growth.
Attendees explored workload management, contemplative practices, and shared insights with educators reflecting on the evolving demands of teaching. The day concluded with a Eucharist and a scenic reception overlooking Richmond Park.

Continuing Professional Development (CPD) including National Professional Qualifications (NPQs)

In 2024, the SDBE continued to be an NPQ delivery partner for the Church of England Education Office's Foundation for Educational Leadership (CEFEL). The team of 19 facilitators for each course consisted of SDBE consultants, advisers, headteachers and senior leaders.
In May 2024, the lead NPQ provider (the Church of England) was judged as outstanding by OFSTED; the SDBE were selected as a deep dive delivery partner as part of this inspection, with the inspector commenting that our coaches and facilitators demonstrated "excellent modelling of professional behaviours." The programmes have been thoroughly planned with fidelity to the curriculum, rigorously quality assured and have been very well received by participants.

For the in-house CPD offer for 2024-25 we introduced and monitored a more intuitive and user-friendly booking platform for Union Street based training and network sessions to high levels of success, creating accurate digital records of attendance with delegates and their clerks in full control of their own bookings and records. This has reduced the administration team workload whilst reducing margin for errors in both provision and records.
Across 2024, school staff, Governors and chaplains attended over 150 SDBE courses or network sessions, and nine schools completed the Bishops Certificate in School Governance.

DIOCESAN STRATEGY FOR SCHOOL ORGANISATION (DSSO)

Falling pupil rolls

2024 continued to see a dramatic drop in the number of pupils across the diocese and supporting schools to respond to this challenge has been a key priority for the board. The SDBE collaborated with school leaders and governing bodies to assess the long-term viability of schools and produce options papers for schools facing pupil decline. Options presented to school governors included encouraging and facilitating the formation of partnerships and collaborations between schools to share resources, staff, and expertise. We have also helped schools consider how to maximise their physical space by exploring multi-use opportunities.

SDBE staff regularly engage with local authorities to ensure a joined-up strategic approach and, when necessary, we have supported schools through consultation processes, amalgamations and where the appropriate action was closure, we worked alongside the school and the local authority.

During 2024 two schools closed: St Martin in the Fields High School for Girls, Lambeth (SMITF) and Christ Church CofE School, Battersea.

ACHIEVEMENTS AND PERFORMANCE (continued)

DIOCESAN STRATEGY FOR SCHOOL ORGANISATION (DSSO)

Partnerships and Secondments

School partnerships offer significant benefits to our schools by fostering collaboration and resource sharing. They enable schools to pool expertise, enhance professional development, share best practices, and be more able to respond to challenges such as falling rolls and reduced funding. Additionally, they promote community engagement, ensuring that diverse needs are met through a unified approach.

There are currently 18 schools working within 8 different partnerships across the diocese. Each partnership takes on a slightly different form and many have evolved as the partnership has developed. Alongside supporting schools to develop more formal partnerships on request, the SDBE has also taken a more proactive role in identifying possible partnerships this year. We have also continued to support schools with maximising the benefits of secondments again this year. This has proven an effective way of reducing the pressure on school budgets and helping to avoid redundancies as schools respond to falling pupil numbers.

Financial sustainability

In 2024, we continued our work in supporting schools to achieve financial sustainability. This included assisting individual schools to develop budget plans, training for school governors and leaders on future proofing schools through financial sustainability and supporting schools to develop and strengthen partnerships across the diocese.

Leadership Sustainability

The SDBE continued to work with schools, governors and school leaders, to ensure sustainable, strong and impactful leadership for our schools. This included school to school support and partnerships, recruitment and induction and interim leadership arrangements which support educational and financial sustainability. SDBE welcomed six new Headteachers or Heads of School in September 2024 and had nine partnership or school support arrangements in place. SDBE developed a programme for headteachers in their second year of service with opportunities and support to continue their growth in Church of England Leadership.

Managing school estate in a period of declining roll

The Board continued to monitor and work closely with VA schools and their local authorities to actively manage the school estate to ensure we can meet changing needs and demand, planning strategically for any vacant sites, benefitting from lessons learned from previous closures.
The decline in roll also reduces the income of both schools and the Board, making it more challenging for both partners to offer the same range and quality of service. The Board continues to actively look for partnership opportunities at the local and national level by:

- Brokering suitable co-location partnerships with stakeholders in the public and private sector.
- Working with the DfE to identify suitable sites for the co-location of Private, Voluntary and Independent nursery providers.
- Where there is a robust business plan and funding available, working with schools to establish or extend nursery
- provision.
- Working with the Diocesan Board of Finance to explore opportunities for the synergistic rationalisation of church and school buildings and, potentially, to address collective aspiration for a "net zero" estate.
- Working with Local Authority partners to help schools broker agreements to extend Special Educational Needs and Disabilities (SEND) provision.
- Finding suitable partners to occupy closed school sites at low or no net cost, on a short-term interim use basis.
- Exploring opportunities to redevelop or rationalise land use in schools with falling roll with a suitable development partner. This might include a combination of new housing and interim use.

ACHIEVEMENTS AND PERFORMANCE (continued)

EQUITY, DIVERSITY, INCLUSION & BELONGING (EDIB) ECO & CLIMATE JUSTICE

Equity Diversity, Inclusion and Belonging (EDIB)

Equity, diversity, inclusion and belonging continued to be a key priority for SDBE in 2024. Significant progress was made in the three strategic goals to strengthen SDBE and support our schools. These were to raise the profile, developing and engaging the school community understanding of EDI, promoting curriculum design which promotes diversity and inclusion, underpinned by theological understanding and increasing and sustaining diversity in our schools and SDBE.

Training and Development remains critical and for 2024 included new training for governors, expanding development opportunities for school leaders and growing our partnership with the National Education Leaders of Racial Justice at the Church of England. As the offer for schools has evolved, SDBE has engaged with a range of education leaders to ensure a breadth and depth of voices and experience. In 2024, training included sharing best practice from senior leaders in both primary and secondary schools, pupils from an Anti-Racist Ambassador group sharing their journey in EDIB and an opportunity to visit a secondary school and meet with staff and pupils leading EDIB.

In 2024, SDBE launched the revised primary RE syllabus. A crucial element of the new syllabus is the EDIB lens threaded throughout the curriculum and additional units for schools. Two topics 'Who are the fearless women of faith' and 'How can people of faith serve God and bring freedom and justice' (Anti Racism Unit) address specific areas of EDIB and provide schools with the knowledge, questions and resources to deliver high quality learning in these areas.

The SDBE Headteacher Steering Group continues to provide opportunities for discussion, reflection and driving growth. In 2024, the group shared two case studies from St Paul's Hook and Wilson's School as well as learning from work in local partnerships and schools. The group also developed a self-evaluation for schools based on open questions in key areas to help leaders and staff assess strengths and direction for development. At the end of 2024, the steering group initiated a conversation and work around 'belonging'.

In May and June 2024 all diocesan schools, academies and central teams were asked to contribute to our second adult EDI Survey. The data collected helped secure a picture of our current levels of representation for adults with any protected characteristics, provide schools with current benchmarking data and provide information to help shape our strategic direction and objectives in relation to EDIB. In 2024 we received 860 individual responses compared to the final total of 147 responses in 2022.

Working with the Southwark Diocese Racial Justice team, SDBE entered into a partnership with Palace for Life in 2024 to offer our schools additional resources and expert support. Palace for Life have developed a Racial Justice programme, 'Equal Eagles' for pupils in years five and six across the Diocese.
The programme focuses on equality, social justice and diversity through a series of six workshops, including a final project for pupils. Two of our schools in Croydon (Christ Church Purley and All Saints Church of England Primary School) piloted the programme in the Summer of 2024; ten schools will be included in the academic year 2024-2025.

Eco and Climate Justice, and carbon net zero buildings

During 2024 we have encouraged more schools to become aware of climate justice and sustainability in all its forms. We have developed a 'Sustainability Governor's job role specification to encourage governing boards to have representation in place by 2025 and have also used more examples of good practice to encourage others, specifically of funded 'quick wins' such as replacing lights, heating systems, or water waste reduction.

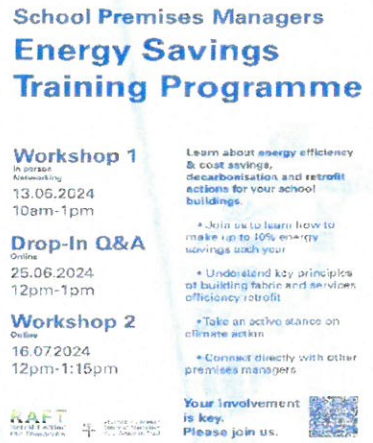
ACHIEVEMENTS AND PERFORMANCE (continued)

EQUITY, DIVERSITY, INCLUSION & BELONGING (EDIB) ECO & CLIMATE JUSTICE

Through a grant awarded by the Mayor for London, workshops were held in May and June 2024 for school leaders and premises staff in selected schools that have a Heat Decarbonisation Plan. The training aimed to bridge the gap between planning and action; to provide opportunities for sharing energy-related knowledge and to ensure learning from plans is acted upon within each school community and between schools.

These were attended by five of the thirteen schools invited. The meetings were held firstly in-person, and then via two further online meetings.





Through another grant awarded by the Mayor's Office, a series of three workshops were held in June and July, exclusively for school premises staff. This was an open invitation and attended by 14 delegates from 13 schools. The same format; a series of three meetings, was used, including an online 'Q&A' session with a heating engineer, to answer questions on heating optimization.

Salix Public Sector Decarbonisation Scheme award - with amendments to scope, awards of £11.6 million and £1.3 million were given to the SDBE to install air source heat pumps, insulation improvements, LED lighting and solar panels & solar thermal across 62 schools & the SDBE HQ. Following the collapse of the heat pump installation contractor in November 2022, the final commissioning of this element of the project was put into severe delay. Delivery of phase one was originally expected by March 2022 and phase two by March 2023. After nearly a year's delay, a recovery plan was agreed in Autumn 2023 and remedial works began in February 2024. Slow, but steady progress has been made. Initially targeting completion by the summer term, this has slipped to the end of the autumn 2024 term for approximately 75% of schools in the programme; with the rest to follow in spring/summer 2025. All other parts of the programme were completed on time.

Through a grant awarded by Lewisham Community Energy Fund, two cavity wall insulation feasibility studies were carried out at St Bartholomew's and St Mary's in Lewisham. Further work is underway to leverage additional funding for installation.

Holy Trinity, Sydenham has been awarded Salix Low Carbon Skills funding for a Heat Decarbonisation plan – to be completed in spring 2025.

With Financial support from the Mayor for London Office, a novel energy management pilot was rolled out in 4 schools.

ACHIEVEMENTS AND PERFORMANCE (continued)

GOVERNANCE AND ADMISSIONS

Governance

In the context of a national governor recruitment crisis, a key area of work has been to source and appoint strong SDBE Foundation governors to our school governing boards. The SDBE has significantly reduced the number of vacancies (we made 27 appointments and reduced vacancies from 69 to 42 in 2024 which is a reduction from 29% vacancies to 17% vacancies) and have appointed governors with the right skills, experience and wisdom and a strong commitment to the preservation and development of the school's Christian ethos.

Governor training sessions have been shaped by national and local issues including recruitment and retention, financial management and sustainability.

Strengthening governor effectiveness has been a priority to ensure governors understand their roles and responsibilities in securing high standards of achievement, deploying resources and supporting and challenging leaders within a model of compassionate accountability.

The Bishop's Certificate has continued to be a popular course with some revised modules to ensure it delivers relevant and impactful training on education in a distinctively Christian context.

Admissions

The SDBE continues to offer support, guidance and training on admissions and appeals.

In 2024 a greater number of schools reviewed their admissions policies in light of falling roles and local population changes and a number formally consulted on resulting changes.

Discussions have taken place with several schools concerning their open/foundation place admissions model and whether these need to be reviewed in light of the reduced number of pupils in some boroughs.

In some boroughs, schools are oversubscribed and have considered refining their criteria in light of this to ensure they fulfil their original mission and purpose.

HUMAN RESOURCES

Human Resources

We welcomed 8 new school leaders in September 2024 and had 10 partnership/school support arrangements in place; 4 partnerships, 1 secondary head supporting a primary head, and one executive supporting 5 schools.

The second SDBE/Schools' Staff Survey focused on Equity, Diversity and Inclusion. School participation increased from 12 to 81 schools. The results of the survey will be analysed and shared with all stakeholders during 2025, building on the EDI data we have with which we can measure progress over time.

Working with schools on sustainability and guidance on 'right sizing teams and pay' has continued to be a high priority. This includes school reorganisations, restructures and the reshaping of specific staff teams. Following some changes in the School Teachers Pay & Conditions Document 2024, increased rigour in performance management (value for money), directed time reviews and consideration of the criteria applied to senior teaching roles have become significant areas of focus for Headteachers and governors.

Leadership wellbeing continued to be a priority, with our bank of 'coaching' professionals seeing an increase in the number of leaders they are supporting and the successful launch of our annual Headteachers' Wellbeing Conference in the summer.

SDBE staffing was stable throughout 2024 with new colleagues successfully completing their probation and establishing themselves as trusted partners with our schools.

2024 was the first full calendar year for SDBE digital attendance records. This has improved the accuracy of the system.

ACHIEVEMENTS AND PERFORMANCE (continued)

BUILDINGS

School Buildings

All Voluntary Aided schools have had condition surveys completed in 2024, and a refreshed priority maintenance plan was created to inform decision making on Voluntary Aided School Condition Allocation (VA-SCA) spend priorities. The VA-SCA Capital Strategy Group, a subcommittee of Finance and Development, met three times in 2024 to decide on these. Circa £6.2 million has been allocated for 36 projects in our VA schools, to be delivered over the financial years 2024 and 2025. In the summer of 2024, some 30 schools benefitted from new heating plant, roofs, windows, WC accommodation and improvements to the envelope of their school buildings.

St Peter and St Paul's CofE School, Chaldon, Surrey

This former infant school converted to a through primary in September 2022. The school now has pupils in Year 5. A new permanent extension was completed in August 2024 and temporary classrooms removed.

All Saints' CofE Primary School, Blackheath, Lewisham

This Victorian primary school built in a former chalk quarry benefitted from replacement flat roofs and new timber sash double glazed windows to its single storey assembly hall/dining room in the summer of 2024.



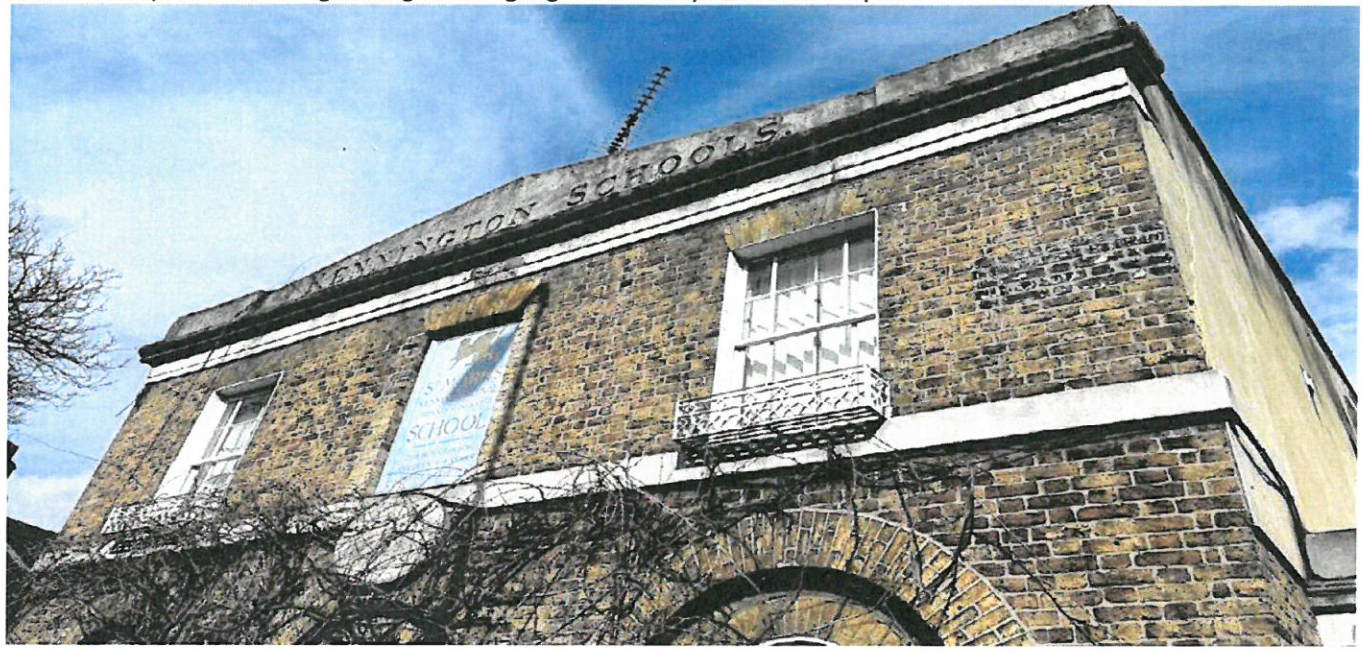
All Saints' CofE Primary School, Blackheath

ACHIEVEMENTS AND PERFORMANCE (continued)

BUILDINGS

St Mark's CofE School, Kennington, Lambeth

Our oldest school building, this attractive Listed Georgian one form entry school built in 1824 and located adjacent to the Oval Cricket Ground, had a face lift in the summer of 2024 when the Harleyford Road elevation, the original entrance to the school, was restored using specialist heritage materials to re-render the existing stonework and to clean and repoint the Georgian engraved signage. The valley roofs were replaced with new lead and Welsh slates.



St Mark's CofE School, Kennington, Lambeth

ACHIEVEMENTS AND PERFORMANCE (continued)

BUILDINGS

New Kingston secondary school

Design work on this new 11-16 VA Secondary school in Kingston was largely completed in the spring of 2024. However, submission to planners has been delayed, principally by an ecological issue. The project has also been called in, as part of a wider spending review, by the new Government. Work on the planning submission will continue while the review takes place. We anticipate the outcome of both decisions by the early spring, 2025.

Other Buildings

The Old School, 4 Exton Street, London, SE1 8UE

This former Edwardian four-storey primary school located in a Conservation Area opposite St John's Church, Waterloo, was converted to offices in the 1980s. The property is part of our investment portfolio and is let to three firms of architects and a charity. In the spring of 2024, the Board carried out a refurbishment project in the sum of £780,000 which included the replacement of the Welsh slate roof, re-cladding the cupola in copper and lead, fitting of new timber sash double glazed windows to the third floor and in keeping with our net zero objectives, added thirty two solar panels to the south facing pitched roof.



The Old School, 4 Exton Street, London

FUTURE PLANS

Changing Landscape and DSSO

The priority of the Board is to ensure our Diocesan Strategy for School Organisation (DSSO) model is one that supports the individual context of schools while being agile enough to respond to the changing educational landscape. We will continue to focus on maintaining up to date and detailed information about all schools.

Information including financial position, pupil numbers, quality of education and estate condition will continue to feed into our strategy for school organisation. We recognise that a one size fits all model is not appropriate for our schools and this is reflected in the multi-option approach. We will continue to promote and facilitate partnerships between schools and shared leadership options where appropriate. Our SDBE MAT remains a strong option for schools looking to academise and the development of a second Multi Academy Trust will compliment the current offer.

Achieving a strong and sustainable Church of England educational offer across the diocese is likely to involve some difficult decisions over the coming years. The SDBE is committed to supporting schools as they implement change to respond to falling rolls, but we are also realistic that some schools may shrink in size and a small number of schools will face amalgamation or closure. Working alongside leaders and governing bodies as they navigate these changes will be a key focus for the Board.

Human Resources

In 2025 a new Staff Handbook will be launched, along with a Staff section on the website to help align colleagues' approach to work and enhance our understanding of the SDBE, our purpose and our services. This will be a particularly useful tool to support our induction and probation processes.

In spring of 2025, the 2024 SDBE & School Staff EDIB Survey results will be shared with our schools and internal stakeholders. This work will also be discussed with church partners in order to help make further progress with the wider diocesan and Church of England ambitions for this work. We will also co-ordinate our findings with diocesan colleagues.

Leadership Sustainability

2025 will see development of a training and networking programme for new deputy headteachers.
Work will continue to build on school-to-school support and partnerships to strengthen schools and grow school capacity.

Eco and Climate Justice

The SDBE will continue to encourage schools to have 'joined up' thinking. With pupils, governors and all stakeholders utilising a sustainability group / team to share the workload.
Work will continue to encourage and remind all schools to submit 'Count Your Carbon' to provide a base line covering everything from school dinners and trips to energy use etc.
Working with school clusters to share ideas and resources in localities will continue.

Equity, Diversity Inclusion and Belonging (EDIB)

Work will begin on a separate 'Belonging' project in 2025.
Efforts to strengthen and broaden partnerships and collaborations across the diocese and other contributors will continue.

The SDBE Vision

Work will continue to review the SDBE Vision with the new Board membership for the new triennium, in line with the Southwark Diocesan Vision.

FUTURE PLANS (Continued)

Governance

2025 will see the SDBE continue to recruit high quality, effective SDBE Foundation Governors.
The governor training offer will be reviewed to ensure it is shaped by and responds to current issues and challenges locally and nationally.

Work will continue on providing further opportunities for, network, communion and fellowship of governors, and a targeted approach to schools signing up for the Bishop's Certificate to ensure maximum reach of expertise and resources.

Admissions

Work will continue on providing bespoke support and guidance for governing boards on admissions responding to local issues.
The admissions training offer will be reviewed to ensure that it is effective and informative alongside a review of the diocesan admissions guidance.

CPD offer

For 2025 we intend further development of the CPD offer to respond to delegate feedback, providing the latest information and insights for key staff, whilst ensuring that they and our schools are best equipped for any eventuality.

As a result of full funding being removed from the NPQs, a decision was made to pause running the programmes after cohort 6. We are working in partnership with the London Diocese who will be the delivery partner for the NPQ programmes for cohort 7 into 2025.

Our schools have been made aware of the change and have been applying to the London Diocese for the NPQ in SEND, the new mandatory qualification for SENCOs from September 2024, with teaching beginning in November 2024 through 2025.

Communications

2025 will see the SDBE continue to grow the communications and marketing offer.
Work will continue to develop materials in line with the new SDBE vision for the triennium.

Maximising investment property assets

Having made a positive start to improving the envelope of The Old School, 4 Exton Street, SDBE will continue to work on further proposals to enable improved access to all floors of the four-storey office building as well as ensuring the property remains fully income producing with a new lease to be granted early in 2025 and existing leases being renewed towards the end of the year.

Religious Education

2025 will see the SDBE continue to support schools in the implementation of the new Diocesan Syllabus for Primary Religious Education.
Explore resources from the Church of England Education Office for 'Christianity As A Global Faith' and consider how to utilise them to support the diocesan RE Syllabus.

Global Neighbours

Work will continue to promote The Diocese of Southwark in becoming a 'Global Neighbours Partnership Diocese.'

INVESTMENT POLICY AND PERFORMANCE

The Board of Trustees' investment powers fall under the Trustee Act 2000 and the Memorandum and Articles of Association in which clause 3.21 states: 'Trustees may deposit or invest funds in any manner including without limitation with a view to:

(a) Directly furthering the charity's purpose;

(b) Achieving a financial return for the charity; or

(c) Achieving both of the objectives described at (a) and (b) above in accordance with and provided that the Trustees comply with their duties under part 14A of the Charities Act (but to invest wholly or partly with a view to achieving a financial return only after obtaining such advice from a Financial Expert as the Trustees consider necessary and having regard to the suitability of investments and the need for diversification)'

Portfolio Performance (01/01/24 to 31/12/24)

Low Risk	+6.05% (2023: +7.12%)	comparative benchmark	+7.14% (2023: +6.56%)
Low to Medium Risk (RIS)	+3.18% (2023: +6.94%)	comparative benchmark	+6.39% (2023: +10.08%)
Medium to High Risk	+10.62% (2023: +5.83%)	comparative benchmark	+11.39% (2023: +9.01%)

The recent US election, won by the Republicans, is expected to bring lower taxes, deregulation, and increased government spending, boosting US economic growth and positively impacting other countries. However, it also raises risks of persistent inflation, higher interest rates, and government bond yields. The stronger US dollar could challenge emerging market equities. The "America First" policy may escalate US-China trade tariffs and use tariffs more widely as a negotiating tool. This outlook supports positive views on US equities, especially small and mid-sized companies, and benefits multinational companies with US exposure.

The Trump administration's shift away from decarbonisation could lead to a reassessment of US spending initiatives, prompting other countries to rethink their commitment to decarbonisation. This could significantly impact global decarbonisation efforts, with less alignment on climate change than when the Paris Agreement was signed.

War risks concern investors, but hopes for peace remain. Conflicts in Israel, Lebanon, Gaza and Ukraine heighten tensions. Resolving even one conflict could lower energy prices and ease global inflation pressures. If Trump ends Russia's war on Ukraine, it could reintegrate Russian energy exports into the global supply chain, boosting supply and dampening inflation.

In 2024, major Western central banks began lowering interest rates, but the pace of cuts remains uncertain. Economic growth looks promising in the US but mixed elsewhere. Global inflation is expected to ease, but some prices remain high. Policymakers are cautious about further cuts, reflecting uncertainty around inflation. Focusing on shorter-term bonds could be a consideration due to their stability amid economic changes.

FINANCIAL REVIEW

The SDBE is established as a charitable incorporated body to fulfil a range of duties and responsibilities. Total income of £8,393,499 (2023: £8,068,217) was received during the year. During 2024, income included £5,146,803 (2023: £5,135,518) of Voluntary-Aided School Condition Allocation (VASCA) grant funding from the Department for Education. Including these amounts, operational income for the year was derived from the following sources:

- Schools (Service agreements and related income): £504,124 – 6% (2023: £499,514– 6%)
- Maintenance scheme subscriptions: £648,572 – 8% (2023: £640,211 – 8%)
- Diocesan Grants: £386,430 – 4% (2023: £373,701 – 5%)
- Lettings and Investments: £1,554,707 – 19% (2023: £1,255,820 – 16%)
- VASCA and other income: £5,299,666 – 63% (2023: £5,298,971 – 65%)

To fund the discharge of its day-to-day outgoings in the delivery of The Diocesan Measure (as distinct from its work connected with building works at the schools), the charity depends on the grants received from the Diocese of Southwark, which amounted to a total grant of £386,430 (2023: £373,701) for the year, comprising £350,404 (2023: £343,532) core grant and £36,026 (2023: £30,169) of other grants.

The charity's operational activities are undertaken within its unrestricted general fund. The operational income of the charity exceeded its operational expenditure, resulting in a surplus of £257,913 (2023: surplus of £121,872) before taking into account net gains on listed investments of £138,267 (2023: net gains of £200,281) and transfers. Transfers in and out of the unrestricted general fund included a transfer out of £40,000 to the external periodic maintenance restricted fund representing the costs of administering the fund (2023: £60,000 in), and other net transfers out of the fund totalling £493,650 (2023: net transfers out of the fund of £ nil). This gives, read together with realised and unrealised gains on the value of investments of £138,267 (2023: gains of £200,281), a net decrease in the unrestricted (operational) funds of the charity for the year of £137,468 (2023: net increase of £382,153).

Overall, there was a net decrease in total funds of £2,120,456 (2023: net increase of £177,594), being comprised of a decrease in restricted funds of £1,464,012 (2023: decrease of £145,874), a decrease in the property fund of £534,549 (2023: decrease of £73,882) an increase of £15,574 in the value of endowment funds (2023: increase of £15,196) and a decrease in the unrestricted fund of £137,469 (2023: increase of £382,153).

RESERVES

The level of free reserves at 31 December 2024 was £3,126,148 (2023: £3,263,613) which comprises unrestricted funds excluding fixed assets and other designated funds. This represents approximately 18 months (2023: 19 months) of unrestricted expenditure. The charity's policy implies a minimum level of reserves of £4.1m (including £2m in cash) (2023: £3.7m including £1.8m as cash). The current level of reserves is below the target figure and the trustees intend to set aside funds during the next three years to achieve the required level.

Southwark Diocesan Education Services Limited SDES

The charity operates a wholly owned subsidiary company, SDES Ltd. The company carries out a number of the charity's activities including the provision of services for schools in the diocese of Southwark and the provision of administrative services for the charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Diocese of Southwark

The Southwark Diocesan Board of Education is a separate registered charity, but it is an integral part of the Diocese of Southwark as a whole, fulfilling the diocesan statutory duty in respect of children's education and its commitment to chaplaincy development. It receives an annual grant from the Diocese through the DBF to fund the work of delivering the Diocesan Measure in the Board's schools.

Board and Committee structure

The members meet three times a year. There is an Executive Committee (Policy and Strategy) which meets more frequently comprising of the Chair of the Board and Chairs of the sub-committees and, on occasion, the Chair of the SDBE MAT alongside other senior members of the Board's senior officers.
The Board has four further committees:

- Finance and Development Committee
- Schools Committee
- Further and Higher Education Committee
- Audit Committee

Key management personnel

Together with the Board members, the Diocesan Director of Education, Assistant Diocesan Director of Education, Financial Controller, Buildings and Capital Programmes Manager, and Office Manager are considered key management personnel by virtue of the fact that they are responsible for the day-to-day running of the Charity.
The Staffing Reference Group inform the Policy and Strategy Committee with regard to the annual pay award to staff.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Directors of the Board

The following were directors and members of the Southwark Diocesan Board of Education at the date of this report.

Bishop of the Diocese (President)	The Rt Revd Christopher Chessun
Chair of the Board of Education	The Rt Revd Dr Rosemarie Mallett
Members appointed by the Bishop (up to 4):	
One must be a Bishop of an episcopal area within the diocese	The Rt Revd Dr Rosemarie Mallett
One must be an Archdeacon of an archdeaconry in the diocese	The Ven Simon Gates
	Martin Brecknell
	Dr Catharina Stibe-Hickson

SYNOD APPOINTMENTS

Between 6 and 9 members with a minimum of 2 members from each episcopal area within the Diocese	
Croydon Episcopal area	Revd Ruth Chapman
	Anthony Adeloye
Kingston Episcopal area	Revd Dr Charlie Bell
	Andrew Christie
	Revd Dr Benjamin Vertannes
	Revd Dr Melanie Harrington Haynes
Woolwich Episcopal area	Michael Hartley
	Miles Winter
	Mth Ariadne Van den Hof

CO-OPTED MEMBERS

Principal of Whiteland's College (or deputy)	Matthew Sossick
Co-Chairs of the Southwark Diocesan Head Teachers Association	Cheryl Payne
	Helen Poyton
Chair of the Further & Higher Education Committee	Rev Dr Daniel Eshun
Elected from Schools Committee	Elizabeth Broad
Elected from Finance and Development Committee	Irene Wolstenholme MVO
Elected from Further and Higher Education Committee	Vacancy
Headteacher representative	Vacancy

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Relationships with other charities and foundations

The SDBE has the opportunity to nominate a representative to the following educational charitable foundations, which support the provision and promotion of educational opportunity for children and young people through grants to organisations and individuals within the area of the Diocese of Southwark;

- Greenwich Bluecoat Foundation – Colin Powell
- Culham St Gabriel's Trust – Gwynn Bassan
- St Mary Newington United Foundation Trust (SMNUFT) – Roz Cordner

It also has representation at:

- Saint Cecilia's – Roz Cordner
- St Martin-in-the-Fields High School for Girls (SMITF) – The Ven Simon Gates
- Bacon's – The Ven Jonathan Sedgwick
- REAch2 – Roz Cordner
- Anthem Trust – Dr Rachael Norman

Principal risks and uncertainties

The Trustees have overall responsibility for ensuring the charity has an effective system of control and for maintaining appropriate accounting procedures and records that comply with legislative requirements and good practice. To this end the risk register is updated annually with any key actions followed through via the appropriate committees. It is reviewed by Trustees at least annually as part of corporate risk management. The principal risks faced by the charity include falling pupil numbers, closure of schools and management of empty buildings.
Pupil numbers continue to fall across the majority of the London Boroughs served by SDBE. With the closure of St John's CofE Primary school in Walworth, Southwark in July 2021, the DBE has reviewed its categorisation register for schools. It now includes additional information regarding the published admission number (PAN), the actual number of pupils on roll and the number of vacancies across the school. This, along with increased detail regarding the school's financial status, more information gathered regarding the state of the school estate ensures that the DBE has a sound database to rely on. This included a significant trawl to clarify landownership of all VA schools. This piece of work will continue across the year.

Pioneering work is underway with DfE partners to explore creative solutions to both respond to empty school buildings, address housing need and a need for flexible social space to meet the needs of community priorities now and to be responsive to need should pupil numbers plateau or grow again. A new sub committee has been set up out of Finance and Development Committee to focus on steering property management and development in response to the new challenges and ensure any risk to the charity is minimised. The preferred use of an empty school building is for continued educational use. However, given the current landscape with falling birthrates across London, it is unlikely that this will be possible to achieve. The Board recognises that in order to reduce the risk, and to reduce any significant financial liability on the charity, where an empty school building belongs to the SDBE or for whatever reason may be transferred to the Board at the point of closure, and options to utilise the space for educational purposes have been exhausted, then the building will be prepared for sale with due regard for appropriate management, valuation and notification to relevant parties.

The Board of Education has a very clear understanding that there will be fewer schools across the diocese over the next 10 years. However, it is confident that in having up to date data and in dialogue with colleagues across the sector, decisions regarding changes to school organisation, be that through amalgamations, partnerships and where there is no other option, a closure, will be made with the needs of the communities being served shaping the discussion. It is crucial that all stakeholders understand the implications of falling rolls for their school and the wider community. Episcopal area meetings with headteachers, chairs of governors, local clergy, Board members and SDBE team are being piloted Summer 2025 to extend the knowledge base; support and training for incumbents who

may themselves be trustees with their church wardens of school buildings has been raised as a priority for both the Board and the Diocese. This will be added to the 2025 CPD programme.

What remains in a growing need for SEND provision and the SDBE continues to look for ways to work in partnership with LAs to identify any suitable estate for development for SEND provision. The Board continues to explore how best to partner with any alternative provision (AP) provider and is following up contacts within the independent sector as potential interested parties who may utilise the space for educational purposes, which also reduces the risk to the charity.

- Government policy changes

Given the removal of the academy conversion grant, the Board is aware that the growth for the current SDBE MAT is likely to slow down; although interest in the new Trust is greater than expected, the additional cost for schools to fund academisation may delay early adopters. As has been the case since the inception of the current Trust, academisation remains an offer that is open to schools but is not subject to a hard sell to schools. However, as local authority funding is reduced, the school improvement offer is also reducing and there needs to be a credible SDBE offer for VA schools who wish to join a SDBE Trust. There is no expectation that any new funding will be offered. In the meantime, the SDBE continues to develop and promote existing school to school networks and partnerships across all diocesan schools, VA, Academy, Stand Alone Trusts to support school improvement.

- Loss of data through cyber attack

The SDBE's IT system is provided and protected via a service level agreement with Southwark Diocese. The service has been thoroughly reviewed and is Cyber Secure Certified. Regular reminders and updates are shared regarding cyber security via monthly staff meetings and there is a shared understanding and expectation that each member of the staff team is responsible for being vigilant and alert to potential scams and phishing activity. The IT department conduct cyber security tests and feedback with updated CPD/lesson learnt where users miss a training cue or highlight where there is a potential threat. Further work on a cyber recovery plan is a priority during the year ahead, with support from a secondary school who experienced a cyber attack during 2024.

STATEMENT OF TRUSTEES' RESPONSIBILTIES

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure of the charitable group 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 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 United Kingdom and Republic of Ireland (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- so far as the Trustee is 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.

This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.

The above report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small entities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board of Trustees:

Rt Revd Dr Rosemarie Mallett, Trustee

Mr Martin Brecknell, Trustee

Approved by the board on: 9 July 2025

Independent auditor's report to the members of Southwark Diocesan Board of Education Incorporated

Opinion

We have audited the financial statements of Southwark Diocesan Board of Education Incorporated (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the group statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows, and the notes to the financial statements, including the principal 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 group's and the charitable parent company's affairs as at 31 December 2024 and the group's 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 group 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. 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 group's or the charitable parent 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 Trustees' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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;
- the financial statements are not in agreement with the accounting records or returns;
- 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;
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement on page 26, the trustees 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 group's and the parent 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 group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the 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 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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognize non-compliance with applicable laws and regulations;
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the charitable parent 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 (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the

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

Charities Act 2011) and those that relate to data protection (General Data Protection Regulation); and

- 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 group's and the charitable parent company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of management as to 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.

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;
- tested authorization controls on expenditure items, including staff expense claims, to check that all expenditure was approved in line with the group's and the parent charitable company's financial procedures;
- tested expenditure passing through the off-balance sheet conduit fund to check that it had been incurred in line with the funding agreement and had been appropriately authorized; and
- considered the controls and processes in place relating to the conduit fund, in particular those relating to the receipt and use of the new Voluntary-Aided Schools Capital Allocation funding stream.

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.

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

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

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

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.

Buzzacott Audit LLP Date: 16 July 2025

For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street, London, EC2V 6DL

Katharine Patel (Senior Statutory Auditor)

Southwark Diocesan Board of Education

Statement of Financial Activities

For the Year Ended 31 December 2024

	Notes	Unrestricted funds: General funds £	Unrestricted funds: Designated funds £	Restricted funds £	Endowment funds £	Total 2024 £	Total 2023 (restated) £
Income and endowments from:							
Grants and donations	1	358,971	—	5,182,829	—	**5,541,800**	5,527,083
Charitable activities	2	71,086	—	648,572	—	**719,658**	763,131
Other trading activities	3	577,334	—	—	—	**577,334**	522,183
Investments	4	1,335,358	—	202,775	16,574	**1,554,707**	1,255,820
Total income		**2,342,749**	**—**	**6,034,176**	**16,574**	**8,393,499**	8,068,217
Expenditure on:							
Raising funds	5	425,561	—	—	—	**425,561**	437,752
Charitable activities	6	1,659,273	191,879	7,538,188	1,000	**9,390,340**	7,653,152
Total expenditure	7	**2,084,834**	**191,879**	**7,538,188**	**1,000**	**9,815,901**	8,090,904
Net income/ (expenditure) before investment gains and losses		**257,913**	**(191,879)**	**(1,504,012)**	**15,574**	**(1,422,402)**	(22,687)
Unrealised losses on investment properties	11b	—	(836,321)	—	—	**(836,321)**	—
Net (losses)/gains on listed investments	11a	138,267	—	—	—	**138,267**	200,281
Net income/ (expenditure) before transfers		**396,182**	**(1,028,200)**	**(1,504,012)**	**15,574**	**(2,120,456)**	177,594
Transfers between funds	15	(533,650)	493,650	40,000	—	—	—
Net movement in funds	8	**(137,468)**	**(534,550)**	**(1,464,012)**	**15,574**	**(2,120,456)**	177,594
Reconciliation of funds:							
Funds brought forward at 1 January 2024 as previously stated		**3,263,616**	**17,109,801**	**4,625,103**	**265,089**	**25,263,609**	25,086,015
Prior year adjustment	20	-	-	**266,706**	-	**266,706**	266,706
Funds brought forward at 1 January 2024 as restated		**3,263,616**	**17,109,801**	**4,891,809**	**265,089**	**25,530,315**	25,352,721
Funds carried forward at 31 December 2024	15	**3,126,148**	**16,575,251**	**3,427,797**	**280,663**	**23,409,859**	25,530,315

All of the group's activities derived from continuing operations during the above financial years.

All recognised gains and losses for the year are included in the above statements of financial activities.

Comparative information by fund class for the year ended 31 December 2023 is given in note 21.

No summary income and expenditure account has been produced as the only difference to the statement of financial activities would be the omission of endowed income of £16,574 (2023: £16,196); endowed expenditure of £1,000 (2023: £1,000).

	Notes	Group 2024 £	Charity 2024 £	Group 2023 (restated) £	Charity 2023 (restated) £
Fixed assets					
Tangible assets	10	**859,645**	**852,444**	1,055,123	1,044,321
Investments	11	**21,550,016**	**21,550,016**	21,931,398	21,931,398
		22,409,661	**22,402,460**	22,986,521	22,975,719
Current assets					
Debtors	13	**863,776**	**687,618**	666,949	577,123
Cash at bank and in hand		**2,065,845**	**1,984,508**	5,132,923	5,093,108
		2,929,621	**2,672,126**	5,799,872	5,670,231
Creditors: amounts falling due within one year	14	**(1,001,423)**	**(748,480)**	(2,320,078)	(2,191,387)
Net current assets		**1,928,198**	**1,923,646**	3,479,794	3,478,844
Creditors: amounts falling due after more than one year	14	**(928,000)**	**(928,000)**	(936,000)	(936,000)
Net assets		**23,409,859**	**23,398,106**	25,530,315	25,518,563
The funds of the charity	15				
Unrestricted funds					
. General funds		**3,126,148**	**3,114,395**	3,263,616	3,251,864
. Designated funds		**16,575,251**	**16,575,251**	17,109,801	17,109,801
Restricted funds		**3,427,797**	**3,427,797**	4,891,809	4,891,809
Endowment funds		**280,663**	**280,663**	265,089	265,089
		23,409,859	**23,398,106**	25,530,315	25,518,563

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small entities.

The financial statements were approved and authorised for issue by the Trustees and were signed on their behalf by:

Rt Revd Dr Rosemarie Mallett, Trustee

Mr Martin Brecknell, Trustee

Approved by the board on: 9 July 2025
Southwark Diocesan Board of Education Incorporated
Company limited by guarantee
Registration Number: 00086641 (England and Wales)

The notes on pages 38 to 53 form part of the financial statements.

	Notes	2024 £	2023 £
Cash flows from operating activities:			
Net cash (used in)/provided by operating activities	A	**(4,305,112)**	18,187
Cash flows from investing activities:			
Dividends, interest and rents from investments		**1,554,707**	1,255,820
Additions to investment properties		**(736,321)**	—
Purchase of tangible fixed assets		—	(14,401)
Proceeds from the disposal of listed investments		**845,974**	512,307
Purchase of listed investments		**(398,557)**	(521,295)
Net cash provided by investing activities		**1,265,803**	1,232,431
Change in cash and cash equivalents in the year		**(3,039,309)**	1,250,618
Cash and cash equivalents at 1 January 2024	B	**6,652,949**	5,402,331
Cash and cash equivalents at 31 December 2024	B	**3,613,640**	6,652,949

Notes to the cash flow statement for the year to 31 December 2024:

A Reconciliation of net movement in funds to net cash flows from operating activities

	2024 £	2023 £
Net movement in funds (as per the statement of financial activities)	**(2,120,456)**	177,594
Adjustments for:		
Depreciation charge	**195,478**	195,477
(Gains) on listed investments	**(138,267)**	(200,281)
Losses on investment properties	**836,321**	—
Dividends, interest and rents from investments	**(1,554,707)**	(1,255,820)
Amortisation of lease premium	**(8,000)**	(8,000)
(Decrease)/increase in creditors	**(1,318,654)**	1,140,682
(Increase) in debtors	**(196,827)**	(31,465)
Net cash provided by / (used in) operating activities	**(4,305,112)**	18,187

B Analysis of changes in net debt

	At 1 January 2024 £	Cash flows £	**At 31 December 2024 £**
Cash at bank and in hand	5,132,923	(3,067,078)	**2,065,845**
Cash held by investment managers	1,520,026	27,769	**1,547,795**
	6,652,949	(3,039,309)	**3,613,640**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation
These financial statements have been prepared for the year to 31 December 2024.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), and the Charities Act 2022.

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

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement
Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- determining the basis for allocating support costs across expenditure categories;
- determining the basis of valuation for the charity's investment property portfolio;
- the estimation of future income and expenditure for the purposes of assessing going concern.

Assessment of going concern
The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Board's market investments enjoyed slightly increased dividend income during the year, although not materially so. As in the previous year extensive financial modelling has been carried out to cover different scenarios. Rents and other income streams (e.g. grants) have remained steady, however the spectre of falling pupil demographics leading to potential school closures, of which the Board has now suffered five, looms large. In a worst-case scenario, the Board may not be in operational surplus at the end of the coming year, however the Board has significant free reserves and also has access to an overdraft facility should it be required. The Trustees are therefore of the opinion that the charity has sufficient reserves to be able to meet its liabilities as they fall due.

Assessment of going concern (continued)

The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 December 2025, the most significant areas that will affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment and property markets (please see the investment policy and the risk management sections of the Trustees' report for more information).

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount can be measured reliably, and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises grants, maintenance subscriptions, rental and investment income and the income from the charity's trading subsidiary. Income from other trading activities carried out by the trading subsidiary comprises, in the main, charges made for service agreement subscriptions, educational consultancy and other services provided to schools, and conduit project management fees.

Grants and donations are included as income from activities in furtherance of the charity's objectives where these amount to a contract for services, but as voluntary income where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Maintenance and service level subscriptions are recognised in the financial year to which the subscription relates and is deferred if received in advance of that financial year.

Income derived from the letting of the charity's investment properties is recognised in the period to which the tenancy relates, when it is probable that the funds will be received.

Dividends are recognised when they have been earned and credited to the investment portfolio.

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

Income from educational consultancy services is accounted for on an accruals basis with the income being recognised when due contractually.

Conduit project management fees are recognised on the date of completion of the relevant project.

Other amounts derived from capital and maintenance project activities where the charity acts as an agent, administering projects funded principally by the Department for Education and Skills on behalf of the school governors are excluded from these financial statements, as they constitute conduit funds. Details of these funds are set out in note 16.

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes the direct costs and support costs associated with generating rental income, together with the fees paid to investment managers in connection with the management of the charity's listed investments.

- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs (including governance costs).

Allocation of support and governance costs
Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice. Support costs and governance costs are apportioned using percentages based on the time spent on the activities by the employees of the charity.

Tangible fixed assets
The charity's policy is to capitalise asset purchases over £1,000. Depreciation is provided on tangible fixed assets so as to write down the cost over the expected useful life.

The following depreciation rates are used:

Freehold properties and property improvements	–	2% straight line
Office equipment	–	25% straight line

Investments
Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

The charity does not acquire put options, derivatives or other complex financial instruments.

Investment properties are included in the financial statements at the estimated current market value of the properties based on open market value. The valuation has been determined by the Trustees after consultation with professional property advisers.

Former school sites
In the course of administering a capital scheme under the Education Acts 1944 to 1973, the charity acts as Trustee to a number of former schools, whose former property may be sold or leased as part of the implementation of the scheme. These proceeds are generally "free monies" in the hands of the charity to use under the provisions of the Education Acts 1944 to 1973, subject to the restrictions applying under Section 86 of the 1944 Act and Section 2 of the 1973 Act. The Trustees do not consider that it is practicable to place a value on such assets and, accordingly, they are not included in the financial statements.

Debtors
Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand
Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions
Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it would pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Subsidiary undertaking
The charity owns the whole of the issued share capital of Southwark Diocesan Education Services Limited. The principal activity of the subsidiary undertaking is the provision of services for schools in Southwark Diocese and administrative services for its parent undertaking. The consolidated financial statements include the financial statements of SDBE and its subsidiary Southwark Diocesan Education Services Limited. In accordance with the current SORP, a separate statement of financial activities dealing with the results of SDBE has not been presented.

Funds
The charity has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Unrestricted funds
Unrestricted funds arise from all the accumulated surpluses and deficits in the provision of general charitable activities.

Designated funds
Designated funds are funds set aside out of general funds by the Trustees and designated for a particular purpose. The balance on the designated property fund represents the net book value of the fixed assets and the value of investment properties shown on the balance sheet at that date.

Restricted funds
These are funds subject to specific conditions imposed by the donor or by the specific terms of a trust deed or other legal measure. Income and expenditure on restricted funds is taken directly to those funds in the statement of financial activities except to the extent that income is freely available to the charity.

Endowment funds
These are funds subject to the condition that they be held as permanent capital. Unexpended income is included in the relevant funds in accordance with the terms of the trust.

Custodian trusts
Trusts, where the charity acts merely as custodian Trustee with no control over the management or use of the funds, are not included in the statement of financial activities or balance sheet.

Conduit Funds – capital projects
The charity is responsible on behalf of school governors for the financial administration of capital projects funded by the Department for Education (DfE) and Local Authorities. The statutory legal agreement between the charity, the schools and the government department gives the charity ultimate control over the application of the Voluntary Aided Schools Condition Allocation grants to specific schools, therefore, these are recognised as restricted income by the charity. Details of these funds are set out in note 16.

The agreement grants no decision-making authority to the charity over the schools' funds, including Devolved Formula Capital grants and governors' funds, and therefore the charity acts as administrative agent in respect of these. Accordingly, these funds represent conduit funding and are therefore excluded from the charity's financial statements.

Pension contributions
Contributions are made for full-time staff to the Church of England Church Workers' Pension Fund and to the Teachers' Pension Scheme. The pension costs charged by the schemes are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that the regular pension cost represents a substantially consistent percentage of the current and future payroll. Variations from regular cost are spread over the remaining service lives of the current employees 36 are therefore accounted for as if they were defined contribution schemes. Further details are set out in note 17.

1 Grants and donations

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2024 £
Diocesan grant	**350,404**	—	**36,026**	—	**386,430**
VASCA Grants	—	—	**5,146,803**	—	**5,146,803**
Other grants	**8,567**	—	—	—	**8,567**
2024 Total funds	**358,971**	—	**5,182,829**	—	**5,541,800**

	Unrestricted funds				
	General funds £	*Designated funds £*	*Restricted funds £*	*Endowment funds £*	*2023 £*
Diocesan grant	*343,532*	—	*30,169*	—	*373,701*
VASCA Grants	—	—	*5,135,518*	—	*5,135,518*
Other grants	*17,864*	—	—	—	*17,864*
2023 Total funds	*361,396*	—	*5,165,687*	—	*5,527,083*

The Charity assists voluntary aided schools with school building projects. It historically acted as the agent of school governors in helping to arrange funding through the DfE and Local Authorities and in paying professional fees and building costs on behalf of school governors. The VASCA (Voluntary-Aided Schools Condition Allocation) system was introduced in April 2020 and gives the charity ultimate control over the application of the VASCA grants to specific schools. Since the use of the VASCA grant funding is at the discretion of the Board it is included in the SOFA as restricted income along with the related expenditure. The unspent balance at the end of the year is committed to projects or returned to the DfE if not committed within two years of the grant date.

2 Charitable activities

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2024 £
Maintenance subscriptions	—	—	**648,572**	—	**648,572**
Other educational income					
. Advisory and consultancy fees	**27,450**	—	—	—	**27,450**
. Bishop's certificate in church school governance	**6,930**	—	—	—	**6,930**
. Other sundry income	**36,706**	—	—	—	**36,706**
2024 Total funds	**71,086**	—	**648,572**	—	**719,658**

2 Charitable activities (continued)

	Unrestricted funds				
	General funds £	*Designated funds* £	*Restricted funds* £	*Endowment funds* £	*2023* £
Maintenance subscriptions	—	—	*640,211*	—	*640,211*
Other educational income					
. Advisory and consultancy fees	*46,304*	—	—	—	*46,304*
. Bishop's certificate in church school governance	*4,455*	—	—	—	*4,455*
. Other sundry income	*72,161*	—	—	—	*72,161*
2023 Total funds	*122,920*	—	*640,211*	—	*763,131*

3 Other trading activities

	Unrestricted funds				
	General funds £	**Designated funds** £	**Restricted funds** £	**Endowment funds** £	**2024** £
Service Agreement Subscriptions	**504,124**	—	—	—	**504,124**
Management fees					
. Capital projects	**1,191**	—	—	—	**1,191**
. Maintenance projects	**13,382**	—	—	—	**13,382**
Training events	**41,328**	—	—	—	**41,328**
Sundry trading income	**17,309**	—	—	—	**17,309**
2024 Total funds	**577,334**	—	—	—	**577,334**

	Unrestricted funds				
	General funds £	*Designated funds* £	*Restricted funds* £	*Endowment funds* £	*2023* £
Service Agreement Subscriptions	*499,514*	—	—	—	*499,514*
Management fees					
. Capital projects	—	—	—	—	—
. Maintenance projects	—	—	—	—	—
Training events	*4,694*	—	—	—	*4,694*
Sundry trading income	*17,975*	—	—	—	*17,975*
2023 Total funds	*522,183*	—	—	—	*522,183*

4 Income from investments

	Unrestricted funds				
	General funds £	**Designated funds** £	**Restricted funds** £	**Endowment funds** £	**2024** £
Listed and unlisted investments	**386,212**	—	**202,775**	**16,574**	**605,561**
Rental and lettings income	**949,146**	—	—	—	**949,146**
2024 Total funds	**1,335,358**	—	**202,775**	**16,574**	**1,554,707**

	Unrestricted funds				
	General funds £	*Designated funds* £	*Restricted funds* £	*Endowment funds* £	*2023* £
Listed and unlisted investments	*148,792*	—	*124,448*	*16,196*	*289,436*
Rental and lettings income	*966,384*	—	—	—	*966,384*
2023 Total funds	*1,115,176*	—	*124,448*	*16,196*	*1,255,820*

5 Expenditure on raising funds

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2024 £
Lettings expenses	**398,921**	—	—	—	**398,921**
Investment management fees	**22,031**	—	—	—	**22,031**
Bank charges	**4,609**	—	—	—	**4,609**
2024 Total funds	**425,561**	—	—	—	**425,561**

	Unrestricted funds				
	General funds £	*Designated funds £*	*Restricted funds £*	*Endowment funds £*	*2023 £*
Lettings expenses	*411,308*	—	—	—	*411,308*
Investment management fees	*22,090*	—	—	—	*22,090*
Bank charges	*4,354*	—	—	—	*4,354*
2023 Total funds	*437,752*	—	—	—	*437,752*

6 Expenditure on charitable activities

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2024 £
School maintenance expenditure	—	—	**904,234**	—	**904,234**
VASCA grant expenditure	—	—	**6,419,209**	—	**6,419,209**
Advice and guidance	**1,256,963**	**145,356**	—	—	**1,402,319**
Training and development	**291,287**	**33,684**	**214,745**	**1,000**	**540,716**
Project management	**111,023**	**12,839**	—	—	**123,862**
2024 Total funds	**1,659,273**	**191,879**	**7,538,188**	**1,000**	**9,390,340**

	Unrestricted funds				
	General funds £	*Designated funds £*	*Restricted funds £*	*Endowment funds £*	*2023 £*
School maintenance expenditure	—	—	*468,882*	—	*468,882*
VASCA grant expenditure	—	—	*5,392,905*	—	*5,392,905*
Advice and guidance	*968,951*	*128,748*	—	—	*1,097,699*
Training and development	*227,635*	*30,247*	*154,434*	*1,000*	*413,316*
Project management	*247,468*	*32,882*	—	—	*280,350*
2023 Total funds	*1,444,054*	*191,877*	*6,016,221*	*1,000*	*7,653,152*

7 Analysis of total expenditure

	Direct costs £	Other directly allocated costs £	Support costs £	2024 £
Raising funds (note 5)	**425,348**	**213**	—	**425,561**
Charitable activities (note 6)				
. School maintenance expenditure	**904,234**	—	—	**904,234**
. Advice and guidance	**649,363**	**598,976**	**153,979**	**1,402,318**
. Training and development	**145,405**	**353,550**	**41,760**	**540,715**
. Project management	**3,450**	**6,472,116**	**67,507**	**6,543,073**
	2,127,800	**7,424,855**	**263,246**	**9,815,901**

	Direct costs £	*Other directly allocated costs £*	*Support costs £*	*2023 £*
Raising funds (note 5)	*437,494*	*258*	—	*437,752*
Charitable activities (note 6)				
. School maintenance expenditure	*468,882*	—	—	*468,882*
. Advice and guidance	*536,932*	*389,916*	*170,851*	*1,097,699*
. Training and development	*117,512*	*246,037*	*49,767*	*413,316*
. Project management	*39,229*	*5,492,488*	*141,538*	*5,673,255*
	1,600,049	*6,128,699*	*362,156*	*8,090,904*

Support costs are analysed as follows:

	Expenditure on charitable activities			
	Advice and guidance £	Training and development £	Project management £	Total 2024 £
Finance and HR	**78,172**	**2,329**	**30,284**	**110,785**
Administration	**44,741**	**32,232**	**34,479**	**111,452**
Governance	**31,066**	**7,199**	**2,744**	**41,009**
2024 Total funds	**153,979**	**41,760**	**67,507**	**263,246**

	Expenditure on charitable activities			
	Advice and guidance £	*Training and development £*	*Project management £*	*Total 2023 £*
Finance and HR	*82,118*	*4,641*	*87,357*	*174,116*
Administration	*46,542*	*35,214*	*43,404*	*125,160*
Governance	*42,192*	*9,912*	*10,776*	*62,880*
2023 Total funds	*170,852*	*49,767*	*141,537*	*362,156*

All costs allocations are made on the basis of estimated time spent by staff.

8 Net movement in funds

Net movement in funds is stated after charging:

	2024 £	2023 £
Staff costs (note 9)	**1,339,235**	1,207,923
Depreciation (note 10)	**195,478**	195,477
Auditor's remuneration (including VAT)		
. Audit work	**30,670**	26,500
. Other services	**5,220**	4,710
. Prior year	**-**	2,040
Bank charges and interest on bank loans and overdrafts	**4,609**	4,354

9 Employee and key management personnel remuneration

(a) Staff costs

	2024 £	2023 £
Wages and salaries	**931,375**	782,604
Social security costs	**102,910**	80,821
Pension costs	**207,280**	211,670
	1,241,565	1,075,095
Consultancy costs	**97,670**	132,828
	1,339,235	1,207,923

(b) Staff numbers

The number of employees during the year, calculated on an average headcount basis, was 16 (2023 – 17).

(c) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2024 number	2023 number
£60,000 - £70,000	**1**	4
£70,001 – £80,000	**4**	1
£80,001 – £90,000	**1**	1
£90,001 - £100,000	**2**	1
£100,001 - £110,000	**2**	1

Seven of the above higher paid employees participated in the Teachers' Pension Scheme, while three participated in the Church Workers' Pension Scheme. Aggregate employer pension contributions for the above employees during the year amounted to £154,279 (2023 – £142,036). Details of the Teachers' Pension Scheme are given in note 17.

(d) Key management personnel

Key management personnel comprise the Trustees together with the Director of Education, Assistant Director of Education, Financial Controller, Building and Capital Programmes Manager and the Office Manager.

No trustee received any remuneration from the charity in the current or prior year.

9 Employee and key management personnel remuneration (continued)

The aggregate remuneration and benefits received by key management personnel during the year was as follows:

	2024 £	2023 £
Remuneration, including employer's National Insurance contributions	**431,004**	351,042
Pension contributions	**81,425**	102,025
	512,429	453,067

10 Tangible fixed assets

	Freehold land and buildings £	Property improve-ments £	**Charity total £**	Group office and computer equipment £	**Group total £**
Cost					
At 1 January 2024	2,864,050	95,834	**2,959,884**	36,882	**2,996,766**
Additions	-	-	-	-	-
At 31 December 2024	2,864,050	95,834	**2,959,884**	36,882	**2,996,766**
Depreciation					
At 1 January 2024	1,909,733	5,830	**1,915,563**	26,080	**1,941,643**
Charge for the year	190,937	940	**191,877**	3,601	**195,478**
At 31 December 2024	2,100,670	6,770	**2,107,440**	29,681	**2,137,121**
Net book value					
At 31 December 2024	763,380	89,064	**852,444**	7,201	**859,645**
At 31 December 2023	954,317	90,004	**1,044,321**	10,802	**1,055,123**

11 Investments

Group and charity		**2024** £	2023 £
Listed investments	(a)	**5,020,016**	5,301,398
Investment properties	(b)	**16,630,000**	16,630,000
Investment property additions	(b)	**736,321**	—
Investment property revaluations	(b)	**(836,321)**	—
		21,550,016	21,931,398

In addition to the above investments, the charity also holds a £1 investment in the called-up share capital of its wholly owned trading subsidiary, Southwark Diocesan Education Services Limited (note 12). A revaluation of 4 Exton Street, SE1 was undertaken by Rapleys LLP in December 2024, as a result of the roof upgrade project and this has been reflected in these valuations.

11 Investments (*continued*)

(a) Listed investments

Group and charity	2024 £	2023 £
Market value at 1 January 2024	**3,781,372**	3,572,103
Additions	**398,557**	454,924
Disposals (realised gains: £19,144)	**(876,139)**	(248,061)
Movement in cash	**30,164**	(197,875)
Unrealised gains on revaluation	**138,267**	200,281
Market value at 31 December 2024	**3,472,221**	3,781,372
Cash held by investment managers	**1,547,795**	1,520,026
	5,020,016	5,301,398
Cost of listed investments at 31 December 2024	**3,913,865**	3,515,308

All listed investments were dealt in on a recognised stock exchange and comprised UK equities and UK managed funds. No individual holding comprised more than 5% of the portfolio in either the current or prior year.

(b) Investment properties

Group and charity	Charity and Group freehold properties	
	2024 £	2023 £
Valuation at 1 January 2024	**16,630,000**	16,630,000
Additions	**736,321**	—
Revaluation in the year	**(836,321)**	—
Valuation at 31 December 2024	**16,530,000**	16,630,000
Historic cost at 31 December 2024	**5,034,482**	4,298,161

Additions to investment properties include £736,321 in relation to the works on Exton Street during the year (2023: £nil).

As significant capital works had been undertaken at Exton Street during 2024 it was considered appropriate to obtain an external valuation of that property at 31 December 2024 and this was undertaken by Rapleys LLP. This gave rise to an impairment of £836,321 which has been recognized in these financial statements.

On the basis that the charity's investment properties (with the exception of Exton Street) have continued to generate rental yields which are materially comparable to those earned prior to the pandemic, the trustees do not consider that there has been any material impairment to the fair value of these properties since the previous valuation.

12 Investment in subsidiary undertaking

The charity owns 100% of the issued ordinary share capital of a subsidiary undertaking, Southwark Diocesan Education Services Limited (amounting to £1), which is registered in England & Wales and supplies administrative services to the charity and to Schools in the Diocese. The company began trading on 1 April 1996 and its results for the period and assets and liabilities have been consolidated into the charity's financial statements.

Total income for the year was £646,447 (2023: £580,091), gross profit was £427,853 (2023: £357,666) and total administrative expenditure was £218,594 (2023: £222,425). The net profit after taxation was £nil (2023 – £nil) after recognising gift aided donations payable to the parent charity under the conditions of its Memorandum and Articles of Association of £427,853 (2023: £357,666).

13 Debtors

Amounts falling due within one year:

	Group 2024 £	**Charity 2024 £**	Group 2023 (restated) £	Charity 2023 (restated) £
Other debtors	**517,604**	**359,629**	219,840	172,772
Amounts due from group undertakings	**—**	**28,128**		—
Conduit fund debtor (prior year adjustment)	**266,706**	**266,706**	266,706	266,706
Prepayments and accrued income	**79,466**	**33,155**	180,403	137,645
	863,776	**687,618**	666,949	577,123

14 Creditors

Amounts falling due within one year:

	Group 2024 £	**Charity 2024 £**	Group 2023 £	Charity 2023 £
Trade creditors	**174,958**	**135,444**	1,733,524	1,713,982
Other creditors	**553,351**	**544,687**	387,670	384,498
Conduit creditor	**—**	**—**	—	—
Accruals and deferred income	**179,404**	**37,688**	188,684	53,084
Amounts due to group undertakings	**73,450**	**22,661**	—	31,823
VAT payable	**12,260**	**—**	2,200	—
Deferred lease premium (see below)	**8,000**	**8,000**	8,000	8,000
	1,001,423	**748,480**	2,320,078	2,191,387

Amounts falling due in more than one year:

	Group and Charity 2024 £	Group and Charity 2023 £
Deferred Highshore lease premium	**928,000**	936,000
	928,000	936,000

The deferred Highshore lease premium represents the remaining balance on a premium of £1,000,000 received by the charity during the year ended 31 December 2017 in respect of a 125 year lease of the Highshore School site to the Mayor and Burgess of the London Borough of Southwark. The premium is being released to the Statement of Financial Activities over the life of the lease. As such, £8,000 is included under accruals and deferred income falling due within one year, with the remainder falling due in more than one year.

The movements on deferred income are analysed as follows:

	2024	2023
	£	£
Brought forward as at 1 January 2024	**1,079,600**	1,084,416
Released in the year	**(143,600)**	(140,416)
New deferrals in the year	**141,716**	135,600
Carried forward as at 31 December 2024	**1,077,716**	1,079,600

The deferred income balance represents:

- Service agreement income relating to periods after 31 December 2024 of £141,716 (2023: £135,600); and

- Deferred lease premium income relating to the Highshore lease, split between £8,000 included in creditors falling due within less than one year (2023: £8,000) and £928,000 included in creditors falling due in more than one year (2023: £936,000).

15 Analysis of group funds

Analysis of group net assets between funds

	General funds £	Designated property fund £	Restricted funds £	Endowment funds £	2024 Total funds £
Tangible fixed assets	—	859,645	—	—	859,645
Listed investments	4,035,243	—	814,688	170,085	5,020,016
Investment properties	—	16,264,911	—	265,089	16,530,000
Net current (liabilities) assets	(909,095)	(549,305)	2,613,109	773,489	1,928,198
Non-current liabilities	—	—	—	(928,000)	(928,000)
	3,126,148	16,575,251	3,427,797	280,663	23,409,859

	General funds £	*Designated property fund* £	*Restricted funds (restated)* £	*Endowment funds* £	*2023 Total funds (restated)* £
Tangible fixed assets	—	*1,055,123*	—	—	*1,055,123*
Listed investments	*4,292,388*	—	*833,294*	*175,716*	*5,301,398*
Investment properties	—	*16,380,107*	—	*249,893*	*16,630,000*
Net current (liabilities) assets	*(1,028,772)*	*(325,429)*	*4,058,515*	*775,480*	*3,479,794*
Non-current liabilities	—	—	—	*(936,000)*	*(936,000)*
	3,263,616	*17,109,801*	*4,891,809*	*265,089*	*25,530,315*

Reconciliation of funds

	Balance at 1 January 2024 (restated) £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	Balance at 31 December 2024 £
Endowment funds	265,089	16,574	(1,000)	—	—	280,663
Restricted funds						
External maintenance scheme	175,503	648,572	(904,234)	—	40,000	(40,159)
VASCA capital funds	2,843,662	5,146,803	(6,419,208)	—	—	1,571,257
Other restricted funds	1,872,644	238,801	(214,746)	—	—	1,896,699
	4,891,809	6,034,176	(7,538,188)	—	40,000	3,427,797
Designated funds						
Property fund	16,867,130	—	(191,879)	(836,321)	736,321	16,575,251
Croydon St Andrews Fund	242,671	—	—	—	(242,671)	—
	17,109,801	—	(191,879)	(836,321)	493,650	16,575,251
General funds (including trading funds of £11,753)	3,263,616	2,342,749	(2,084,834)	138,267	(533,650)	3,126,148
Total unrestricted funds	20,373,417	2,342,749	(2,276,713)	(698,054)	(40,000)	19,701,399
Total funds	25,530,315	8,393,499	(9,815,901)	(698,054)	—	23,409,859

15 Analysis of group funds (continued)

	Balance at 1 January 2023 (restated) £	*Income* £	*Expenditure* £	*Gains/ (losses)* £	*Transfers* £	*Balance at 31 December 2023 (restated)* £
Endowment funds	*249,893*	*16,196*	*(1,000)*	—	—	*265,089*
Restricted funds						
External maintenance scheme	*64,174*	*640,211*	*(468,882)*	—	*(60,000)*	*175,503*
VASCA capital funds	*3,101,049*	*5,135,518*	*(5,392,905)*	—	—	*2,843,662*
Other restricted funds	*1,872,461*	*154,617*	*(154,434)*	—	—	*1,872,644*
	5,037,684	*5,930,346*	*(6,016,221)*	—	*(60,000)*	*4,891,809*
Designated funds						
Property fund	*17,059,007*	—	*(191,877)*	—	—	*16,867,130*
Croydon St Andrews Fund	*124,675*	*117,996*	—	—	—	*242,671*
	17,183,682	*117,996*	*(191,877)*	—	—	*17,109,801*
General funds (including trading funds of £11,755)	*2,881,462*	*2,003,679*	*(1,881,806)*	*200,281*	*60,000*	*3,263,616*
Total unrestricted funds	*20,065,144*	*2,121,675*	*(2,073,683)*	*200,281*	*60,000*	*20,373,417*
Total funds	*25,352,721*	*8,068,217*	*(8,090,904)*	*200,281*	—	25,530,315

Endowment funds represent a fund held under a Section 86 order and a fund set aside under a charity order to develop Church of England education.

The **External Periodic Maintenance Scheme** is a scheme developed by the charity on a voluntary subscription basis to ensure that all the schools in the Diocese can maintain the external fabric and structural elements of their buildings. The fund balance carried forward represents the accumulation of income over expenditure which is available to meet the Governors' 10% liability for ongoing schemes of maintenance works.

The **Diocesan grant restricted fund** relates to funding provided by the Diocese of Southwark to fund a specific post and chaplaincy support.

Other restricted funds represent assets arising from the disposal of redundant school buildings to be deployed by the Southwark Diocesan Board of Education under Section 554 of the Education Act 1996. Such funds can be deployed (directly and indirectly) for the development of existing schools or the provision of new schools within the Diocese of Southwark. Such Schools are to follow the tenets of the Church of England.

The **designated property fund** represents the net book value of the fixed assets and investment properties at the balance sheet date.

The **designated Croydon St Andrew's fund** represents income received from the rental of the St Andrew's school building. Responsibility for the school was passed to the London Borough of Croydon during the year and the accumulated balance (£242,671) accrued has been moved to the unrestricted fund.

15 Analysis of group funds (continued)

VASCA fund - The school building projects fund represents the income received from the VASCA grant from the Department for Education and the associated commitment on the fund. The funds are restricted to capital and maintenance projects at the schools. VASCA funds must be committed to projects or returned to the DfE if not committed within two years of the grant date.

16 Conduit funds – capital projects

	2024 £	2023 £
Income	**2,243,257**	2,306,119
Expenditure	**(2,243,257)**	(2,306,119)
	–	–

The income figure represents funds receivable from Devolved Formula Capital from schools and Governor and Local Authority Contributions to building projects, while the expenditure figure represents supplier and contractor costs incurred and committed during the year. Unspent committed costs are realised in the forthcoming financial year and represent timing differences in acquiring the funds with their related expenditure. These funds are not included in the charity's balances; the charity acts as agent of school governors and local authorities, managing the funds on their behalf.

The Conduit Fund exists to channel funds sourced from the public sector into capital and maintenance projects in schools; it posts no profit and all its funds are committed. Additionally, as at 31 December 2024 the charity owed £nil to the conduit fund in respect of purchase invoices outstanding (2023: £1,634,662). Separately, amounts held on behalf of schools as part of the Devolved Formula Capital Scheme (which are ultimately destined for the conduit fund) were £3,277,680 at 31 December 2024 (2023: £3,612,816). These funds represent agency cash balances in the charity and are not included in the charity's fund balances.

17 Pension and similar obligations

The Group's employees belong to two principal pension schemes, the Teachers' Pension Scheme (TPS) and the Church of England Church Workers Pension Fund (CWPF), which are of the hybrid type, the assets of the schemes being held in separate Trustee administered funds. Both the TPS and CWPF fund assets are not apportioned to individual employing bodies in the fund and therefore both constitute collective defined benefit pension/hybrid schemes under Financial Reporting Standard 102: Section 28 – Employee Benefits. The total pension cost was £207,280 (2023: £211,670). There were no creditors falling due within one year at either 31 December 2024 or 31 December 2023.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers and lecturers who are or have previously been employed at eligible institutions. Teachers and lecturers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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.

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.

- Employer contribution rates set at 28.68% of pensionable pay from April 2024 (previously 23.68%).
- The employer's pension costs paid to TPS in the year amounted to £154,278 (2023: £103,796).

Church of England Church Workers Pension Fund

Valuation of the Church of England Church Workers Pension Fund
Southwark Diocesan Board of Education (DBS) participates in the Defined Benefits Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

CWPF has two sections:

1. The Defined Benefits Scheme
2. The Pension Builder Scheme, which has two subsections;

a. deferred annuity section known as Pension Builder Classic, and,

b. cash balance section known as Pension Builder 2014.

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

For funding purposes, DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2024: £47,601; 2023: £107,873). There was no additional charge in relation to the DBS deficit in either 2024 or 2023.

From July 2024 as the DBS closed to new accruals in July 2024 and the Pension Bulder Classic (PBC) took over for all employees on the scheme, the employer contribution (30% of pensionable salary) along with administrative charges were deducted from the surplus within the Employer's section of the PBC fund. The Board has chosen to set aside an equivalent employer's contribution to build a reserve such that when the scheme surplus is exhausted, the employer contribution can be funded with cash contributions in a phased way. If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as hybrid schemes. Pension Builder Classic provides a pension, 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. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2022. For the Pension Builder Classic section, the valuation revealed a surplus of £34.8m on the ongoing assumptions used.

At the most recent annual review effective 1 January 2025, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 2.7% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2024. There is no requirement for deficit payments at the current time. The next valuation is due as at 31 December 2025.

18 Related party transactions

The Southwark Diocesan Board of Education is a company limited by guarantee. The results and balance sheet of Southwark Diocesan Education Services Limited (SDES) are consolidated into these financial statements. The Southwark Diocesan Board of Education has taken advantage of the exemptions in FRS 102 and has not reported transactions between it and SDES.

During the year ended 31 December 2024, the group received grant funding amounting to £386,430 (2023: £373,701) in respect of the Diocesan Measure and lettings income of £12,253 (2023: £20,726) from the Southwark Diocesan Board of Finance and South London Church Fund, which is a related party as a result of sharing a number of Trustees with the charity. At the year end, the charity owed £nil (2023: £ nil) to the Diocesan Board of Finance in respect of a loan used partly to fund the early development of SDBE Multi-Academy Trust (note 14).

During the year ended 31 December 2024, the group received income of £12,186 (2023: £11,832), including VAT, from Bacons College in respect of the provision of a service level agreement. £nil was owing at 31 December 2024 (2023: £nil). Bacon's College is a related party as a result of sharing a number of Trustees with the charity.

During the year ended 31 December 2023, the group received income of £92,351 (2023: £76,533) including VAT from the SDBE Multi-Academy Trust in respect of the provision of a service level agreement. As at 31 December 2024, £6,425 remained to be received (2023: £19,438). SDBE Multi-Academy Trust is a related party by virtue of the fact that it shares a number of trustees with the charity.

19 Funds held as agent

During the year, the charity acted as an agent, with interest receivable £6,553 (2023: £7,181) being paid into accounts held on behalf of various Schools under the aegis of the Diocese of Southwark. No amounts were paid over to these schools in either year. At the year end, balances of £173,978 were held in designated bank accounts separate from the charity and trading subsidiary's designated bank accounts (2023: £167,424). As the Trustees have no responsibility for the application of these funds, the income and bank balances have been excluded from the financial statements.

20 Members

The company is limited by guarantee and the liability of the members is limited to an amount not exceeding £1.

21 Restatement in relation to prior accounting periods

During the year ended 31 December 2024 the charity reviewed the transactions with the Conduit fund and identified a credit note for £266,706 in relation to a VASCA project at 31 December 2022 which had been credited to the Conduit fund rather than to the charity. As this related to work done in 2022 a prior year adjustment has been made to credit this to opening reserves at 31 December 2022 rather than recognising the income in 2024. The impact of this has been to increase other debtors and restricted funds at 1 January 2023 and 31 December 2023 by £266,706.

22 Consolidated statement of financial activities – Year to 31 December 2023

	Notes	Unrestricted funds: General funds £	Unrestricted funds: Designated funds £	Restricted funds (restated) £	Endowment funds £	Total 2023 (restated) £
Income and endowments from:						
Grants and donations	1	361,396	—	5,165,687	—	5,527,083
Charitable activities	2	122,920	—	640,211	—	763,131
Other trading activities	3	522,183	—	—	—	522,183
Investments	4	997,180	117,996	124,448	16,196	1,255,820
Total income		2,003,679	117,996	5,930,346	16,196	8,068,217
Expenditure on:						
Raising funds	5	437,752	—	—	—	437,752
Charitable activities	6	1,444,054	191,877	6,016,221	1,000	7,653,152
Total expenditure	7	1,881,806	191,877	6,016,221	1,000	8,090,904
Net (expenditure)/ income before investment gains and losses		121,873	(73,881)	(85,875)	15,196	(22,687)
Unrealised losses on investment properties	11b	—	—	—	—	—
Net (losses)/gains on listed investments	11a	200,281	—	—	—	200,281
Net (expenditure) / income before transfers		322,154	(73,881)	(85,875)	15,196	177,594
Transfers between funds	15	60,000	—	(60,000)	—	—
Net movement in funds	8	382,154	(73,881)	(145,875)	15,196	177,594
Reconciliation of funds:						
Funds brought forward at 1 January 2023 as previously stated		2,881,462	17,183,682	4,770,978	249,893	25,086,015
Prior year adjustment	20	—	—	266,706	—	266,706
Funds brought forward at 1 January 2023 as restated		2,881,462	17,183,682	5,037,684	249,893	25,352,721
Funds carried forward at 31 December 2023	15	3,263,616	17,109,801	4,891,809	265,089	25,530,315

SOUTHWARK DIOCESAN BOARD OF EDUCATION
Developing Church of England Education

Company limited by guarantee (00086641 England and Wales)
Registered charity (No. 313001)

THE SOUTHWARK DIOCESAN BOARD OF EDUCATION (INCORPORATED)

England & Wales - Charity number 313001

Accounts

COMPANIES HOUSE

SOUTHWARK DIOCESAN BOARD OF EDUCATION INCORPORATED

Developing Church of England Education

SOUTHWARK DIOCESAN BOARD OF EDUCATION INCORPORATED

Directors' Annual Report and Financial Statements

For the year ended 31 December 2023

Company limited by guarantee (00086641 England and Wales)

Registered charity (No. 313001)



SDBE Board meeting 16 November 2023

Registered & Principal Office:
48 Union Street
London SE1 1TD

WEDNESDAY
AD9Ø30DD
A14 07/08/2024 #37
COMPANIES HOUSE

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Start of Term Eucharist October 2023

Trustees	The Rt Revd Christopher Chessun (President) The Rt Revd Dr Rosemarie Mallett Martin Brecknell Elizabeth Broad Julia Corby – resigned July 2023 Helen Dixon Malcolm Edwards CBE – resigned July 2023 Prof Peter Flew – appointed Feb 2023 Ven Simon Gates Revd Annie Kurk Maria McBean Ekundayo Olomu Cheryl Payne – appointed July 2023 Eileen Perryer – resigned January 2023 Helen Poyton – appointed July 2023 Revd Tomos Reed Alberta Rosenior Dr Catharina Stibe Hickson Revd Ariadne van den Hof Revd Andrew Williams – resigned July 2023 Miles Winter Revd Erica Wooff Irene Wolstenholme
Senior leadership team	Roz Cordner (Director of Education) Pia Longman (Asst Director of Education) – appointed Sept 2023
Company secretary	Roz Cordner
Registered office	48 Union Street London SE1 1TD
Charity registration	313001
Company registration	00086641

Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	National Westminster Bank plc P.O. Box 3038 57 Victoria Street London SW1H 0HN
Solicitors	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB
	Moved to: Arbor 255 Blackfriars Road London SE1 9AX from October 2023



Eco Garden Christ Church Streatham Autumn 2023

Acronyms and definitions used throughout

CofE	Church of England
CEFEL	Church of England Foundation for Educational Leadership
CCLA	Central Board of Finance of the Church of England
CPD	Continuing Professional Development
DfE	Department for Education
DFC	Devolved Formula Capital
DIOCESE	The Anglican Diocese of Southwark
EDI	Equality, Diversity and Inclusion
FE	Further Education
FTE	Full time equivalent
HE	Higher Education
F/HE	Further & Higher Education
LA	Local Authority
MAT	Multi-Academy Trust
MOU	Memorandum of Understanding
NPQ	National Professional Qualification
PA	Partnership Agreement
RAFT	Retrofit Action for Tomorrow
RI	Requires Improvement
SDBE	Southwark Diocesan Board of Education **Incorporated**
SDBE MAT	Southwark Diocesan Board of Education Multi-Academy Trust
SDES	Southwark Diocesan Education Services
SMITF	St Martin-in-the-Fields
SMNUFT	St Mary Newington United Foundation Trust
OFSTED	Office for Standards in Education
SACRE	Standing Advisory Council on Education
SIAMS	Statutory Inspection of Anglican and Methodist Schools
SLA	Service Level Agreement
SLT	Senior Leadership Team
SOFA	Statement of Financial Activities
SAT	Stand Alone Academy Trust
VASCA	Voluntary Aided Schools Condition Allocation

Directors' Annual Report

The Board members, who are also Trustees and Directors for the purposes of charity law, have pleasure in presenting their annual report, together with the audited financial statements, for the year ended 31 December 2023.

OBJECTIVES AND ACTIVITIES

Background

The SDBE Charity exists to fulfil the statutory duties of the Diocese of Southwark for the education of the 37,000 children and young people attending its 103 schools. Within the diocesan family of schools, the SDBE provides advice, support and offers development of the distinctively Christian ethos is schools which remain inclusive and are here to serve their local communities. In addition, the SDBE provides support to chaplaincy in the HE/FE colleges and universities across the diocese.

Objectives

The purpose and objects of the Charity are set out in its two main constitutional documents:

i) The Diocesan Boards of Education Measure 2021; and
ii) The Articles of Association of the Southwark Diocesan Board of Education.

Shaped by these, the Charity's vision is expressed below:

- To enable the mission of God through the work of the Board;
- To be a high-performing Diocesan Board of Education, promoting excellence in education both locally and nationally;
- To develop and grow highly effective, inclusive Church of England schools rooted in Christian values;
- To celebrate and share the richness, quality and success of our schools and chaplaincies; and
- To offer exemplary service to our schools and chaplaincies.



Start of Term Eucharist October 2023

OBJECTIVES AND ACTIVITIES (continued)

Activities

The work of the SDBE runs within three key areas; Church School Effectiveness, Development of Chaplaincy in schools, colleges and universities, and development and growth. As such the charity advises governors of all its schools (VA, Foundation, MAT and SAT) on any matter affecting church schools in the diocese including, but not limited to development in the following areas;

- Supporting school improvement, professional development of teachers and school leaders, CPD for staff and governors, professional advice and pastoral care;
- Providing advice to any proposed changes to the status, viability and future of all schools (including significant changes);
- Approving all new building, alterations and refurbishments to Church School buildings;
- Appointing and supporting Foundation governors for all church schools;
- Advising and supporting governing bodies on the appointment of headteachers and senior staff;
- Receiving and considering the reports of all formal inspections (SIAMS and Ofsted) at all church schools, which are required to be carried out under the education act 2005; analysing outcomes and further development of support shapes the ongoing CPD and briefing to schools. Key headlines are shared with the Board and its committees;
- Providing Chaplaincy Development support across the seven HE and five FE institutions, in addition to the chaplaincy development and support that is given to our schools;
- Ensuring CofE representation at the 11 SACREs across the diocese; representation on LA Committees for Overview and Scrutiny (or equivalent democratic services meeting);
- Providing a comprehensive professional offer via The Partnership Agreement to all 103 schools including headteacher and senior leader meetings and annual conference;
- Structuring the advisory team to enable flexibility in offering additional support, training and development from year to year to meet any immediate needs in addition to the core offer;
- Overseeing building works and repairs in school buildings and managing school buildings for schools which have closed.

Public benefit

In pursuit of its operations and activities, the Trustees have paid due regard to the Charity Commission guidance on public benefit in deciding what activities the Charity should undertake. Our principal beneficiaries and service users at the Church of England schools and the students and staff of the universities and colleges located within the Diocese of Southwark. In practice, the relationship with our thirty-seven thousand children and young people in the maintained education sector throughout the Diocese of Southwark, in real terms we achieve this through the regular contact with school leaders and governors and in response to requests for advice and support via our Partnership Agreement for Church of England schools and academies and our relationship with the Southwark Diocesan Board of Education Headteacher Association.

ACHIEVEMENTS AND PERFORMANCE

Working with the Diocese

Commission on refugees

Work began in 2023 with Justice, Peace and Integrity of Creation (JPIC) to share and showcase the work of SDBE schools across the Diocese who have welcomed and supported refugees from across the world. Three SDBE schools; All Saints' Church of England Primary School, Croydon, St Dunstan's Church of England Primary School, Cheam, and St Gabriel's College, Lambeth, gave evidence at the Commission on the Integration of Refugees' South London Local Engagement Hearing. The Commission hearing provided an opportunity for schools to share the integration, wellbeing, educational and community work they have been doing as well as highlight some of the challenges facing schools. The evidence will be used to support the Commission's report and recommendations for changes to the way the UK processes and supports refugees and asylum seekers. The Commission hopes that these recommendations will be adopted by policy makers and will result in tangible changes to the current system.

Living in Love and Faith (LLF)

The Board continued its work with diocesan staff on Living in Love and Faith (LLF) bridging the gap between church and school to provide information on how schools are led by the Equality Act 2020.

Growing Faith

The work between churches and schools in the Diocese this year continued to be supported through the Growing Faith group, a partnership between the Diocesan Children and Young Peoples Team (CYP) and the SDBE. Growing Faith is a movement that exists to put children, young people and families 'instinctively at the heart of all the mission and ministry of the Church by changing the culture of the Church of England'. The group updated and re-circulated the Twelve Ways Churches and Schools Work Together document, met with Deans of Fresh Expression and Dean Estates Ministry and gathered and shared good practice. A new Diocesan Growing Faith Committee was established, building on the steering group with CYP and SDBE. The Committee is chaired by Moira Astin, Archdeacon of Reigate.

Wellbeing and Chaplaincy

Further and Higher Education Chaplaincy networks continued locally and nationally in 2023. A cross-London Suicide Bereavement training day was hosted by the SDBE in April. Another successful Chaplaincy Summer Gathering took place in July.

The SDBE start of the academic year Eucharist in October 2023 saw an enhanced role for chaplains within the service, raising the profile of chaplains within the SDBE scope of work and for the schools.

Mental Health in Schools

There was an increase in opportunities for mental health leads in schools in 2023. The contemplative toolkit, Space Makers, continued to be used and ten people were trained, who in turn have passed the strategies on to others. Connections with mental health contacts in local authorities were strengthened. There was notable development in relationships between school and church.

ACHIEVEMENTS AND PERFORMANCE (continued)

Eco and Climate Justice

This year saw the SDBE review and agree its Environmental Policy in line with Diocesan policy.

Eco training focussed on sustainability and climate justice. Many schools worked closely with their parish church to ensure that the eco agenda and climate justice remained a priority, for example taking part in the Christian Aid 'Get creative for climate justice' project. Working with schools to sift the vast amount of information in the public domain is one of our key roles so that schools can actively engage with Carbon net zero projects and decarbonisation plans for their schools. The National Nature Park has come on-stream and is a virtual park for schools to contribute to: 'The National Education Nature Park and Climate Action Awards empower children and young people to make a positive difference to both their own and nature's future'. In addition, some schools engaged with the Ministry of Eco Education, an organisation promoting eco education throughout the curriculum. Our climate justice unit has been used in several schools as part of our raising awareness of the wider world. Projects in development throughout 2023 include a more comprehensive 'count your carbon' tool developed by Keep Britain Tidy, the Church of England and several other partners which gives the diocese a clear picture of the position schools are in and how they are tackling the whole sustainability agenda.

Work continued with the Salix Public Sector Decarbonisation Scheme Award, with amendments to scope. Awards of £11.6 million and £1.3 million were channelled through the SDBE in 2021 & 2022 to be used to install air source heat pumps, carry out insulation improvements, install LED lighting, solar panels and solar thermal across 62 schools as well as the SDBE HQ. These awards benefitted both academy and VA schools. Our schools' gas use will be greatly reduced via a hybrid system in which electric heat pumps will provide most of the heat input (using greener electricity). The final commissioning of the pumps was severely delayed. A recovery plan was finally agreed with the main contractor for the heat pumps in Autumn 2023.

Salix Low Carbon Skills Fund awarded an amount last year to undertake a desktop-based strategic plan for all our VA schools and a pilot programme of detailed heat decarbonisation plans for 13 pilot schools and the SDBE HQ. Working with Retrofit Action for Tomorrow (RAFT), a not-for-profit architectural practice, specialising in net zero retrofit – the high-level plan and detailed feasibility plans for a range of school building typologies (Victorian, Edwardian, post-war etc.) were completed in March 2023.

Working with RAFT again, the Board was successful in securing £30,000 from the Mayor for London's Community Energy Fund funding for an energy efficiency evaluation for Coulsdon C of E School and for a series of pupil and staff net engagement training across five primary schools in Croydon, Lambeth, Southwark and Wandsworth.

ACHIEVEMENTS AND PERFORMANCE (continued)

Equity Diversity and Inclusion (EDI)

Throughout 2023, SDBE continued to make progress and develop in equity, diversity and inclusion with significant achievements both in-house and in supporting our schools with approaches and embedding good practice.

A key area of work was on raising the profile of and understanding of equity through sharing and promoting the diocesan Anti-Racist Charter. This included creating new training for governors, expanding development opportunities for school leaders and growing our partnership with the National Education Leaders of Racial Justice at the Church of England. The team created bespoke training for schools which recognised schools' individual journeys and needs in EDI. For example, leading a twilight session at St Saviour's and St Olave's School exploring their identity in light of the '"significant cultural and structural change" on issues of racial justice within the Church of England (From Lament To Action, Church of England Anti-racism taskforce, 2020).

SDBE instituted a Headteachers' Steering Group working with its Advisers to raise the profile of this key strategic priority and engage our schools across the Diocese. The group will also be a vehicle to engage with excellent work which is being undertaken in some of our local authorities. To increase opportunities and grow future leaders, SDBE continues to support accredited training and qualifications for school staff and leaders from UKME/GMH backgrounds. Two key areas of focus are promoting the SDBE delivery of National Professional Qualifications (NPQ) with the Church of England and 'Leaders Like Us' in our schools.

SDBE also focused on shaping curriculum design to support equity, diversity and inclusion. A comprehensive review of the primary RE syllabus was conducted through an EDI lens. This ensured wider opportunities for deeper learning and exploration of equity and diversity in different strands in RE. New units of learning on racial justice and social justice were written and piloted in schools.

A new SDBE equity statement was completed for use on all SDBE materials and recommended to schools for recruitment and marketing materials.

Governance

In 2023 work continued in supporting governing boards to be effective, supportive, challenging and impactful.

There are 10 schools participating in the 2023-24 Bishop's Certificate in School Governance, and a full programme of sessions open to all governors continued during 2023.

Advisers continued to provide bespoke sessions for governing bodies on recruitment, financial management and restructuring.

SIAMS and Ofsted inspections

There were 29 Ofsted inspections and 9 SIAMS inspections across the year.

Summary of School Ofsted inspection grades in 2023 and to 31 December 2023 in total

1 school = 0.96%	No. of schools	Good or better	Outstanding	Good	RI	Inadequate
No of schools Inspected	29	27	3	24	2	0
No of schools/ % 2022-2023	103 total	**100/ 97%**	**19 / 18%**	**81 / 79%**	**3 / 3%**	**0 / 0%**

Summary of School SIAMS inspection grades under the old framework in 2023

	No. of Schools Inspected	Good or better	Excellent	Good	RI	Ineffective
No of schools	**7**	**7**	**5**	**2**	**0**	**0**

Summary of School SIAMS inspection grades under the new framework in 2023

	No. of Schools Inspected	J1 : The school is living up to its foundation as a church school.	J2 : The inspection findings indicate that the school has strengths, but that there are also issues that leaders need to address as a matter of priority. *(Priorities are listed)*
No of schools	**2**	**2**	**0**

We supported schools to improve outcomes for all, through CPD, including the NQP Flex in schools and helping to develop school leaders of the future.

Advisers continued to support schools through SIAMS reviews using the opportunities provided by the new framework to ensure all aspects of provision were and continue to be shaped by a deeply rooted, theological vision that sustains the school through periods of challenge and success.

CPD including NPQs

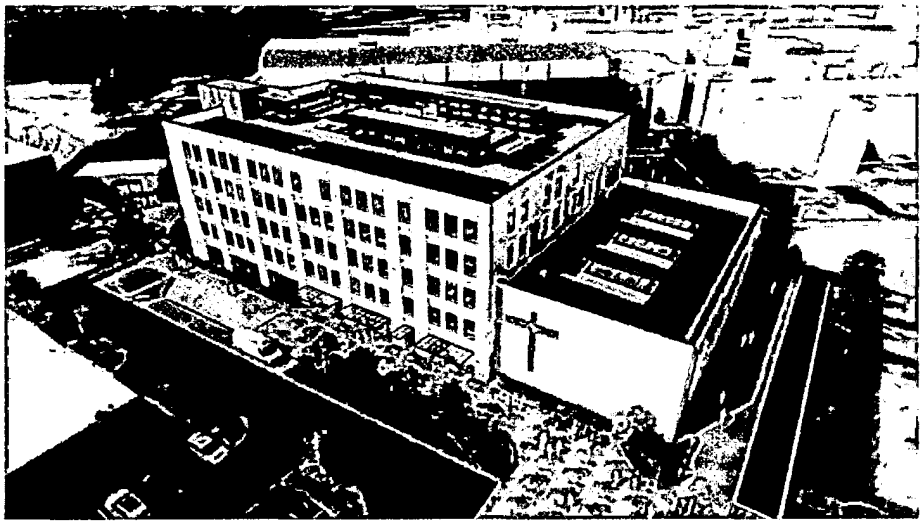
The Board ran a full programme of training sessions for staff and governors in 2023 whilst also encouraging the Union Street staff team to further their training at every opportunity.

In 2023 The SDBE became an NPQ delivery partner for CEFEL and all programmes had successful launches. Sessions began running for the National Professional Qualification in Senior Leadership (NPQSL).

ACHIEVEMENTS AND PERFORMANCE (continued)

School Buildings

Design work on the new six-form entry 11-16 VA Secondary school in Kingston began in earnest in 2023. A series of detailed design workshops were held with the DfE and their contractor. Board officers and the headteacher of Christ's School, participated, with further advice given by the schools' team, for specialist provision and ICT. Following these workshops and pre-planning design reviews, with an independent panel reporting to Kingston's Planning Officer, an application was submitted in November 2023. A decision is due in spring 2024.



Proposed design for new Kingston School

Works began on the expansion from infant to primary school at St Peter and St Paul's, Chaldon in August 2023. We are grateful to Surrey County Council for the funding and delivery of this project.

As part of a developer-funded scheme for Wandsworth Council, St George's C of E Primary School, Battersea is to be relocated in a new school building at Nine Elms. It will be co-located with 20,000 new homes, community, and leisure facilities on a 562-acre site. The school will be two-form entry, with nursery and community space. The current future of the current St George's site (land vested in the SDBE) is to be agreed. Construction started with an expectation to complete in spring 2026.



Design for St George's Nine Elms site

ACHIEVEMENTS AND PERFORMANCE (continued)

Financial sustainability

In 2023, in response to the changing school landscape, the SDBE increased its work in supporting schools to achieve financial sustainability. This work has included supporting individual schools to develop budget plans, training for governors and leaders on future proofing schools through financial sustainability and supporting schools to development and strengthen partnerships across the diocese.

Partnerships and Secondments

The SDBE recognises the considerable benefits school partnerships offer and in 2023 the SDBE continued to support governing bodies to develop strong and sustainable partnerships alongside providing training for governing bodies looking to explore this as a future option. There are currently 16 schools working within 7 different partnerships across the diocese. Although each partnership takes on a different form, all benefit from shared staffing models which not only help to manage finances but also add capacity for school improvement.

Alongside supporting schools to develop more formal partnerships, the SDBE has continued to support schools with maximising the benefits of secondments. Secondments provide opportunities to share staffing costs and expertise while providing staff with a pathway to further develop their skills in multiple settings. Given the difficulties in recruitment and pressure on school finances the use of secondments has proven to be a valuable tool in helping to add stability and capacity where needed.

Admissions

In 2023 work continued in offering support and guidance on admissions and appeals and assisting governing boards in drawing up admission arrangements which meet local circumstances and are compliant with the admissions code.

Our admissions guidance assists governors when considering church related aspects of admissions.

Collective Worship

Southwark Cathedral housed the Leavers Services for Year 6 pupils who were leaving their primary schools to move onto secondary schools. The services are a chance for the pupils to give thanks to God for their time in their Church of England primary school and to ask God to travel with them as they moved onto secondary school and beyond. We held eight services across June and July.

Schools contributed to our services by offering sacred spiritual music, words or liturgical dance around the theme of 'faithfulness' to our worship, interpreting the theme in different ways that inspired them at this time in their lives and would guide them in their futures.
The services were well supported by the Cathedral Chapter and Bishops. We are so grateful that the Bishop of Woolwich, Bishop Karowei, was able to be with us at two of our services to affirm us all and share his irrepressible, joyful and hopeful message of faithfulness with our leavers.

ACHIEVEMENTS AND PERFORMANCE (continued)

Human Resources

We welcomed 10 new school leaders in September 2023 and have 7 partnership/school support arrangements in place.

The first SDBE and Schools Staff Survey focused on inclusion and was published and shared with all stakeholders during the spring term, capturing base-line EDI data from which to measure progress over time.

The SDBE staffing review, including re-evaluation and benchmarking of roles, updates to job descriptions and the re-shaping of some roles, was completed. As we ended the year, we were fully staffed, ensuring the Board's services are fit for future user needs.

Working with schools on sustainability, guidance on 'right sizing teams and pay' was developed and shared with our schools through the summer and autumn of 2023. This area of strategic support will continue to evolve. Support has been provided for individual and/or partnerships of schools, including; job benchmarking, job evaluation, achieving increased rigour in performance management (value for money), restructures, school reorganisations and staffing reductions.

By the end of 2023 we had established a resource bank of professionals who can provide coaching, mentoring and supervisory support to our school leaders, we had provided and/or brokered support for 10 school leaders in year and delivered 6 training sessions with a focus on wellbeing for leaders and governors.

Religious Education

2023 saw the beginning of the review of the Primary RE Diocesan Syllabus for Religious Education.

The first phase saw many of the teaching units having EDI and climate justice strengthened or explicitly included in them, and updated resources. The second phase involved a review of the syllabus with units being framed differently through different lenses of believing, thinking and living. The reviewed syllabus will be piloted in some schools and implemented from September 2024.

We offered a new 'InspiREd' training programme, a development programme aimed at RE Subject Leaders in Church of England schools who want to develop their skills to ensure they are strategic, have an impact on the whole school and are driven by the school's distinctive Christian vision to become 'strategic, impactful and flourishing leaders'. It is based around the four elements of 'Deeply Christian, Serving the Common Good,' Church of England Vision for Education: wisdom, hope, community and dignity. All five days were well attended, and delegates grew in their leadership understanding.

The provision of RE in secondary schools was supported through regular visits to schools and teacher-led networks with RE Heads of Department. In addition, a Year 12 RS A Level Study Day was held at Union Street involving a university chaplain and lecturer looking at Liberation Theology. Four secondary RE leaders completed the aforementioned InspiREd RE leadership course, a course delivered and developed in collaboration with St Alban's Diocese. The aim being to equip leaders and encourage greater prominence to RE in schools.

FUTURE PLANS

Board Structure

Under the new Diocesan Measure, from 1 January 2023 the structure of Board was reviewed. The size of the Board was reduced from a possible membership of 32 to a maximum of 19, to bring it line with the other Diocesan Departmental Boards. The Board has reduced in size. This has eliminated longstanding vacancies and subsequent inefficiencies. There is also an ongoing commitment to recruit Board members so that the make up of the Board reflects the diverse community we serve. Our governance structure is subject to the same baseline assessments for EDI that we are conducting with our schools and HE/FE colleges.

Representation

The revised articles of association sharpen the focus on roles and responsibilities for Board members, particularly around attendance; this will ensure committees can function well, knowing that Members are able to commit to engage as required, with any non-attendance managed efficiently. We will complete the review of the terms of reference for each Board Committee so that they align with the new articles of association and secure strong structures for each committee.

The hope is the next triennium will see a change in the membership of the Board that reflects the school and college communities that we serve.

Recruitment

Following the shared Diocesan/Board recruitment drive to attract more UKME applications and appointments, recruitment panel structures have also been reviewed with a commitment to ensure that representation of the panel reflects the diversity we wish to see across the organisation.

Changing Landscape and Falling Pupil Rolls

Given the dramatic fall in the number of pupils attending school across Lambeth and Southwark in particular, our strategy to respond to surplus pupil places will be developed during the spring. We have secured a secondment to increase our team capacity to conduct some focused 1:1 work with schools to expand our central knowledge base. We will routinely collect information around pupil numbers, school finances, the quality of the school estate, staff structures and local context as well as the links with the local church. This will create an enhance schools risk register that will provide us with a RAG rating system to shape how we utilise our resources most effectively.

Given the context we are in with successful schools and a mix of VA and academies, the offer we currently have provides the space for any school wishing to become an academy; our SDBE MAT. However, it does not, as it stands, offer all of the answers around the place for SATS or schools with a different foundation. The SDBE commissioned an initial review to provide oversite of the range and offer of MATS across the country. This will be completed in the spring term and reviewed in the summer by the joint Board/Trust strategy group and work with schools over the summer term to shape the Diocesan school organisation strategy.

New Primary Religious Education Syllabus

Following the changes in curriculum development and delivery that were accelerated during Covid, we recognised the need to review the RE syllabus for primary schools. This will be implemented in schools from September 2024.

FUTURE PLANS (continued)

Maximising investment property assets
The process of retrofitting the four-storey office building at Exton Street, which brings the greatest income across all properties, will continue into 2024. This is a 3-year improvement plan including a new roof and new windows and ensuring that the building meets the green energy requirements of we have as landlords. Work on a full estate management plan to include all investment properties as well as the 28 Union Street offices will continue.

Project Management
We will continue to review the VA-SCA committee structure and revise the terms of reference to expand membership of the committee; the process for managing annual bids is also due for review having run for 3 years there are some specific themes to be addressed, particularly around consistency of bids and fragmented central records on the state of some school estate.

Managing school estate in a period of declining roll
Historically the demand for school places has always fluctuated With SDBE having to manage the challenge of over-supply in 2023. While there is no guarantee that demand will increase in the future, there is a need to actively manage the estate to ensure meeting current and future demand. The decline in roll reduces income to both schools and the Board, which will effect both partners ability to offer the range and quality of current offers. There is a need to specifically plan to develop a vacant/vulnerable school buildings strategy ensuring we benefit from the lessons learned from previous closures.

The Board is therefore actively looking at opportunities for partnership at the local and national level to find ways to support our schools by;

- Brokering suitable co-location partnerships with stakeholders in the public and private sector.
- Working with the DfE to identify suitable sites for the co-location of Private, Voluntary and Independent nursery providers.
- Where there is a robust business plan and funding available, working with schools to establish or extend nursery provision.
- Working with the Diocesan Board of Finance to explore opportunities for the synergistic rationalisation of church and school buildings and, potentially, to address collective aspiration for a "net zero" estate.
- Working with Local Authority partners to help schools broker agreements to extend Special Educational Needs and Disabilities (SEND) provision.
- Finding suitable partners to occupy closed school sites at low or no cost, on a longer-term interim use basis.
- Exploring opportunities to redevelop or rationalise land use in schools with falling roll with a suitable development partner. This might include a mix of new housing and interim use, with the capital receipt from a housing deal being used to refurbish and remodel the school. The interim use could potentially provide an income for the school and the capital receipt be used to partly fund adaptions for a long-term co-location arrangement. In this scenario, SDBE would seek to ensure the remodel was a flexible design for future re-expansion, or a future change in interim use.

INVESTMENT POLICY AND PERFORMANCE

The Board of Trustees' investment powers fall under the Trustee Act 2000 and the Memorandum and Articles of Association in which clause 3.21 states: 'Trustees may deposit or invest funds in any manner including without limitation with a view to:

(a) Directly furthering the charity's purpose;
(b) Achieving a financial return for the charity; or
(c) Achieving both of the objectives described at (a) and (b) above in accordance with and provided that the Trustees comply with their duties under part 14A of the Charities Act

(but to invest wholly or partly with a view to achieving a financial return only after obtaining such advice from a Financial Expert as the Trustees consider necessary and having regard to the suitability of investments and the need for diversification)'

Portfolio Performance (01/01/23 to 31/12/23)

Low Risk Portfolio	+7.12% (2022: -9.46%)	Comparative benchmark	+6.56% (2022: -10.62%)
Comparative benchmark	+6.94% (2022: -4.79%)	Medium to High-Risk	+10.08% (2022: -16.50%)
Low to Medium Risk Portfolio	+5.83% (2022: -12.21%)	Comparative benchmark	+9.01% (2022: 08.18%)

In 2023, investment portfolios performed well overall, with most returns coming in the fourth quarter. The Low to Medium risk portfolio slightly underperformed due to a 'Responsible Investment Service (RIS)' overlay. The year saw positive developments in equity markets driven by AI technology, but also heightened geopolitical risks. Central banks played a crucial role in managing economic growth and stability amidst rising interest rates. The macroeconomic outlook remains uncertain due to various factors like inflation, geopolitical risks, and fast-changing technology.

Equities experienced fluctuations between optimism and pessimism, prompting a balanced approach between value and growth investment styles. With moderating inflation, there was a slight increase in target duration for fixed income investments, favouring investment grade over high yield. Alternative income was reduced to increase fixed income allocations, while maintaining exposure to structured return products for diversification. Geopolitical factors, trade tensions, and energy policies were significant considerations impacting market sentiment and volatility.

Given the economic and geopolitical uncertainty, portfolios are positioned to adapt to various scenarios, aiming for balance and staying invested without backing a single sustained outcome.

Our top investment risks include:

- Inflation - should inflation pressures prove to be sustained, or become ingrained in the economy more broadly, including wages, this could curtail central banks' room for manoeuvre. This could risk a still-further tightening of monetary policy, with interest rates higher and for longer than expected.
- Policy Error - governments and central banks face the risk of unintended policy errors as they seek to transition their economies away from unprecedented pandemic levels of fiscal and monetary support, as evidenced by the concerns over financial systemic stress contagion earlier in 2023.

FINANCIAL REVIEW

The SDBE is established as a charitable incorporated body to fulfil a range of duties and responsibilities. Total income of £8,068,217 (2022: £8,879,019) was received during the year. During 2023, income included £nil (2022: £700,000) of donated assets and £5,135,518 (2022: £5,575,019) of Voluntary-Aided School Condition Allocation (VASCA) grant funding. Including these amounts, operational income for the year was derived from the following sources:

- Schools (Service agreements and related income): £499,514 – 6% (2022: £492,865– 4%)
- Maintenance scheme subscriptions: £640,211 – 8% (2022: £595,980 – 7%)
- Diocesan Grants: £373,701 – 5% (2022: £348,312 – 4%)
- Lettings and Investments: £1,255,820 – 16% (2022: £1,000,584 – 11%)
- VASCA and other income: £5,298,971 – 66% (2022: £6,441,278 – 74%)

To fund the discharge of its day-to-day outgoings in the delivery of The Diocesan Measure (as distinct from its work connected with building works at the schools), the charity depends on the grant received from the Diocese of Southwark, which amounted to a total grant of £373,701 (2022: £348,312) for the year, comprising £343,532 (2022: £336,795) core grant and £30,169 (2022: £11,517) of other grants.

The charity's operational activities are undertaken within its unrestricted general fund. The operational expenditure of the charity exceeded its operational income, resulting in a surplus of £121,872 (2022: deficit of £60,477) before taking into account net gains on listed investments of £200,281 (2022: net losses of £530,804) and transfers.

Transfers in and out of the unrestricted general fund included a transfer in of £60,000 from the external periodic maintenance restricted fund representing the costs of administering the fund (2022: £60,000), and net other transfers out of the fund totalling £nil (2022: net transfers out of the fund of £ nil). This gives, read together with realised and unrealised gains on the value of investments of £200,281 (2022: losses of £530,804), a net increase in the unrestricted (operational) funds of the charity for the year of £382,153 (2022: net decrease of £531,281).

Overall, there was a net increase in total funds of £177,594 (2022: net increase of £3,280,350), after also accounting for a decrease in restricted funds of £145,874 (2022: increase of £3,456,036), a decrease in the property fund of £73,882 (2022: increase of £346,118) and an increase of £15,196 in the value of endowment funds (2022: increase of £9,447).

The charity does not undertake external fundraising activities and has not received any complaints in respect of fundraising either directly or through the Fundraising Regulator during 2022 or 2023.

Southwark Diocesan Education Services Limited SDES

The charity operates a wholly owned subsidiary company, SDES Ltd. The company carries out a number of the charity's activities including the provision of services for schools in the diocese of Southwark and the provision of administrative services for the charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Diocese of Southwark

The Southwark Diocesan Board of Education is a separate registered charity, but it is an integral part of the Diocese of Southwark as a whole, fulfilling the diocesan statutory duty in respect of children's education and its commitment to chaplaincy development. It receives an annual grant from the Diocese through the DBF to fund the work of delivering the Diocesan Measure in the Board's schools.

Board and Committee structure

The members meet three times a year. There is an Executive Committee (Policy and Strategy) which meet more frequently comprising of the Chair of the Board and Chairs of the sub-committees and on occasion, the Chair of the SDBE MAT alongside other senior members of the Board's senior officers.

The Board has four further committees:

- Finance and Development Committee
- Schools Committee
- Further and Higher Education Committee
- Audit Committee

Key management personnel

Together with the Board members, the Diocesan Director of Education, Assistant Diocesan Director of Education, Financial Controller, Buildings and Capital Programmes Manager, and Office Manager are considered key management personnel by virtue of the fact that they are responsible for the day-to-day running of the Charity.

The Staffing Reference Group inform the Policy and Strategy Committee with regard to the annual pay award to staff.



STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Directors of the Board

The following were directors and members of the Southwark Diocesan Board of Education at the date of this report. All have served through 2023 except where indicated otherwise

Bishop of the Diocese (President)	The Rt Revd Christopher Chessun
Chair of the Board of Education	The Rt Revd Dr Rosemarie Mallett
Members appointed by the Bishop (up to 4):	
One must be a Bishop of an episcopal area within the diocese	The Rt Revd Dr Rosemarie Mallett
One must be an Archdeacon of an archdeaconry in the diocese	The Ven Simon Gates
	Martin Brecknell
	Vacancy
CROYDON EPISCOPAL AREA	
Croydon Archdeaconry	
Member of Diocesan Synod	Ekundayo Olomu
Clerk in Holy Orders	The Revd Annie Kurk
Lay Member	Vacancy
Reigate Archdeaconry	
Member of Diocesan Synod	Dr Catharina Stibe-Hickson
Clerk in Holy Orders	Vacancy
Lay Member	Vacancy
KINGSTON EPISCOPAL AREA	
Lambeth Archdeaconry	
Member of Diocesan Synod	The Revd Erica Wooff
Clerk in Holy Orders	Vacancy
Lay Member	Maria McBean
Wandsworth Archdeaconry	
Member of Diocesan Synod	Vacancy
Clerk in Holy Orders	Vacancy
Lay Member	Irene Wolstenholme
WOOLWICH EPISCOPAL AREA	
Lewisham & Greenwich Archdeaconry	
Member of Diocesan Synod	Vacancy
Clerk in Holy Orders	The Revd Ariadne van den Hof
Lay Member	Miles Winter
Southwark Archdeaconry	
Member of Diocesan Synod	Alberta Rosenoir
Clerk in Holy Orders	The Revd Tomos Reed
Lay Member	Vacancy
Other Members	
Principal of Whiteland's College (or deputy)	Prof Peter Flew – appointed Feb 2023
Chair of the Southwark Diocesan Head Teachers Association (SDHTA)	Julia Corby – resigned July 2023 Helen Poyton & Cheryl Payne (Co-Chairs) – appointed July 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Directors of the Board (continued)

Chairs of Sub-Committees:	
Policy & Strategy	The Rt Rev Dr Rosemarie Mallett
Schools	The Ven Simon Gates
Finance & Development	Malcolm Edwards CBE – resigned July 2023 Martin Brecknell (From July 2023)
Further and Higher Education	The Revd Andrew Williams – resigned July 2023 Rev Dr Daniel Eshun (from September 2023)
One member elected from each sub-committee:	
Schools	Elizabeth Broad
Finance & Development	Irene Wolstenholme
Further and Higher Education	Alberta Rosenoir
Co-opted Members (up to 4)	
/Secondary Headteacher	Helen Dixon
Primary Headteacher	Vacancy



Board Meeting November 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Directors of the Board (continued)

SDBE staff	
Diocesan Director of Education	Roz Cordner
Assistant Diocesan Director of Education	Pia Longman from Sept 2023
Financial Controller	David Coyle
Education Adviser	Rachel Phillips
Education Adviser	Gwynn Bassan from Sept 2023
Secondary Adviser and Governance Adviser	Dr Rachael Norman
Primary Religious Education, Worship and Spiritual, Moral, Social and Cultural Development Adviser	Shaun Burns
Secondary RE Adviser, Wellbeing, Mental Health and Character Education Adviser, and FE/HE Chaplaincy Development Officer	Fiona Foreman
Human Resources Adviser	Julie Richardson
Education Consultant	Sara Sanbrook-Davies
Buildings and Capital Programmes Manager	Paul Forrest
Buildings and Capital Programmes Assistant	Sally Chapman
Project Finance Manager	Fumbi Essiet from July 2023
Office Manager	Corrina Zukowska
Office Administrator	Nora Jeffal from July 2023
Office Administrator	Sheila Talbott
Caretaker	Gyorgy Szabo

RELATIONSHIPS WITH OTHER CHARITIES AND FOUNDATIONS

The SDBE has the opportunity to nominate a representative to the following educational charitable foundations, which support the provision and promotion of educational opportunity for children and young people through grants to organisations and individuals within the area of the Diocese of Southwark;

- Greenwich Bluecoat Foundation – Colin Powell
- Culham St Gabriel's Trust - Vacancy
- St Mary Newington United Foundation Trust (SMNUFT) – Roz Cordner

RELATIONSHIPS WITH OTHER CHARITIES AND FOUNDATIONS (continued)
It also has representation at:

- Saint Cecilia's – Roz Cordner
- SMITF – The Ven Simon Gates
- Bacon's – The Ven Jonathan Sedgwick
- REAch2 – Roz Cordner
- Anthem Trusts – Dr Rachael Norman

PRINCIPAL RISKS AND UNCERTAINTIES
The Trustees have overall responsibility for ensuring the charity has effective system of control and for maintaining appropriate accounting procedures and records that comply with legislative requirements and good practice. To this end the risk register is updated annually with any key actions followed through via the appropriate committees. It is reviewed by Trustees at least annually as part of corporate risk management. The principal risks faced by the charity include

- Falling pupil numbers
- Closure of schools and management of empty buildings
- Government policy changes
- Loss of data through hacking or other fraud attempts

STATEMENT OF TRUSTEES' RESPONSIBILTIES
The Trustees (who are also directors of the Southwark Diocesan Board of Education Incorporated for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure of the charitable group 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 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 United Kingdom and Republic of Ireland (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

STATEMENT OF TRUSTEES' RESPONSIBILTIES (continued)

- 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 that disclose with reasonable accuracy at any time of 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- so far as the Trustee is 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.

This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.

The above report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small entities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board of Trustees:

Right Revd Dr Rosemarie Mallett, Trustee

Mr Martin Brecknell, Trustee

Approved by the board on:

4 July 2024

Independent auditor's report to the members of Southwark Diocesan Board of Education *Incorporated*

Opinion

We have audited the financial statements of Southwark Diocesan Board of Education Incorporated (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the group statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows, and the notes to the financial statements, including the principal 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 group's and the charitable parent company's affairs as at 31 December 2023 and the group's 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 group 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. 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.

Conclusions relating to going concern (continued)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the charitable parent 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 Trustees' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Matters on which we are required to report by exception (continued)

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;
- the financial statements are not in agreement with the accounting records or returns;
- 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;
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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.

Responsibilities of Trustees (continued)

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

Auditor's responsibilities for the audit of the 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 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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognize non-compliance with applicable laws and regulations;
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the charitable parent 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 (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation); and
- 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 group's and the charitable parent company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of management as to 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.
- To address the risk of fraud through management bias and override of controls, we:
- performed analytical procedures to identify any unusual or unexpected relationships.

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

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- tested authorization controls on expenditure items, including staff expense claims, to check that all expenditure was approved in line with the group's and the parent charitable company's financial procedures;
- tested expenditure passing through the off-balance sheet conduit fund to check that it had been incurred in line with the funding agreement and had been appropriately authorized; and
- considered the controls and processes in place relating to the conduit fund, in particular those relating to the receipt and use of the new Voluntary-Aided Schools Capital Allocation funding stream.

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.

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

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

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

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.

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street, London, EC2V 6DL

Buzzacott LLP

Katharine Patel (Senior Statutory Auditor)

9 July 2024

Consolidated statement of financial activities incorporating an income and expenditure account

Year to 31 December 2023

	Notes	Unrestricted funds: General funds £	Unrestricted funds: Designated funds £	Restricted funds £	Endowment funds £	Total 2023 £	Total 2022 £
Income and endowments from:							
Grants and donations	1	361,396	—	5,165,687	—	**5,527,083**	6,641,854
Charitable activities	2	122,920	—	640,211	—	**763,131**	670,256
Other trading activities	3	522,183	—	—	—	**522,183**	566,325
Investments	4	997,180	117,996	124,448	16,196	**1,255,820**	1,000,584
Total income		**2,003,679**	**117,996**	**5,930,346**	**16,196**	**8,068,217**	8,879,019
Expenditure on:							
Raising funds	5	437,752	—	—	—	**437,752**	431,126
Charitable activities	6	1,444,054	191,877	6,016,221	1,000	**7,653,152**	4,356,739
Total expenditure	7	**1,881,806**	**191,877**	**6,016,221**	**1,000**	**8,090,904**	4,787,865
Net (expenditure)/ income before investment gains and losses		**121,873**	**(73,881)**	**(85,875)**	**15,196**	**(22,687)**	4,091,154
Unrealised losses on investment properties	11b	—	—	—	—	—	(280,000)
Net (losses)/gains on listed investments	11a	200,281	—	—	—	**200,281**	(530,804)
Net (expenditure) / income before transfers		**322,154**	**(73,881)**	**(85,875)**	**15,196**	**177,594**	3,280,350
Transfers between funds	15	60,000	—	(60,000)	—	—	—
Net movement in funds	8	**382,154**	**(73,881)**	**(145,875)**	**15,196**	**177,594**	3,280,350
Reconciliation of funds:							
Funds brought forward at 1 January 2023		**2,881,462**	**17,183,682**	**4,770,978**	**249,893**	**25,086,015**	21,805,665
Funds carried forward at 31 December 2023	15	**3,263,616**	**17,109,801**	**4,625,103**	**265,089**	**25,263,609**	25,086,015

All of the group's activities derived from continuing operations during the above financial years.

All recognised gains and losses for the year are included in the above statements of financial activities.

Comparative information by fund class for the year ended 31 December 2022 is given in note 21.

No summary income and expenditure account has been produced as the only difference to the statement of financial activities would be the omission of endowed income of £16,196 (2022: £10,477); endowed expenditure of £1,000 (2022: £1,000).

Balance sheets 31 December 2023

	Notes	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Fixed assets					
Tangible assets	10	**1,055,123**	**1,044,321**	1,236,199	1,236,198
Investments	11	**21,931,398**	**21,931,398**	21,720,680	21,720,680
		22,986,521	**22,975,719**	22,956,879	22,956,878
Current assets					
Debtors	13	**400,243**	**310,417**	368,778	251,900
Cash at bank and in hand		**5,132,923**	**5,093,108**	3,883,754	3,830,226
		5,533,166	**5,403,525**	4,252,532	4,082,126
Creditors: amounts falling due within one year	14	**(2,320,078)**	**(2,191,387)**	(1,179,396)	(1,020,740)
Net current assets		**3,213,088**	**3,212,138**	3,073,136	3,061,386
Debtors: amounts receivable after more than one year	13	—	—	150,000	150,000
Creditors: amounts falling due after more than one year	14	**(936,000)**	**(936,000)**	(1,094,000)	(1,094,000)
Net assets		**25,263,609**	**25,251,857**	25,086,015	25,074,264
The funds of the charity	15				
Unrestricted funds					
. General funds		**3,263,616**	**3,251,863**	2,881,462	2,869,711
. Designated funds		**17,109,801**	**17,109,801**	17,183,682	17,183,682
Restricted funds		**4,625,103**	**4,625,103**	4,770,978	4,770,978
Endowment funds		**265,089**	**265,089**	249,893	249,893
		25,263,609	**25,251,857**	25,086,015	25,074,264

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small entities.

The financial statements were approved and authorised for issue by the Trustees and were signed on their behalf by:

Rt Revd Dr Rosemarie Mallett, Trustee

Mr Martin Brecknell, Trustee

Approved by the board on: 4 July 2024

Southwark Diocesan Board of Education Incorporated
Company limited by guarantee
Registration Number: 00086641 (England and Wales)

The notes on pages 38 to 54 form part of the financial statements.

Consolidated statement of cash flows Year to 31 December 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	**18,187**	1,130,247
Cash flows from investing activities:			
Dividends, interest and rents from investments		**1,255,820**	1,000,584
Purchase of tangible fixed assets		**(14,401)**	—
Proceeds from the disposal of listed investments		**512,307**	567,068
Purchase of listed investments		**(521,295)**	(634,623)
Net cash provided by investing activities		**1,232,431**	933,029
Change in cash and cash equivalents in the year		**1,250,618**	2,063,276
Cash and cash equivalents at 1 January 2023	B	**5,402,331**	3,339,055
Cash and cash equivalents at 31 December 2023	B	**6,652,949**	5,402,331

Notes to the cash flow statement for the year to 31 December 2023:

A Reconciliation of net movement in funds to net cash flows from operating activities

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	**177,594**	3,280,350
Adjustments for:		
Depreciation charge	**195,477**	192,184
Donated assets	**—**	(700,000)
Losses / (gains) on listed investments	**(200,281)**	530,804
Losses on investment properties	**—**	280,000
Dividends, interest and rents from investments	**(1,255,820)**	(1,000,584)
Amortisation of lease premium	**(8,000)**	(8,000)
Decrease in creditors	**1,140,682**	(1,211,831)
(Increase) in debtors	**(31,465)**	(232,676)
Net cash provided by / (used in) operating activities	**18,187**	1,130,247

B Analysis of changes in net debt

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	3,883,754	1,249,169	**5,132,923**
Cash held by investment managers	1,518,577	1,449	**1,520,026**
	5,402,331	1,250,618	**6,652,949**

Principal accounting policies Year to 31 December 2023

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation
These financial statements have been prepared for the year to 31 December 2023.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement
Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- determining the basis for allocating support costs across expenditure categories;
- determining the basis of valuation for the charity's investment property portfolio;
- the estimation of future income and expenditure for the purposes of assessing going concern.

Assessment of going concern
The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Board's market investments enjoyed slightly increased dividend income during the year, although not materially so. As in the previous year extensive financial modelling has been carried out to cover different scenarios. As the seriousness of the Covid 19 pandemic appears to have receded somewhat (due in large part to a successful vaccination campaign by the UK Government), the risk of rent defaults in Board owned properties would appear to have lessened.

Assessment of going concern (continued)

However, this particular risk has been replaced by the spectre of falling pupil demographics leading to potential school closures, of which the Board has already suffered two. In a worst-case scenario, the Board may not be in operational surplus at the end of the coming year, however the Board has significant free reserves and also has access to an overdraft facility should it be required. The Trustees are therefore of the opinion that the charity has sufficient reserves to be able to meet its liabilities as they fall due.

The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 December 2023, the most significant areas that will affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment and property markets (please see the investment policy and the risk management sections of the Trustees' report for more information).

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount can be measured reliably, and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises grants, maintenance subscriptions, rental and investment income and the income from the charity's trading subsidiary. Income from other trading activities carried out by the trading subsidiary comprises, in the main, charges made for service agreement subscriptions, educational consultancy and other services provided to schools, and conduit project management fees.

Grants and donations are included as income from activities in furtherance of the charity's objectives where these amount to a contract for services, but as voluntary income where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Maintenance and service level subscriptions are recognised in the financial year to which the subscription relates and deferred if received in advance of that financial year.

Income derived from the letting of the charity's investment properties is recognised in the period to which the tenancy relates, when it is probable that the funds will be received.

Dividends are recognised when they have been earned and credited to the investment portfolio.

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

Income recognition (continued)

Income from educational consultancy services is accounted for on an accruals basis with the income being recognised when due contractually.

Conduit project management fees are recognised on the date of completion of the relevant project.

Other amounts derived from capital and maintenance project activities where the charity acts as an agent, administering projects funded principally by the Department for Education and Skills on behalf of the school governors are excluded from these financial statements, as they constitute conduit funds. Details of these funds are set out in note 16.

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes the direct costs and support costs associated with generating rental income, together with the fees paid to investment managers in connection with the management of the charity's listed investments.

- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs (including governance costs).

Allocation of support and governance costs
Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice. Support costs and governance costs are apportioned using percentages based on the time spent on the activities by the employees of the charity.

Tangible fixed assets
The charity's policy is to capitalise asset purchases over £1,000. Depreciation is provided on tangible fixed assets so as to write down the cost over the expected useful life.

Tangible fixed assets (continued)
The following depreciation rates are used:

Freehold properties and property improvements	–	2% straight line
Office equipment	–	25% straight line

Investments
Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

The charity does not acquire put options, derivatives or other complex financial instruments.

Investment properties are included in the financial statements at the estimated current market value of the properties based on open market value. The valuation has been determined by the Trustees after consultation with professional property advisers.

During the year St John's CE school in Walworth closed. The Board is currently preparing to lease the empty site to generate income to support the activities of the charity. As a result the site has been brought into the accounts at market valuation as an investment property.

Former school sites
In the course of administering a capital scheme under the Education Acts 1944 to 1973, the charity acts as Trustee to a number of former schools, whose former property may be sold or leased as part of the implementation of the scheme. These proceeds are generally "free monies" in the hands of the charity to use under the provisions of the Education Acts 1943, subject to the restrictions applying under Section 86 of the 1944 Act and Section 2 of the 1973 Act. The Trustees do not consider that it is practicable to place a value on such assets and, accordingly, they are not included in the financial statements.

Debtors
Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand
Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions
Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions

Creditors and provisions (continued)
are recognised at the amount the charity anticipates it would pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Subsidiary undertaking
The charity owns the whole of the issued share capital of Southwark Diocesan Education Services Limited. The principal activity of the subsidiary undertaking is the provision of services for schools in Southwark Diocese and administrative services for its parent undertaking. The consolidated financial statements include the financial statements of SDBE and its subsidiary Southwark Diocesan Education Services Limited. In accordance with the current SORP, a separate statement of financial activities dealing with the results of SDBE has not been presented.

Funds
The charity has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Unrestricted funds
Unrestricted funds arise from all the accumulated surpluses and deficits in the provision of general charitable activities.

Designated funds
Designated funds are funds set aside out of general funds by the Trustees and designated for a particular purpose. The balance on the designated property fund represents the net book value of the fixed assets and the value of investment properties shown on the balance sheet at that date.

Restricted funds
These are funds subject to specific conditions imposed by the donor or by the specific terms of a trust deed or other legal measure. Income and expenditure on restricted funds is taken directly to those funds in the statement of financial activities except to the extent that income is freely available to the charity.

Endowment funds
These are funds subject to the condition that they be held as permanent capital. Unexpended income is included in the relevant funds in accordance with the terms of the trust.

Custodian trusts
Trusts, where the charity acts merely as custodian Trustee with no control over the management or use of the funds, are not included in the statement of financial activities or balance sheet.

Conduit Funds – capital projects
The charity is responsible on behalf of school governors for the financial administration of capital projects funded by the Department for Education (DfE) and Local Authorities. The statutory legal agreement between the charity, the schools and the government department gives the charity ultimate control over the application of the Voluntary Aided Schools Capital Allowance grants to

Conduit Funds – capital projects (continued)
specific schools, therefore, these are recognised as restricted income by the charity. Details of these funds are set out in note 16.

The agreement grants no decision making authority to the charity over the schools' funds, including Devolved Formula Capital grants and governors' funds, and therefore the charity acts as administrative agent in respect of these. Accordingly these funds represent conduit funding and are therefore excluded from the charity's financial statements.

Pension contributions
Contributions are made for full-time staff to the Church of England Church Workers 'Pension Fund and to the Teachers' Pension Scheme. The pension costs charged by the schemes are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that the regular pension cost represents a substantially consistent percentage of the current and future payroll. Variations from regular cost are spread over the remaining service lives of the current employees 36 are therefore accounted for as if they were defined contribution schemes. Further details are set out in note 17.

Notes to the financial statements Year to 31 December 2023

1 Grants and donations

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2023 £
Diocesan grant	343,532	—	30,169	—	373,701
Donated assets – 16 Larcom Street (note 11b)	—	—	—	—	—
VASCA Grants	—	—	5,135,518	—	5,135,518
Other grants	17,864	—	—	—	17,864
2023 Total funds	361,396	—	5,165,687	—	5,527,083

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2022 £
Diocesan grant	336,795	—	11,517	—	348,312
Donated assets – 16 Larcom Street (note 11b)		700,000	—	—	700,000
VASCA Grants	—	—	5,575,019	—	5,575,019
Other grants	18,523	—	—	—	18,523
2022 Total funds	355,318	700,000	5,586,536	—	6,641,854

The Charity assists voluntary aided schools with school building projects. It historically acted as the agent of school governors in helping to arrange funding through the DfE and Local Authorities and in paying professional fees and building costs on behalf of school governors. The VASCA (Voluntary-Aided Schools Condition Allocation) system was introduced in April 2020 and superseded the LCVAP (Locally Coordinated Voluntary-Aided Programme). The change in funding gives the charity ultimate control over the application of the VASCA grants to specific schools. Historically, the LCVAP was not reflected in the Statement of Financial Activities as the Charity had no control over the funds. The transactions were those of the schools and controlled and approved by the governors rather than the Charity, which acted as agent. Since the use of the VASCA grant funding is at the discretion of the Board it is now included in the SOFA as restricted income along with the related expenditure. The unspent balance at the end of the year is committed to projects or returned to the DfE if not committed within two years of the grant date.

2 Charitable activities

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2023 £
Maintenance subscriptions	—	—	640,211	—	640,211
Other educational income					
. Advisory and consultancy fees	46,304	—	—	—	46,304
. Bishop's certificate in church school governance	4,455	—	—	—	4,455
. Other sundry income	72,161	—	—	—	72,161
2023 Total funds	122,920	—	640,211	—	763,131

Notes to the financial statements Year to 31 December 2023

2 Charitable activities (continued)

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2022 £
Maintenance subscriptions	—	—	595,980	—	595,980
Other educational income					
. Advisory and consultancy fees	40,250	—	—	—	40,250
. Bishop's certificate in church school governance	3,840	—	—	—	3,840
. Other sundry income	30,186	—	—	—	30,186
2022 Total funds	74,276	—	595,980	—	670,256

3 Other trading activities

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2023 £
Service Agreement Subscriptions	499,514	—	—	—	499,514
Management fees					
. Capital projects	—	—	—	—	—
. Maintenance projects	—	—	—	—	—
Training events	4,694	—	—	—	4,694
Additional advisor support	—	—	—	—	—
Sundry trading income	17,975	—	—	—	17,975
2023 Total funds	522,183	—	—	—	522,183

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2022 £
Service Agreement Subscriptions	492,865	—	—	—	492,865
Management fees					
. Capital projects	30,348	—	—	—	30,348
. Maintenance projects	7,398	—	—	—	7,398
Training events	3,335	—	—	—	3,335
Additional advisor support	3,212	—	—	—	3,212
Sundry trading income	29,167	—	—	—	29,167
2022 Total funds	566,325	—	—	—	566,325

Notes to the financial statements Year to 31 December 2023

4 Income from investments

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2023 £
Listed and unlisted investments	148,792	—	124,448	16,196	289,436
Rental and lettings income	966,384	—	—	—	966,384
2023 Total funds	1,115,176	—	124,448	16,196	1,255,820

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2022 £
Listed and unlisted investments	93,724	—	9,426	10,477	113,627
Rental and lettings income	768,961	117,996	—	—	886,957
2022 Total funds	862,685	117,996	9,426	10,477	1,000,584

5 Expenditure on raising funds

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2023 £
Lettings expenses	411,308	—	—	—	411,308
Investment management fees	22,090	—	—	—	22,090
Bank charges	4,354	—	—	—	4,354
2023 Total funds	437,752	—	—	—	437,752

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2022 £
Lettings expenses	391,382	—	—	—	391,382
Investment management fees	34,676	—	—	—	34,676
Bank charges	5,068	—	—	—	5,068
2022 Total funds	431,126	—	—	—	431,126

6 Expenditure on charitable activities

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2023 £
School maintenance expenditure	—	—	468,882	—	468,882
VASCA grant expenditure	—	—	5,392,905	—	5,392,905
Advice and guidance	968,951	128,748	—	—	1,097,699
Training and development	227,635	30,247	154,434	1,000	413,316
Project management	247,468	32,882	—	—	280,350
2023 Total funds	1,444,054	191,877	6,016,221	1,000	7,653,152

Notes to the financial statements Year to 31 December 2023

6 Expenditure on charitable activities (continued)

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2022 £
School maintenance expenditure	—	—	471,806	—	471,806
VASCA grant expenditure	—	—	2,192,611	—	2,192,611
Advice and guidance	1,017,229	131,176	—	—	1,148,405
Training and development	247,858	31,962	11,489	1,000	292,309
Project management	222,868	28,740	—	—	251,608
2022 Total funds	1,487,955	191,878	2,675,906	1,000	4,356,739

7 Analysis of total expenditure

	Direct costs £	Other directly allocated costs £	Support costs £	2023 £
Raising funds (note 5)	437,494	258	—	437,752
Charitable activities (note 6)				
. School maintenance expenditure	468,882	—	—	468,882
. Advice and guidance	536,932	389,916	170,851	1,097,699
. Training and development	117,512	246,037	49,767	413,316
. Project management	39,229	5,492,488	141,538	5,673,255
	1,600,049	6,128,699	362,156	8,090,904

	Direct costs £	Other directly allocated costs £	Support costs £	2022 £
Raising funds (note 5)	430,868	258	—	431,126
Charitable activities (note 6)				
. School maintenance expenditure	471,806	—	—	471,806
. Advice and guidance	566,124	424,934	157,347	1,148,405
. Training and development	140,043	115,028	37,238	292,309
. Project management	36,951	2,285,712	121,556	2,444,219
	1,645,792	2,825,932	316,141	4,787,865

Support costs are analysed as follows:

	Expenditure on charitable activities			
	Advice and guidance £	Training and development £	Project management £	Total 2023 £
Finance and HR	82,118	4,641	87,357	174,116
Administration	46,542	35,214	43,404	125,160
Governance	42,192	9,912	10,776	62,880
2023 Total funds	170,852	49,767	141,537	362,156

Notes to the financial statements Year to 31 December 2023

7 Analysis of total expenditure (continued)

	Expenditure on charitable activities			
	Advice and guidance £	Training and development £	Project management £	Total 2022 £
Finance and HR	77,379	4,372	56,834	138,585
Administration	37,290	22,467	55,371	115,128
Governance	42,678	10,399	9,351	62,428
2022 Total funds	**157,347**	**37,238**	**121,556**	**316,141**

All costs allocations are made on the basis of estimated time spent by staff.

8 Net movement in funds

Net movement in funds is stated after charging:

	2023 £	2022 £
Staff costs (note 9)	**1,207,923**	1,210,259
Depreciation (note 10)	**195,477**	192,184
Auditor's remuneration (including VAT)		
. Audit work	**26,500**	28,693
. Other services	**4,710**	4,710
. Prior year	**2,040**	4,366
Bank charges and interest on bank loans and overdrafts	**4,354**	5,068

9 Employee and key management personnel remuneration

(a) Staff costs

	2023 £	2022 £
Wages and salaries	**782,604**	760,849
Social security costs	**80,821**	79,908
Pension costs	**211,670**	206,448
	1,075,095	1,047,205
Consultancy costs	**132,828**	163,054
	1,207,923	1,210,259

(b) Staff numbers

The number of employees during the year, calculated on an average headcount basis, was 17 (2022 – 16).

9 Employee and key management personnel remuneration (continued)

(c) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2023 number	2022 number
£60,000 - £70,000	4	4
£70,001 – £80,000	1	1
£80,001 – £90,000	1	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	1

All of the above higher paid employees participated in the Teachers' Pension Scheme. Aggregate employer pension contributions for the above employees during the year amounted to £142,036 (2022 – £145,762). Details of the Teachers' Pension Scheme are given in note 17.

(d) Key management personnel

Key management personnel comprise the Trustees together with the Director of Education, Assistant Director of Education, Financial Controller, Building and Capital Programmes Manager and the Office Manager.

No trustee received any remuneration from the charity in the current or prior year.

The aggregate remuneration and benefits received by key management personnel during the year was as follows:

	2023 £	2022 £
Remuneration, including employer's National Insurance contributions	351,042	401,419
Pension contributions	102,025	96,985
	453,067	498,404

Notes to the financial statements Year to 31 December 2023

10 Tangible fixed assets

	Freehold land and buildings £	Property improve-ments £	Charity total £	Group office and computer equipment £	Group total £
Cost					
At 1 January 2023	2,864,050	95,834	**2,959,884**	22,481	**2,982,365**
Additions	—	—	—	14,401	**14,401**
At 31 December 2023	2,864,050	95,834	**2,959,884**	36,882	**2,996,766**
Depreciation					
At 1 January 2023	1,718,798	4,888	**1,723,686**	22,480	**1,746,166**
Charge for the year	190,935	942	**191,877**	3,600	**195,478**
At 31 December 2023	1,909,733	5,830	**1,915,563**	26,081	**1,941,643**
Net book value					
At 31 December 2023	954,317	90,004	**1,044,321**	10,800	**1,055,123**
At 31 December 2022	1,145,252	90,946	**1,236,198**	1	**1,236,199**

11 Investments

Group and charity		2023 £	2022 £
Listed investments	(a)	**5,301,398**	5,090,680
Investment properties	(b)	**16,630,000**	16,630,000
		21,931,398	21,720,680

In addition to the above investments, the charity also holds a £1 investment in the called-up share capital of its wholly-owned trading subsidiary, Southwark Diocesan Education Services Limited (note 12). A full revaluation of the property portfolio was undertaken by Rapleys LLP in March 2023 and this has been reflected in these valuations.

(a) Listed investments

Group and charity	2023 £	2022 £
Market value at 1 January 2023	**3,572,103**	4,035,352
Additions	**454,924**	634,623
Disposals (proceeds: £445,936, realised gains: £9,166)	**(445,936)**	(567,068)
Unrealised gains on revaluation	**200,281**	(530,804)
Market value at 31 December 2023	**3,781,372**	3,572,103
Cash held by investment managers	**1,520,026**	1,518,577
	5,301,398	5,090,680
Cost of listed investments at 31 December 2023	**3,515,308**	3,543,296

All listed investments were dealt in on a recognised stock exchange and comprised UK equities and UK managed funds. No individual holding comprised more than 5% of the portfolio in either the current or prior year.

Notes to the financial statements Year to 31 December 2023

11 Investments (continued)

(b) Investment properties

Group and charity	Charity and Group freehold properties	
	2022	2021
	£	£
Valuation at 1 January 2023	**16,630,000**	16,210,000
Additions	**—**	700,000
Revaluation in the year	**—**	(280,000)
Valuation at 31 December 2023	**16,630,000**	16,630,000
Historic cost at 31 December 2023	**4,298,161**	4,998,161

Additions to investment properties include £nil (2022: £700,000 in relation to the donation of a former school building at 16 Larcom Street (linked to St John's CE Primary School London) which is being held to generate rental income to support the work of the charity)

On the basis that the charity's investment properties have continued to generate rental yields which are materially comparable to those earned prior to the pandemic, the trustees do not consider that there has been any material impairment to the fair value of these properties since the previous valuation.

12 Investment in subsidiary undertaking

The charity owns 100% of the issued ordinary share capital of a subsidiary undertaking, Southwark Diocesan Education Services Limited (amounting to £1), which is registered in England and supplies administrative services to the charity and to Schools in the Diocese. The company began trading on 1 April 1996 and its results for the period and assets and liabilities have been consolidated into the charity's financial statements. Total income for the year was £580,091 (2022: £613,578), gross profit was £357,666 (2022: £417,057) and total administrative expenditure was £222,425 (2022: £196,522). The net profit after taxation was £nil (2022 – £nil) after recognising gift aided donations payable to the parent charity under the conditions of its Memorandum and Articles of Association of £357,666 (2022: £417,057).

13 Debtors

Amounts falling due within one year:

	Group 2023	**Charity 2023**	Group 2022	Charity 2022
	£	**£**	£	£
Other debtors	**219,841**	**172,772**	199,216	122,709
Prepayments and accrued income	**180,403**	**137,645**	169,562	129,191
	400,243	**310,417**	368,778	251,900

Notes to the financial statements Year to 31 December 2023

13 Debtors (continued)

Amounts falling due in more than one year:

	Group and Charity 2023 £	Group and Charity 2022 £
Amounts due from SDBE Multi-Academy Trust	—	150,000

Amounts receivable in 2022 represented funds invested in the SDBE Multi-Academy Trust to fund its early development. During 2023 it was established that no repayment will be required and accordingly this balance was released along with the corresponding creditor balance due to the Southwark Diocesan Board of Finance (see note 15)

14 Creditors

Amounts falling due within one year:

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Trade creditors	1,733,524	1,713,982	606,337	590,697
Other creditors	387,670	384,498	132,019	100,971
Conduit creditor	—	—	—	—
Accruals and deferred income	188,684	53,084	433,040	300,624
Amounts due to group undertakings	—	31,823	—	20,448
VAT payable	2,200	—	—	—
Deferred lease premium (see below)	8,000	8,000	8,000	8,000
	2,320,078	2,191,387	1,179,396	1,020,740

Amounts falling due in more than one year:

	Group and Charity 2023 £	Group and Charity 2022 £
Amounts payable to Southwark Diocesan Board of Finance	—	150,000
Deferred Highshore lease premium	936,000	944,000
	936,000	1,094,000

Amounts payable to Southwark Diocesan Board of Finance represent the drawdown on a loan made available to SDBE to fund the early development of SDBE Multi-Academy Trust. During 2023 it was agreed that this loan would not be repayable to the Diocesan Board of Finance and no repayment would be required from the Multi Academy Trust so this balance has been released along with the corresponding debtor balance. This has no overall impact on the deficit for the year.

The deferred Highshore lease premium represents the remaining balance on a premium of £1,000,000 received by the charity during the year ended 31 December 2017 in respect of a 125 year lease of the Highshore School site to the Mayor and Burgess of the London Borough of Southwark. The premium is being released to the Statement of Financial Activities over the life of the lease. As such, £8,000 is included under accruals and deferred income falling due within one year, with the remainder falling due in more than one year.

Notes to the financial statements Year to 31 December 2023

14 Creditors (continued)

The movements on deferred income are analysed as follows:

	2023 £	2022 £
Brought forward as at 1 January 2023	1,084,416	1,088,179
Released in the year	(140,416)	(136,179)
New deferrals in the year	135,600	132,416
Carried forward as at 31 December 2023	1,079,600	1,084,416

The deferred income balance represents:

- Service income relating to periods after 31 December 2023 of £135,600 (2022: £132,416); and
- Deferred lease premium income relating to the Highshore lease, split between £8,000 included in creditors falling due within less than one year (2022: £8,000) and £936,000 included in creditors falling due in more than one year (2022: £944,000).

15 Analysis of group funds

Analysis of group net assets between funds

	General funds £	Designated property fund £	Restricted funds £	Endowment funds £	2023 Total funds £
Tangible fixed assets	—	1,055,123	—	—	1,055,123
Listed investments	4,292,388	—	833,293	175,716	5,301,398
Investment properties	—	16,380,107	—	249,893	16,630,000
Net current (liabilities) assets	(1,028,772)	(325,429)	3,791,810	775,480	3,213,088
Non-current assets	—	—	—	—	—
Non-current liabilities	—	—	—	(936,000)	(936,000)
	3,263,616	17,109,801	4,625,103	265,089	25,263,609

	General funds £	Designated property fund £	Restricted funds £	Endowment funds £	2022 Total funds £
Tangible fixed assets	—	1,236,199	—	—	1,236,199
Listed investments	4,146,364	—	764,964	179,352	5,090,680
Investment properties	—	15,630,000	—	1,000,000	16,630,000
Net current (liabilities) assets	(1,264,902)	317,483	4,006,014	14,541	3,073,136
Non-current assets	—	—	150,000	—	150,000
Non-current liabilities	—	—	(150,000)	(944,000)	(1,094,000)
	2,881,462	17,183,682	4,770,978	249,893	25,086,015

Notes to the financial statements Year to 31 December 2023

15 Analysis of group funds (continued)

Reconciliation of funds

	Balance at 1 January 2023 £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	Balance at 31 December 2023 £
Endowment funds	249,893	16,196	(1,000)	—	—	265,089
Restricted funds						
External maintenance scheme	64,174	640,211	(468,882)	—	(60,000)	175,503
VASCA capital funds	2,834,343	5,135,518	(5,392,905)	—	—	2,576,956
Other restricted funds	1,872,461	154,617	(154,434)	—	—	1,872,644
	4,770,978	5,930,346	(6,016,221)	—	(60,000)	4,625,103
Designated funds						
Property fund	17,059,007	—	(191,877)	—	—	16,867,130
Croydon St Andrews Fund	124,675	117,996	—	—	—	242,671
	17,183,682	117,996	(191,877)	—	—	17,109,801
General funds (including trading funds of £11,755)	2,881,462	2,003,679	(1,881,806)	200,281	60,000	3,263,616
Total unrestricted funds	20,065,144	2,121,675	(2,073,683)	200,281	60,000	20,373,417
	25,086,015	8,068,217	(8,090,904)	200,281	—	25,263,609

	Balance at 1 January 2022 £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	Balance at 31 December 2022 £
Endowment funds	240,416	10,477	(1,000)	—	—	249,893
Restricted funds						
External maintenance scheme	—	595,980	(471,806)	—	(60,000)	64,174
VASCA capital funds	(548,066)	5,575,019	(2,192,610)	—	—	2,834,343
Other restricted funds	1,863,008	20,943	(11,490)	—	—	1,872,461
	1,314,942	6,191,942	(2,675,906)	—	(60,000)	4,770,978
Designated funds						
Property fund	16,830,885	700,000	(191,878)	(280,000)	—	17,059,007
Croydon St Andrews Fund	6,679	117,996	—	—	—	124,675
	16,837,564	817,996	(191,878)	(280,000)	—	17,183,682
General funds (including trading funds of £11,755)	3,412,743	1,858,604	(1,919,081)	(530,804)	60,000	2,881,462
Total unrestricted funds	20,250,307	2,676,600	(2,110,959)	(810,804)	60,000	20,065,144
	21,805,665	8,879,019	(4,787,865)	(810,804)	—	25,086,015

Endowment funds represent a fund held under a Section 86 order and a fund set aside under a charity order to develop Church of England education.

15 Analysis of group funds (continued)

The **External Periodic Maintenance Scheme** is a scheme developed by the charity on a voluntary subscription basis to ensure that all the schools in the Diocese can maintain the

external fabric and structural elements of their buildings. The fund balance carried forward represents the accumulation of income over expenditure which is available to meet the Governors' 10% liability for ongoing schemes of maintenance works.

The **Diocesan grant restricted fund** relates to funding provided by the Diocese of Southwark to fund a specific post and chaplaincy support.

The **Croydon St Andrew's capital funds** represent receipts of capital funding from a closed school, which have been applied to improvement works at that school to keep the property compliant and insured.

Other restricted funds represent assets arising from the disposal of redundant school buildings to be deployed by the Southwark Diocesan Board of Education under Section 554 of the Education Act 1996. Such funds can be deployed (directly and indirectly) for the development of existing schools or the provision of new schools within the Diocese of Southwark. Such Schools are to follow the tenets of the Church of England.

The **designated property fund** represents the net book value of the fixed assets and investment properties at the balance sheet date.

The **designated Croydon St Andrew's fund** represents income received from the rental of the St Andrew's school building which the charity intends to apply towards further refurbishment work at the school.

VASCA fund - The school building projects fund represents the income received from the VASCA grant from the Department for Education and the associated commitment on the fund. The funds are restricted to capital and maintenance projects at the schools. VASCA funds must be committed to projects or returned to the DfE if not committed within two years of the grant date.

16 Conduit funds – capital projects

	2023 £	2022 £
Income	2,306,119	6,783,279
Expenditure	(2,306,119)	(6,783,279)
	—	—

The income figure represents funds receivable from Devolved Formula Capital from schools and Governor and Local Authority Contributions to building projects, while the expenditure figure represents supplier and contractor costs incurred and committed during the year. Unspent committed costs are realised in the forthcoming financial year and represent timing differences in acquiring the funds with their related expenditure. The main reasons for the decrease in 2022 are reduced funding from the Salix Finance Company and

16 Conduit funds – capital projects (continued)

associated governor and Devolved Formula Capital contributions. These are recognised as income and expenditure as discussed in note 1 and the accounting policies.

The Conduit Fund exists to channel funds sourced from the public sector into capital and maintenance projects in schools; it posts no profit and all its funds are committed. Additionally, as at 31 December 2023 the charity owed £1,634,662 to the conduit fund in respect of purchase invoices outstanding (2022: £235,608). Separately, amounts held on behalf of schools as part of the Devolved Formula Capital Scheme (which are ultimately destined for the conduit fund) were £3,612,816 at 31 December 2023 (2022: £3,781,326). These funds represent agency cash balances in the charity and are not included in the charity's fund balances.

17 Pension and similar obligations

The Group's employees belong to two principal pension schemes, the Teachers' Pension Scheme (TPS) and the Church of England Church Workers Pension Fund (CWPF), which are of the defined benefit type, the assets of the schemes being held in separate Trustee administered funds. Both the TPS and CWPF fund assets are not apportioned to individual employing bodies in the fund and therefore both constitute collective defined benefit pension schemes under Financial Reporting Standard 102: Section 28 – Employee Benefits. The total pension cost was £211,670 (2022: £206,448). There were no creditors falling due within one year at either 31 December 2023 or 31 December 2022.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers and lecturers who are or have previously been employed at eligible institutions. Teachers and lecturers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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 the information available on the scheme below.

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:

17 Pension and similar obligations (continued)

- 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; and
- 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 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 year amounted to £103,796 (2022: £104,921).
- A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Church of England Church Workers Pension Fund

Valuation of the Church of England Church Workers Pension Fund
Southwark Diocesan Board of Education (DBS) participates in the Defined Benefits Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

CWPF has two sections:

1. The Defined Benefits Scheme
2. The Pension Builder Scheme, which has two subsections;
    a. deferred annuity section known as Pension Builder Classic, and,
    b. cash balance section known as Pension Builder 2014.

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

For funding purposes, DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share

17 Pension and similar obligations (continued)

certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2023: £107,873; 2022: £101,526). There was no additional charge in relation to the DBS deficit in either 2023 or 2022.

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

Church of England Church Workers Pension Fund (continued)

A valuation of DBS is carried out once every three years. The most recently finalised was carried out as at 31 December 2022. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in DBS was £11.3m

The next actuarial valuation is due at 31 December 2025. The calculations for this are under way.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 45% of pensionable salary and expenses of £5,400 per year.

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

18 Related party transactions

The Southwark Diocesan Board of Education is a company limited by guarantee. The results and balance sheet of Southwark Diocesan Education Services Limited (SDES) are consolidated into these financial statements. The Southwark Diocesan Board of Education has taken advantage of the exemptions in FRS 102 and has not reported transactions between it and SDES.

18 Related Party Transactions (continued)

During the year ended 31 December 2023, the group received grant funding amounting to £373,701 (2022: £348,312) in respect of the Diocesan Measure and lettings income of £20,726 (2022: £20,313) from the Southwark Diocesan Board of Finance and South London Church Fund, which is a related party as a result of sharing a number of Trustees with the charity. At the year end, the charity owed £nil (2022: £150,000) to the Diocesan Board of Finance in respect of a loan used partly to fund the early development of SDBE Multi-Academy Trust (note 14).

During the year ended 31 December 2023, the group received income of £11,832 (2022: £11,490), including VAT, from Bacons College in respect of the provision of a service level agreement. £nil was owing at 31 December 2023 (2022: £nil). Bacon's College is a related party as a result of sharing a number of Trustees with the charity.

During the year ended 31 December 2023, the group received income of £76,533 (2022: £117,239) including VAT from the SDBE Multi-Academy Trust in respect of the provision of a service level agreement. As at 31 December 2023, £19,438 remained to be received (2022: £11,613). SDBE Multi-Academy Trust is a related party by virtue of the fact that it shares a number of trustees with the charity.

In 2017 the charity advanced £150,000 to the SDBE Multi-Academy Trust in order to fund its early development. At the year end, £nil (2022: £150,000) was receivable in respect of this balance. During 2023 it was agreed that this loan would not be repayable to the Diocesan Board of Finance and no repayment would be required from the Multi Academy Trust so this balance has been released along with the corresponding debtor balance. This has no overall impact on the deficit for the year.

19 Funds held as agent

During the year, the charity acted as an agent, with interest receivable £7,181 (2022: £2,080) being paid into accounts held on behalf of various Schools under the aegis of the Diocese of Southwark. No amounts were paid over to these schools in either year. At the year end, balances of £167,424 were held in designated bank accounts separate from the charity and trading subsidiary's designated bank accounts (2022: £160,243). As the Trustees have no responsibility for the application of these funds, the income and bank balances have been excluded from the financial statements.

20 Members

The company is limited by guarantee and the liability of the members is limited to an amount not exceeding £1.

Notes to the financial statements Year to 31 December 2023

21 Post balance sheet events

On 23 April 2024, a contract was signed for the roofing works at Exton Street to the value of £870,387. This work is anticipated to be completed during 2024.

Christ Church C of E Primary School Battersea will be closing on 31 Aug 2024 and the building will be transferred to the Board of Education.

22 Consolidated statement of financial activities – Year to 31 December 2022

	Notes	Unrestricted funds: General funds £	Unrestricted funds: Designated funds £	Restricted funds £	Endowment funds £	Total 2022 £
Income and endowments from:						
Grants and donations	1	355,318	700,000	5,586,536	—	6,641,854
Charitable activities	2	74,276	—	595,980	—	670,256
Other trading activities	3	566,325	—	—	—	566,325
Investments	4	862,685	117,996	9,426	10,477	1,000,584
Total income		1,858,604	817,996	6,191,942	10,477	8,879,019
Expenditure on:						
Raising funds	5	431,126	—	—	—	431,126
Charitable activities	6	1,487,955	191,878	2,675,906	1,000	4,356,739
Total expenditure	7	1,919,081	191,878	2,675,906	1,000	4,787,865
Net (expenditure)/ income before investment gains and losses		(60,477)	626,118	3,516,036	9,477	4,091,154
Unrealised losses on investment properties	11b	—	(280,000)	—	—	(280,000)
Net (losses)/gains on listed investments	11a	(530,804)	—	—	—	(530,804)
Net (expenditure) / income before transfers		(591,281)	346,118	3,516,036	9,477	3,280,350
Transfers between funds	15	60,000	—	(60,000)	—	—
Net movement in funds	8	(531,281)	346,118	3,456,036	9,477	3,280,350
Reconciliation of funds:						
Funds brought forward at 1 January 2022		3,412,743	16,837,564	1,314,942	240,416	21,805,665
Funds carried forward at 31 December 2022	15	2,881,462	17,183,682	4,770,978	249,893	25,086,015



SOUTHWARK DIOCESAN BOARD OF EDUCATION INCORPORATED

Developing Church of England Education

THE SOUTHWARK DIOCESAN BOARD OF EDUCATION (INCORPORATED)

England & Wales - Charity number 313001

Accounts

SOUTHWARK DIOCESAN BOARD OF EDUCATION
Developing Church of England Education

Companies House

Southwark Diocesan Board of Education Incorporated

Directors' Annual Report and Financial Statements

For the year ended 31 December 2022

Company limited by guarantee (00086641 England and Wales)

Registered charity (No. 313001)

Registered & Principal Office:
48 Union Street
London SE1 1TD

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COMPANIES HOUSE

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Trustees	The Rt Revd Christopher Chessun (President) The Rt Revd Jonathan Clark – resigned April 2022 The Rt Revd Dr Rosemarie Mallett Martin Brecknell Elizabeth Broad Julia Corby The Revd Canon Stephen Coulson – resigned July 2022 Helen Dixon Malcolm Edwards CBE Ven Simon Gates – appointed Dec 2022 The Revd Annie Kurk Maria McBean Dr David Muir – resigned Dec 2022 Ekundayo Olomu Eileen Perryer – appointed May 2022 , resigned Jan 2023 Revd Tomos Reed – appointed Jan 2022 Alberta Rosenior – appointed Jan 2022 Dr Catharina Stibe Hickson The Revd Ariadne van den Hof The Revd Andrew Williams Miles Winter – appointed Jan 2022 The Revd Erica Wooff Irene Wolstenholme – appointed Jan 2022
Senior leadership team	Rosalind Cordner (Director of Education) Marcus Cooper (Assistant Director) – resigned Oct 2022
Company secretary	Rosalind Cordner
Registered office	48 Union Street London SE1 1TD
Charity registration	313001
Company registration	00086641

Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	National Westminster Bank plc P.O. Box 3038 57 Victoria Street London SW1H 0HN
Solicitors	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB

Acronyms used throughout

CofE	Church of England
CEFEL	Church of England Foundation for Educational Leadership
CCLA	Central Board of Finance of the Church of England
CPD	Continuing Professional Development
DfE	Department for Education
DFC	Devolved Formula Capital
EDI	Equality, Diversity and Inclusion
FE	Further Education
FTE	Full time equivalent
HE	Higher Education
F/HE	Further & Higher Education
LA	Local Authority
MAT	Multi-Academy Trust
MOU	Memorandum of Understanding
PA	Partnership Agreement
RI	Requires Improvement
SDBE	Southwark Diocesan Board of Education
SDBE MAT	Southwark Diocesan Board of Education Multi-Academy Trust
SDES	Southwark Diocesan Education Services
OFSTED	Office for Standards in Education
SACRE	Standing Advisory Council on Education
SIAMS	Statutory Inspection of Anglican and Methodist Schools
SLA	Service Level Agreement
SLT	Senior Leadership Team
SOFA	Statement of Financial Activities
SAT	Stand Alone Academy Trust
VASCA	Voluntary Aided Schools Condition Allocation

Directors' Annual Report

The Board members, who are also Trustees and Directors for the purposes of charity law, have pleasure in presenting their annual report, together with the audited financial statements, for the year ended 31 December 2022.

OBJECTIVES AND ACTIVITIES

Background

The SDBE Charity exists to fulfil the statutory duties of the Diocese of Southwark for the education of the 36,000 children and young people attending its 104 schools. Within the diocesan family of schools, the SDBE provides advice, support and offers development of the distinctively Christian ethos is schools which remain inclusive and are here to serve their local communities. In addition, the SDBE provides support to chaplaincy in the HE/FE colleges and universities across the diocese.

Objectives

The purpose and objects of the Charity are set out in its two main constitutional documents:

i) The Diocesan Board's Education Measure (2021); and
ii) The Memorandum and Articles of Association of the Southwark Diocesan Board of Education.

Shaped by these, the Charity's vision is expressed below:

- To enable the mission of God through the work of the Board;
- To be a high-performing Diocesan Board of Education, promoting excellence in education both locally and nationally;
- To develop and grow highly effective, inclusive Church of England schools rooted in Christian values;
- To celebrate and share the richness, quality and success of our schools and chaplaincies; and
- To offer exemplary service to our schools and chaplaincies.

Activities

The work of the SDBE runs within three key areas; Church School Effectiveness, Development of Chaplaincy in schools, colleges and universities, and development and growth. As such the charity advises governors of all its schools (VA, Foundation, MAT and STAT) on any matter affecting church schools in the diocese, including, but not limited to development in the following areas:

OBJECTIVES AND ACTIVITIES (continued)

Activities (continued)

- Supporting school improvement through professional development of teachers and school leaders, CPD for staff and governors, professional advice and pastoral care;
- Provides advice on any proposed changes to the status, viability and future of all schools (including significant changes);
- Approves all new building, alterations and refurbishments to Church School buildings;
- Appoints and supports Foundation governors for all church schools;
- Advises and supports governing bodies on the appointment of headteachers and senior staff;
- Receives and considers the reports of all formal inspections (SIAMS and Ofsted) at all church schools, which are required to be carried out under the education act 2005; analysis of outcomes and further development of support shapes the ongoing CPD and briefings to schools. Key headlines are shared with the Board and its committees;
- Across the seven HE and five FE institutions Chaplaincy Development support is provided; this is in addition to the chaplaincy development and support that is given to our schools.
- Part of the function of the Charity is to ensure CofE representation at the 11 SACREs across the diocese; representation on LA Committees for Overview and Scrutiny (or equivalent democratic services meeting).
- The Partnership Agreement provides a comprehensive professional offer to all 104 schools including headteacher and senior leader meetings and the annual conference; and
- The structure of the advisory team enables flexibility in offering additional support, training and development from year to year to meet any immediate needs in addition to the core offer, for example Mental Health First Aid and development of an EDI working party.

OBJECTIVES AND ACTIVITIES (continued)

Public benefit

In preparing this Annual Report, the Trustees have paid due regard to the Charity Commission guidance on public benefit in deciding what activities the Charity should undertake. Our principal beneficiaries and service users at the Church of England schools and the students and staff of the universities and colleges located within the Diocese of Southwark. In practice, the relationship with our thirty-four thousand children and young people in the maintained education sector throughout the Diocese of Southwark, is achieved in real terms through the regular contact with school leaders and governors and in response to requests for advice and support via our Partnership Agreement for Church of England schools and academies and our relationship with the Southwark Diocesan Board of Education Headteacher Association.

ACHIEVEMENTS AND PERFORMANCE

Governance

Preparatory work was undertaken for a successful adoption of the New Diocesan Measure and revised articles of association at Diocesan Synod on Wednesday 13 July 2022 which paved the way for a smaller, more efficient Board of Education. Key benefits include a review of the terms of appointment and a commitment to a deliberate focus on future recruitment to reference EDI with a view to having a Board that reflects the diverse community it serves. The reduced Board size eliminates historic long standing vacancies, which in turn supports an efficient governance structure.

Working with our SDBE MAT ('The Trust')

As the SDBE MAT prepares to on-board its eleventh school, in eight years, Members reviewed the governance arrangements and embedded a new memorandum of understanding with the Trust to secure the foundation of the Trust for the long term; given the focus on Trust growth following the White Paper and subsequent Schools Bill, a working party between the Board and the Trust was set up; the SDBE have commissioned a review of national academy models as part of its work towards developing the MAT strategy for the future.

Approval by the Board was granted to two schools to join the Trust – The Minster Junior School and the Minister Infants School in Croydon joined in September 2022.

ACHIEVEMENTS AND PERFORMANCE (continued)

Working with the Diocese – Racial Justice, Climate Justice, Growing Faith

The SDBE benefits hugely from the support it receives from the Diocese of Southwark. It enjoys close relationships with the clergy and in particular the Children and Young People Team, The Cathedral and its Learning Centre and increasingly more cross over opportunities have been developed between the Justice Peace Integrity & Creation Officer and Environmental Working Party. Following the launch of the diocesan Anti Racist Charter in schools in November 2021, much of 2022 was focused on expanding the curriculum to reflect the EDI agenda. There has been a lot of work done to ensure that anti-racism is a leading strand in addressing inequality throughout the work of the Board, with new CPD units developed and delivered within the core training offer. The work has also begun to expand the EDI offer to ensure that all elements of inequality are addressed. A working party has been established to ensure that this crucial piece of work remains a key focus for the staff team to develop. Work has begun on developing a baseline record to create a statistical database to track progress towards understanding the current make up of those employed at the Board, in schools, across the governing bodies and committees where SDBE is represented. This will become a regular event so that trends and progress can be tracked and action taken to address gaps/barriers and blockers to change. The CPD offer has been reviewed and refreshed, and we offer EDI, Climate Justice, School sustainability workshops.

Climate Justice CARBON NET ZERO

As part of our work to meet General Synod's Net Zero Carbon Route Map to decarbonise the CofE estate by 2030, work on a pilot programme of heat decarbonisation plans for 13 schools, mainly funded by an award from the Salix Finance Company of £7,212,233 during the year with an additional £12,000 VASCA top up began this year. This will include a strategic plan for all VA schools, which will give the buildings team an estate-wide picture of energy use that will allow us to better target grants to schools with the biggest heat loss issues.

ACHIEVEMENTS AND PERFORMANCE (continued)

Climate Justice CARBON NET ZERO (continued)

Work around the Public Sector Decarbonisation Scheme Round 1 to install air source heat pumps to 58 schools and our offices at Union Street was delayed due to the collapse of the installation subcontractor. Snagging is now forecast to finish in the spring of 2023.

The SDBE continues its work to develop and update the curriculum content in all subject areas to ensure that climate justice is included from RE lessons through to PE lessons. Work continues around Eco Charter, Eco Diocese, Global Neighbours to ensure teachers, leaders and governors are aware of the CPD and resources available to support schools in delivering key messages around the changing climate.

New schools

We were pleased to learn at the end of the autumn term, that applications in support of the rebuilding of All Saints' Croydon; The Minster Infant School and The Minster Junior School, also in Croydon, were successful. Whilst our fourth nominee, Archbishop Tenison's, Croydon received a letter confirming they had not been successful, the school has been included in a DfE 'net zero' pilot project. Substantial roofing, insulation and heating system improvements have been indicated as being within scope for grant funding.

Planning for new Kingston school

A new six-form entry 11-16 VA CofE Secondary school in Kingston is due to open in September 2025. It will include a 20-place specialist autism resource base. Design planning resumed at the end December 2022.

St Peter and St Paul's expansion from infant to primary school

The school expansion from a one form entry infant school to one form entry primary school for pupils aged 4-11 came into effect in September 2022. We are grateful to Surrey County Council for their continued support during the delayed process to ensure the plans were fulfilled.

ACHIEVEMENTS AND PERFORMANCE (continued)

School effectiveness

New SIAMS national framework

After a long gap between the suspension of SIAMS in March 2020 and the end of the academic year 2022, we were delighted that our first inspection under the new framework, at the end of the summer was excellent. A second school was inspected in the autumn term and was also graded excellent. Outcomes at the end of December: 100% of schools remain good or better with 75% judged as excellent.

There were a total of 27 Ofsted inspections over the year. Two schools that were previously inadequate were judged as good and one RI school was also judged as good. Of the 104 schools, 102 are good or better (98%). 22 schools are graded outstanding (21%). There are 2 schools awaiting inspection that are graded as inadequate (2%).

It is expected that overall outstanding/excellent outcomes will drop as the respective new frameworks for both SIAMS and Ofsted are embedded. Nonetheless, the achievement of schools who have maintained or achieved at the highest level must be congratulated.

FUTURE PLANS

Development of the Board – under the new Diocesan Measure, from 1 January 2023 the structure of Board was reviewed. The size of the Board was reduced to bring it line with the other Diocesan Departmental Boards. The Board has reduced in size from a possible membership of 32 to a maximum of 19.. This has eliminated longstanding vacancies and the inefficiencies this created. There is also an ongoing commitment to recruit Board members so that the make up of the Board reflects the diverse community we serve. Our governance structure is subject to the same baseline assessments for EDI that we are conducting with our schools and HE/FE colleges.

The hope is the next triennium will see a change in the membership of the Board that reflects our school and college make up.

The revised articles of association sharpen the focus on roles and responsibilities for Board members, particularly around attendance; this will ensure committees can function well, knowing that Members are able to commit to engage as required, with any non attendance managed efficiently.

FUTURE PLANS (continued)

We will complete the review of the Terms of reference for each Board Committee so that they align with the new articles of association and secure strong structures for each committee.

Following the shared diocesan/Board recruitment drive to attract more UKME and EDI applications and appointments, recruitment panel structures have also been reviewed with a commitment to ensure that representation of the panel reflects the diversity we wish to see across the organisation.

Given the dramatic fall in the number of pupils attending school across Lambeth and Southwark in particular, our strategy to respond to surplus pupil places will be developed during the spring. We have secured a secondment to increase our team capacity to conduct some focused 1:1 work with schools to expand our central knowledge base. We will routinely collect information around pupil numbers, school finances, the quality of the school estate, staff structures and local context as well as the links with the local church. This will create an enhance schools risk register that will provide us with a RAG rating system to shape how we utilise our resources most effectively.

Work has begun, with school surveys, on responding to the White Paper and Schools Bill. Given the context we are in with successful schools and a mix of VA and academies, the offer we currently have provides the space for any school wishing to become an academy – the SDBE MAT. However, it does not, as it stands, offer all of the answers around the place for SATS or schools with a different foundation. The SDBE has commissioned an initial review to provide oversite of the range and offer of MATS across the country. This will be completed in the spring term and reviewed in the summer by the joint Board/Trust strategy group and work with schools over the summer term will complete the process so that the growth strategy begins in the autumn term.

Following the changes in curriculum development and delivery that were accelerated during Covid, we recognise the need to review the RE syllabus for primary schools. This will be a key piece of work for the advisory team over the year ahead and will include a focus on assessment in RE for primary schools.

We are actively working on a full estate management plan to include all investment properties as well as our offices at 48 Union Street.

FUTURE PLANS (continued)

Investment in Exton Street – having commissioned a condition survey for this property, a proposal to start the process of retrofitting this four storey office building, which brings the greatest income across all properties, will be taken to the Board in the spring. This proposal will be a 3 year improvement plan including a new roof and new windows and ensuring that the building meets the green energy requirements of we have as landlords.

The implication of falling rolls leads to specific plan to develop a vacant/vulnerable schools building strategy that will ensure we benefit from the lessons learned from the closure of St Andrew's, Croydon and St John's Walworth.

VASCA – we will review the committee structure and revise the terms of reference to expand membership of the committee; the process for managing annual bids is also due for review having run for 3 years there are some specific themes to be addressed, particularly around consistency of bids and fragmented central records on the state of some school estate.

INVESTMENT POLICY AND PERFORMANCE

The Board of Trustees' investment powers fall under the Trustee Act 2000 and the Memorandum and Articles of Association in which paragraph 10 permits the Board of Trustees "to invest any monies possessed by the charity (or held in trust by it) in or upon such investments or securities as may from time to time be determined, but so that monies or property subject to the jurisdiction of the Charity Commissioners shall only be invested in such securities and with such sanction as may for the time being be prescribed by law.

Portfolio Performance (01/01/22 to 31/12/22)

Low Risk Portfolio	-9.46% (2021: +5.94%)
Comparative benchmark	-4.79% (2021: +4.06%)
Low to Medium Risk Portfolio	-12.21% (2021: +7.89%)
Comparative benchmark	-10.62% (2021: +8.08%)
Medium to High-Risk Portfolio	-16.50% (2021: +15.59%)
Comparative benchmark	-8.18% (2021: +13.62%)

INVESTMENT POLICY AND PERFORMANCE (continued)

Negative market sentiment and high levels of volatility have continued as we entered the second half of the year, with equity markets around the world beginning to price in the possibility of a recession in the short term. Economies continued to battle against conflict, the energy crisis, China's zero Covid policy and supply chain disruption following the pandemic. More recently, we have seen the highest annual inflationary pressures in a generation, providing an additional challenge to markets. In response, central banks have tightened their monetary policy, with aggressive interest rate increases. In recent weeks, the Federal Reserve announced a hike of 0.75%, the largest increase since the 1990s. The Bank of England voted on a smaller 25bp raise, raising rates to 1.25%, the highest since January 2009. Growth assets have struggled in this rising yield environment, and whilst there may still be some pockets of overvalued speculative assets, growth as a style still contains many high quality, cash generative companies with strong balance sheets, which look attractively priced after recent volatility. Whilst equity prices have fallen globally, the recent round of quarterly corporate results demonstrated that earnings expectations have proved relatively robust, with consumers still spending and profit margins holding up.

Low-Risk Portfolio

The top contributor to performance over the last 12 months, was Guinness Global Equity Income fund, which as historically proved to be a more defensive asset throughout periods of market stress. The fund is able to withstand macro-economic factors due to the economic strength of its underlying business models and their ability to act as price makers in the marketplace. LXI REIT has also proved resilient in the portfolio, as it offers inflation-protected income and capital growth underpinned by a secure portfolio of very long-let and index-linked UK property assets (average lease length of 22 years, 95% of rental income subject to RPI/CPI or fixed uplifts). In equities, the main detractor from performance was Fundsmith with its exposure to longer-duration growth assets suffering in this period of rising interest rates, as valuations compress despite fundamentals remaining good. The portfolio's fixed income exposure has also detracted from performance given the substantial rise in government bond yields, but our positioning at the shorter end of the yield curve has helped on a relative basis.

INVESTMENT POLICY AND PERFORMANCE (continued)

Medium and High-Risk Portfolios

In this higher risk mandate, the non-equity constituents have proved to be useful diversifiers and have held up relatively well over the last 12 months. The main detractors have come from our overseas funds with high exposure to growth sectors such as technology, as well as our exposure to mid and small cap funds. The former group of companies have suffered as valuations have fallen despite fundamentals remaining good and the latter is pricing in a very negative economic outlook with numerous companies already pricing in a recession.

Looking forward, markets are likely to continue to be volatile in the short term with uncertainty surrounding the future path of interest rates given that inflation remains elevated. However, over the past month or so we have seen signs that inflation is starting to peak which has enabled government bond yields to fall as central banks would be unlikely to implement more interest rate hikes than the market is currently pricing in. We also believe central banks will struggle to implement more interest rate hikes than already priced in given we are seeing leading economic indicators start to slow and the chances of a recession are increasing. Any pause or less hawkish rhetoric from central banks is likely to help risk assets, which are trading at attractive valuations, start to rebound.

FINANCIAL REVIEW

The SDBE is established as a statutory body to fulfil a range of duties and responsibilities. Total income of £9,233,771 (2021: £17,278,524) was received during the year. During 2021, income included £1,600,000 (2021: £8,825,000) of donated assets and £5,304,622 (2021: £5,919,905) of Voluntary-Aided School Condition Allocation (VASCA) grant funding. Excluding these amounts, operational income for the year was derived from the following sources:

- Schools (Service agreements and related income): £482,206 – 21% (2021: £475,586 – 19%)
- Maintenance scheme subscriptions: £534,076 – 23% (2021: £554,470 – 22%)
- Diocesan Grants: £348,312 – 14% (2021: £333,460 – 13%)
- Lettings and Investments: £817,092 – 35% (2021: £951,637 – 37%)
- Other income: £162,315 – 7% (2021: £218,466– 9%)

FINANCIAL REVIEW (continued)

To fund the discharge of its day-to-day outgoings in the delivery of The Diocesan Measure (as distinct from its work connected with building works at the schools), the charity depends on the grant received from the Diocese of Southwark, which amounted to a total grant of £348,312 (2021: £333,460) for the year, comprising £336,795 (2021: £333,460) core grant and £11,517 (2021: £nil) of other grants.

The charity's operational activities are represented by its unrestricted general fund. The operational expenditure of the charity exceeded its operational income, resulting in a deficit of £60,477 (2021: deficit of £231,601) before taking into account net gains on listed investments of £530,804 (2021: net gains of £278,434) and transfers. Transfers in and out of the unrestricted general fund included a transfer in of £60,000 from the external periodic maintenance restricted fund representing the costs of administering the fund (2021: £60,000), and net other transfers out of the fund totalling £nil (2021: net transfers out of the fund of £299,593). This gives, read together with realised and unrealised losses on the value of investments of £530,804 (2021: gains of £278,434), a net decrease in the unrestricted (operational) funds of the charity for the year of £531,281 (2021: net decrease of £192,660).

Overall, there was a net increase in total funds of £3,280,530 (2021: net decrease of £9,712,134), after also accounting for an increase in restricted funds of £3,456,036 (2021: increase of £2,669,960), an increase in the property fund of £346,118 (2021: decrease of £6,857,378) and an increase of £9,447 in the value of endowment funds (2021: increase of £7,000)

Southwark Diocesan Education Services Limited SDES

The charity operates a wholly owned subsidiary company, SDES Ltd. The company carries out a number of the charity's activities including the provision of services for schools in the diocese of Southwark and the provision of administrative services for the charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Diocese of Southwark

The Southwark Diocesan Board of Education is a separate registered charity, but it is an integral part of the Diocese of Southwark as a whole, fulfilling the diocesan statutory duty in respect of children's education and its commitment to chaplaincy development. It receives an annual grant from the Diocese through the Diocesan Board of Finance to fund the work of delivering the Diocesan Measure in the Board's schools.

Board and Committee structure

The members meet three times a year. There is an Executive Committee (Policy and Strategy) which meet more frequently comprising of the Chair of the Board and Chairs of the sub-committees and on occasion, the Chair of the SDBE MAT alongside other senior members of the Board's senior officers.

The Board has four further committees:

- Finance and Development Committee
- Schools Committee
- Further and Higher Education Committee
- Audit Committee

Key management personnel

Together with the Board members, the Diocesan Director of Education, Assistant Diocesan Director of Educaiton, Financial Controller, Buildings and Capital Programmes Manager and Office Manager are considered key management personnel by virtue of the fact that they are responsible for the day-to-day running of the Charity.

The Staffing Reference Group inform the Policy and Strategy Committee with regard to the annual pay award to staff.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Relationships with other charities and foundations

The SDBE has the opportunity to nominate a representative to the following educational charitable foundations, which support the provision and promotion of educational opportunity for children and young people through grants to organisations and individuals within the area of the Diocese of Southwark;

- Greenwich Bluecoat Foundation
- Culham St Gabriel's Trust
- St. Mary Newington United Parochial Foundation

It also has representation at Saint Cecilia's as a Member, SMUPF, Member, Bacon's, REAch2 and the Anthem Trusts.

Directors of the Board

The following were directors and members of the Southwark Diocesan Board of Education at the date of this report. All have served through 2022 except where indicated otherwise:

Bishop of the Diocese (President)	The Rt Revd Christopher Chessun
Chair of the Board of Education	The Rt Revd Dr Rosemarie Mallett
Members appointed by the Bishop (up to 4)	
One must be a Bishop of an episcopal area within the diocese	The Rt Revd Dr Rosemarie Mallett (from March 2022)
One must be an Archdeacon of an archdeaconry in the diocese	The Ven Dr Rosemarie Mallett (until March 2022) The Ven Simon Gates (Dec 2022)
	Mr Martin Brecknell
	Vacancy

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Directors of the Board (continued)

CROYDON EPISCOPAL AREA	
Croydon Archdeaconry	
Member of Diocesan Synod	Ekindayo Olomu
Clerk in Holy Orders	The Revd Annie Kurk
Lay Member	Vacancy
Reigate Archdeaconry	
Member of Diocesan Synod	Dr Catharina Stibe Hickson
Clerk in Holy Orders	Vacancy
Lay Member	Vacancy
KINGSTON EPISCOPAL AREA	
Lambeth Archdeaconry	
Member of Diocesan Synod	The Revd Erica Wooff
Clerk in Holy Orders	Vacancy
Lay Member	Maria McBean
Wandsworth Archdeaconry	
Member of Diocesan Synod	Vacancy
Clerk in Holy Orders	Vacancy
Lay Member	Irene Wolstenholme
WOOLWICH EPISCOPAL AREA	
Lewisham & Greenwich Archdeaconry	
Member of Diocesan Synod	Vacancy
Clerk in Holy Orders	The Revd Ariadne van den Hof
Lay Member	Miles Winter

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Directors of the Board (continued)

Southwark Archdeaconry	
Member of Diocesan Synod	Alberta Rosenoir
Clerk in Holy Orders	Revd Tomos Reed
Lay Member	Vacancy
Principal of Whiteland's College (or deputy)	Dr David Muir resigned July 22)
Chair of the Southwark Diocesan Head Teachers Association	Julia Corby

Chairs of Sub-Committees:

Policy & Strategy	The Rt Rev Dr Rosemarie Mallett
Schools	Elizabeth Broad
Finance & Development	Malcolm Edwards CBE
Further and Higher Education	The Revd Andrew Williams

One member elected from each sub-committee:

Schools	Elizabeth Broad
Finance & Development	Malcolm Edwards CBE
Further and Higher Education	Revd Andrew Williams

Co-opted Members (up to 4):

Secondary Headteacher	Helen Dixon
Primary Headteacher	Vacancy

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Senior Staff and advisers

Diocesan Director of Education	Rosalind Cordner
Assistant Diocesan Director of Education	Marcus Cooper to Oct 22
Financial Controller	David Coyle
Education Adviser	Rachel Phillips
Education Adviser	Vicky Matthews from June 22
Education Adviser	Rachael Norman
Primary RE Adviser	Shaun Burns
Secondary RE Adviser & Wellbeing, Mental Health and Character Education Adviser	Fiona Foreman
Governance Admissions and Development Adviser	Leo Morrell to Feb 22
Human Resources Adviser	Julie Richardson
Education Chaplaincy Development Officer	Fiona Foreman from Nov 22
Buildings and Capital Programmes Manager	Paul Forrest
Buildings and Capital Programmes Assistant	Sally Chapman
Projects Manager	Anita Marijetic
Office Manager	Corrina Zukowska
Administrator	Elisabeth Hart
Office Support	Sheila Talbott
Caretaker	Gyorgy Szabo

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have overall responsibility for ensuring the Charity has an effective system of control and for maintaining appropriate accounting procedures and records that comply with legislative requirements and good practice. To this end the Risk Register is updated annually with any key actions followed through via the appropriate committees. It is reviewed by Trustees at least annually as part of corporate risk management.

Key risks faced by the Board based on the current educational landscape, falling pupil numbers and analysis of the Risk Register are outlined below.

The anticipated impact of the White Paper to push for full academisation by 2030 was greatly reduced with publication of the Schools Act which removed the hard deadline.

However, schools continue to explore academisation and the SDBE recognised the need for a review of the structures in place nationally to serve as a baseline for the development of its growth strategy for the future. The current Trust cannot accommodate the Stand-Alone Trusts and the Board is reviewing the strategy for academisation over the year ahead.

There will be other implications to the Boards as more schools join the SDBE MAT, income to EPMS is reduced, so longer term planning for the Board will shape the strategic vision for the next triennium.

Following the Covid pandemic, Brexit, falling birth rates and the rising cost of living in central London, there are significant challenges and some Local Authorities report increasing surplus places across both primary and secondary provision; the implications are that the organisation of our school stock will change over the next three years.

Given the falling pupil numbers, the SDBE is working closely with colleagues across the LA/other Boards of Education to identify the best strategy to ensure CofE education is protected for future generations.

In readiness for changing income to fund the Board's staff team, we have used the opportunity of natural turnover to review the positions in place and have used secondments and consultants this year to ensure we have capacity to deliver the partnership agreement without overcommitting to an unaffordable staffing structure. Where gaps remained, we brokered services from other providers (governance for example) until the post was filled.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Other systems in place to secure minimal risk include:

Greater understanding of the sustainability of our family of schools; beyond school effectiveness indicators, developing a stronger evidence base including finances (including any deficit, local context, estate, succession planning and pupil numbers) and close engagement with LA Education Teams, including engagement with local council and Cabinet meetings.

There is steadfast commitment to maintaining church school proportionality across each Local Authority by engaging at all levels and through all routes available. Maximising representation of CofE voice. The Board agreed to fund a secondment for a day a week for an officer to focus wholly on managing surplus capacity pupil numbers, supported by other team members. There is the real understanding that some schools will close over the next three years and it is our responsibility as a Board of Education to guarantee and support a well managed, dignified closure that marks the achievements of the school within the local community – whilst balancing this with the same need for sensitivity when meeting with the local community that will change with the opening of a new secondary school in Kingston.

The Board wishes to acknowledge and thank the dedication of the school community over the last year and recognises the tremendous work of volunteer governors and committee members. We cannot complete our mission without them. Board members would also like to thank the small team of hardworking staff at the SDBE for making the mission real and for being the link between the diocese and the schools.

STATEMENT OF TRUSTEES' RESPONSIBILTIES

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure of the charitable group for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;

STATEMENT OF TRUSTEES' RESPONSIBILTIES (continued)

- observe the methods and principles in the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- so far as the Trustee is 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.

This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United

Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board of Trustees:

Right Revd Dr Rosemarie Mallett, Trustee

Mr Malcolm Edwards, Trustee

Approved by the board on: 6 July 2023

Independent auditor's report to the members of Southwark Diocesan Board of Education Incorporated

Opinion

We have audited the financial statements of Southwark Diocesan Board of Education Incorporated (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the group statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows, and the notes to the financial statements, including the principal 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 group's and the charitable parent company's affairs as at 31 December 2022 and the group's 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 group 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. 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.

Conclusions relating to going concern (continued)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the charitable parent 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 Trustees' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Matters on which we are required to report by exception (continued)

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;
- the financial statements are not in agreement with the accounting records or returns;
- 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.
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 group's and the parent 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 group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the 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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the charitable parent 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 (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation); and

- 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 group's and the charitable parent company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to 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.

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

- performed analytical procedures to identify any unusual or unexpected relationships;

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

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- tested authorization controls on expenditure items, including staff expense claims, to check that all expenditure was approved in line with the group's and the parent charitable company's financial procedures;
- tested expenditure passing through the off-balance sheet conduit fund to check that it had been incurred in line with the funding agreement and had been appropriately authorized; and
- considered the controls and processes in place relating to the conduit fund, in particular those relating to the receipt and use of the new Voluntary-Aided Schools Capital Allocation funding stream.

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.

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

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

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

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.

Buzzacott LLP

Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

21 July 2023

Consolidated statement of financial activities incorporating an income and expenditure account
Year to 31 December 2022

	Notes	Unrestricted funds: General funds £	Unrestricted funds: Designated funds £	Restricted funds £	Endowment funds £	Total 2022 £	Total 2021 £
Income and endowments from:							
Grants and donations	1	355,318	700,000	5,586,536	—	**6,641,854**	7,256,422
Charitable activities	2	74,276	—	595,980	—	**670,256**	605,471
Other trading activities	3	566,325	—	—	—	**566,325**	554,786
Investments	4	862,685	117,996	9,426	10,477	**1,000,584**	817,092
Total income		**1,858,604**	**817,996**	**6,191,942**	**10,477**	**8,879,019**	9,233,771
Expenditure on:							
Raising funds	5	431,126	—	—	—	**431,126**	511,353
Charitable activities	6	1,487,955	191,878	2,675,906	1,000	**4,356,739**	10,387,985
Total expenditure	7	**1,919,081**	**191,878**	**2,675,906**	**1,000**	**4,787,865**	10,899,338
Net (expenditure)/ income before investment gains and losses		**(60,477)**	**626,118**	**3,516,036**	**9,477**	**4,091,154**	(1,665,567)
Unrealised losses on investment properties	11b	—	(280,000)	—	—	**(280,000)**	(8,325,000)
Net (losses)/gains on listed investments	11a	(530,804)	—	—	—	**(530,804)**	278,434
Net (expenditure) / income before transfers		**(591,281)**	**346,118**	**3,516,036**	**9,477**	**3,280,350**	(9,712,133)
Transfers between funds	15	60,000	—	(60,000)	—	—	—
Net movement in funds	8	**(531,281)**	**346,118**	**3,456,036**	**9,477**	**3,280,350**	(9,712,133)
Reconciliation of funds:							
Funds brought forward at 1 January 2022		**3,412,743**	**16,837,564**	**1,314,942**	**240,416**	**21,805,665**	31,517,798
Funds carried forward at 31 December 2022	15	**2,881,462**	**17,183,682**	**4,770,978**	**249,893**	**25,086,015**	21,805,665

All of the group's activities derived from continuing operations during the above financial years.

All recognised gains and losses for the year are included in the above statements of financial activities.

Comparative information by fund class for the year ended 31 December 2021 is given in note 21.

No summary income and expenditure account has been produced as the only difference to the statement of financial activities would be the omission of endowed income of £10,477 (2021: £8,103); endowed expenditure of £ £1,000 (2021: £1,000) and transfer of £nil (2021: £103) to the restricted fund.

Balance sheets 31 December 2022

	Notes	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Fixed assets					
Tangible assets	10	**1,236,199**	**1,236,198**	1,428,383	1,428,077
Investments	11	**21,720,680**	**21,720,680**	22,202,852	22,202,852
		22,956,879	**22,956,878**	23,631,235	23,630,929
Current assets					
Debtors	13	**368,778**	**251,900**	147,619	69,108
Cash at bank and in hand		**3,883,754**	**3,830,226**	1,381,555	1,333,344
		4,252,532	**4,082,126**	1,529,174	1,402,452
Creditors: amounts falling due within one year	14	**(1,179,396)**	**(1,020,740)**	(2,402,744)	(2,287,469)
Net current assets (liabilities)		**3,073,136**	**3,061,386**	(873,570)	(885,017)
Debtors: amounts receivable after more than one year	13	**150,000**	**150,000**	150,000	150,000
Creditors: amounts falling due after more than one year	14	**(1,094,000)**	**(1,094,000)**	(1,102,000)	(1,102,000)
Net assets		**25,086,015**	**25,072,264**	21,805,665	21,793,912
The funds of the charity	15				
Unrestricted funds					
. General funds		**2,881,462**	**2,869,711**	3,412,743	3,400,991
. Designated funds		**17,183,682**	**17,183,682**	16,837,564	16,837,564
Restricted funds		**4,770,978**	**4,770,978**	1,314,942	1,314,942
Endowment funds		**249,893**	**249,893**	240,416	240,416
		25,086,015	**25,072,264**	21,805,665	21,793,913

The financial statements were approved and authorised for issue by the Trustees and were signed on their behalf by:

Rt Revd Dr Rosemarie Mallett, Trustee

Mr Malcolm Edwards, Trustee

Approved by the board on: 6 July 2023

Southwark Diocesan Board of Education Incorporated
Company limited by guarantee
Registration Number: 00086641 (England and Wales)

The notes on pages 31 to 57 form part of the financial statements.

Consolidated statement of cash flows Year to 31 December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	**1,130,247**	(5,806,880)
Cash flows from investing activities:			
Dividends, interest and rents from investments		**1,000,584**	817,092
Proceeds from the disposal of listed investments		**567,068**	751,049
Purchase of listed investments		**(634,623)**	(686,239)
Net cash provided by investing activities		**933,029**	881,902
Change in cash and cash equivalents in the year		**2,063,276**	(4,924,978)
Cash and cash equivalents at 1 January 2022	B	**3,339,055**	8,264,033
Cash and cash equivalents at 31 December 2022	B	**5,402,331**	3,339,055

Notes to the cash flow statement for the year to 31 December 2022:

A Reconciliation of net movement in funds to net cash flows from operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	**3,280,350**	(9,712,133)
Adjustments for:		
Depreciation charge	**192,184**	192,502
Donated assets	**(700,000)**	(1,600,000)
Losses / (gains) on listed investments	**530,804**	(278,432)
Losses on investment properties	**280,000**	8,325,000
Dividends, interest and rents from investments	**(1,000,584)**	(817,092)
Amortisation of lease premium	**(8,000)**	(8,000)
Decrease in creditors	**(232,676)**	(1,955,363)
(Increase) / decrease in debtors	**(1,211,831)**	46,638
Net cash provided by / (used in) operating activities	**1,130,247**	(5,806,880)

B Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	1,381,555	2,502,199	**3,883,754**
Cash held by investment managers	1,957,500	(438,923)	**1,518,577**
	3,339,055	2,063,276	**5,402,331**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation
These financial statements have been prepared for the year to 31 December 2022.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement
Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- determining the basis for allocating support costs across expenditure categories;
- determining the basis of valuation for the charity's investment property portfolio;
- the estimation of future income and expenditure for the purposes of assessing going concern.

Assessment of going concern
The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

Assessment of going concern (continued)
The Board's market investments enjoyed slightly increased dividend income during the year, although not materially so. As in the previous year extensive financial modelling has been carried out to cover different scenarios. As the seriousness of the Covid 19 pandemic appears to have receded somewhat (due in large part to a successful vaccination campaign by the UK Government), the risk of rent defaults in Board owned properties would appear to have lessened. However, this particular risk has been replaced by the spectre of falling pupil demographics leading to potential school closures, of which the Board has already suffered two. In a worst case scenario, the Board may not be in operational surplus at the end of the coming year, however the Board has significant free reserves and also has access to an overdraft facility should it be required. The Trustees are therefore of the opinion that the charity has sufficient reserves to be able to meet its liabilities as they fall due.

The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 December 2023, the most significant areas that will affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment and property markets (please see the investment policy and the risk management sections of the Trustees' report for more information).

Income recognition
Income is recognised in the period in which the charity has entitlement to the income, the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises grants, maintenance subscriptions, rental and investment income and the income from the charity's trading subsidiary. Income from other trading activities carried out by the trading subsidiary comprises, in the main, charges made for service agreement subscriptions, educational consultancy and other services provided to schools, and conduit project management fees.

Grants and donations are included as income from activities in furtherance of the charity's objectives where these amount to a contract for services, but as voluntary income where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Maintenance and service level subscriptions are recognised in the financial year to which the subscription relates and deferred if received in advance of that financial year.

Income derived from the letting of the charity's investment properties is recognised in the period to which the tenancy relates, when it is probable that the funds will be received.

Dividends are recognised when they have been earned and credited to the investment portfolio.

Income (continued)
Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from educational consultancy services is accounted for on an accruals basis with the income being recognised when due contractually.

Conduit project management fees are recognised on the date of completion of the relevant project.

Other amounts derived from capital and maintenance project activities where the charity acts as an agent, administering projects funded principally by the Department for Education and Skills on behalf of the school governors are excluded from these financial statements, as they constitute conduit funds. Details of these funds are set out in note 16.

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes the direct costs and support costs associated with generating rental income, together with the fees paid to investment managers in connection with the management of the charity's listed investments.

- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs (including governance costs).

Allocation of support and governance costs
Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice. Support costs and governance costs are apportioned using percentages based on the time spent on the activities by the employees of the charity.

Tangible fixed assets
The charity's policy is to capitalise asset purchases over £1,000. Depreciation is provided on tangible fixed assets so as to write down the cost over the expected useful life.

Tangible fixed assets (continued)
The following depreciation rates are used:

Freehold properties and property improvements	–	2% straight line
Office equipment	–	25% straight line

Investments
Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

The charity does not acquire put options, derivatives or other complex financial instruments.

Investment properties are included in the financial statements at the estimated current market value of the properties based on open market value. The valuation has been determined by the Trustees after consultation with professional property advisers.

During the year St John's CE school in Walworth closed. The Board is currently preparing to lease the empty site to generate income to support the activities of the charity. As a result the site has been brought into the accounts at market valuation as an investment property.

Former school sites
In the course of administering a capital scheme under the Education Acts 1944 to 1973, the charity acts as Trustee to a number of former schools, whose former property may be sold or leased as part of the implementation of the scheme. These proceeds are generally "free monies" in the hands of the charity to use under the provisions of the Education Acts 1943, subject to the restrictions applying under Section 86 of the 1944 Act and Section 2 of the 1973 Act. The Trustees do not consider that it is practicable to place a value on such assets and, accordingly, they are not included in the financial statements.

Debtors
Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand
Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions
Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it would pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Subsidiary undertaking

The charity owns the whole of the issued share capital of Southwark Diocesan Education Services Limited. The principal activity of the subsidiary undertaking is the provision of services for schools in Southwark Diocese and administrative services for its parent undertaking. The consolidated financial statements include the financial statements of SDBE and its subsidiary Southwark Diocesan Education Services Limited. In accordance with the current SORP, a separate statement of financial activities dealing with the results of SDBE has not been presented.

Funds

The charity has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Unrestricted funds

Unrestricted funds arise from all the accumulated surpluses and deficits in the provision of general charitable activities.

Designated funds

Designated funds are funds set aside out of general funds by the Trustees and designated for a particular purpose. The balance on the designated property fund represents the net book value of the fixed assets and the value of investment properties shown on the balance sheet at that date.

Restricted funds

These are funds subject to specific conditions imposed by the donor or by the specific terms of a trust deed or other legal measure. Income and expenditure on restricted funds is taken directly to those funds in the statement of financial activities except to the extent that income is freely available to the charity.

Endowment funds

These are funds subject to the condition that they be held as permanent capital. Unexpended income is included in the relevant funds in accordance with the terms of the trust.

Custodian trusts

Trusts, where the charity acts merely as custodian Trustee with no control over the management or use of the funds, are not included in the statement of financial activities or balance sheet.

Conduit Funds – capital projects

The charity is responsible on behalf of school governors for the financial administration of capital projects funded by the Department for Education (DfE) and Local Authorities. The statutory legal agreement between the charity, the schools and the government department gives the charity ultimate control over the application of the Voluntary Aided Schools Capital Allowance grants to specific schools, therefore these are recognised as restricted income by the charity. Details of these funds are set out in note 16.

Funds (continued)

Conduit Funds – capital projects *(continued)*
The agreement grants no decision making authority to the charity over the schools' funds, including Devolved Formula Capital grants and governors' funds, and therefore the charity acts as administrative agent in respect of these. Accordingly these funds represent conduit funding and are therefore excluded from the charity's financial statements.

Pension contributions
Contributions are made for full-time staff to the Church of England Church Workers 'Pension Fund and to the Teachers' Pension Scheme. The pension costs charged by the schemes are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that the regular pension cost represents a substantially consistent percentage of the current and future payroll. Variations from regular cost are spread over the remaining service lives of the current employees 38 are therefore accounted for as if they were defined contribution schemes. Further details are set out in note 17.

1 Grants and donations

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2022 £
Diocesan grant	336,795	—	11,517	—	**348,312**
Donated assets – 16 Larcom Street (note 11b)		700,000	—	—	**700,000**
VASCA Grants	—	—	5,575,019	—	**5,575,019**
Other grants	18,523	—	—	—	**18,523**
2022 Total funds	—	**700,000**	**5,586,536**	—	**6,641,854**

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2021 £
Diocesan grant	333,460	—	—	—	333,460
Donated assets – Walworth St John's (note 11b)	—	1,600,000	—	—	1,600,000
VASCA Grants	—	—	5,304,622	—	5,304,622
Other grants	18,340	—	—	—	18,340
2021 Total funds	351,800	1,600,000	5,304,622	—	7,256,422

The Charity assists voluntary aided schools with school building projects. It historically acted as the agent of school governors in helping to arrange funding through the DfE and Local Authorities and in paying professional fees and building costs on behalf of school governors. The VASCA (Voluntary-Aided Schools Condition Allocation) system was introduced in April 2020 and superseded the LCVAP (Locally Coordinated Voluntary-Aided Programme). The change in funding gives the charity ultimate control over the application of the VASCA grants to specific schools. Historically, the LCVAP was not reflected in the Statement of Financial Activities as the Charity had no control over the funds. The transactions were those of the schools and controlled and approved by the governors rather than the Charity, which acted as agent. Since the use of the VASCA grant funding is at the discretion of the Board it is now included in the SOFA as restricted income along with the related expenditure. The unspent balance at the end of the year is committed to projects or returned to the DfE if not committed within two years of the grant date.

2 Charitable activities

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2022 £
Maintenance subscriptions	—	—	595,980	—	**595,980**
Other educational income					
. Advisory and consultancy fees	40,250	—		—	**40,250**
. Bishop's certificate in church school governance	3,840	—	—	—	**3,840**
. Other sundry income	30,186	—	—	—	**30,186**
2022 Total funds	**74,276**	—	**595,980**	—	**74,276**

2 Charitable activities (continued)

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2021 £
Maintenance subscriptions	—	—	534,076	—	534,076
Other educational income					
. Advisory and consultancy fees	61,867	—	—	—	61,867
. Bishop's certificate in church school governance	2,400	—	—	—	2,400
. Other sundry income	7,128	—	—	—	7,128
2021 Total funds	71,395	—	534,076	—	605,471

3 Other trading activities

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2022 £
Service Agreement Subscriptions	492,865	—	—	—	492,865
Management fees					
. Capital projects	30,348	—	—	—	30,348
. Maintenance projects	7,398	—	—	—	7,398
Training events	3,335	—	—	—	3,335
Additional advisor support	3,212	—	—	—	3,212
Sundry trading income	29,167	—	—	—	29,167
2022 Total funds	**566,325**	—	—	—	**566,325**

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2021 £
Service Agreement Subscriptions	482,206	—	—	—	482,206
Management fees					
. Capital projects	4,817	—	—	—	4,817
. Maintenance projects	15,286	—	—	—	15,286
Training events	—	—	—	—	—
Additional advisor support	21,650	—	—	—	21,650
Sundry trading income	30,827	—	—	—	30,827
2021 Total funds	554,786	—	—	—	554,786

4 Income from investments

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2022 £
Listed and unlisted investments	93,724	—	9,426	10,477	**113,627**
Rental and lettings income	768,961	117,996	—	—	**886,957**
2022 Total funds	**862,685**	**117,996**	**9,426**	**10,477**	**1,000,584**

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2021 £
Listed and unlisted investments	60,390	—	13,023	8,103	81,516
Rental and lettings income	676,077	59,499	—	—	735,576
2021 Total funds	736,467	59,499	13,023	8,103	817,092

5 Expenditure on raising funds

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2022 £
Lettings expenses	391,382	—	—	—	**391,382**
Investment management fees	34,676	—	—	—	**34,676**
Bank charges	5,068	—	—	—	**5,068**
2022 Total funds	**431,126**	**—**	**—**	**—**	**431,126**

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2021 £
Lettings expenses	483,486	—	—	—	483,486
Investment management fees	24,475	—	—	—	24,475
Bank charges	3,392	—	—	—	3,392
2021 Total funds	511,353	—	—	—	511,353

6 Expenditure on charitable activities

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2022 £
School maintenance expenditure	—	—	471,806	—	**471,806**
VASCA grant expenditure	—	—	2,192,611	—	**2,192,611**
Advice and guidance	1,017,229	131,176	—	—	**1,148,405**
Training and development	247,858	31,962	11,489	1,000	**292,309**
Project management	222,868	28,740	—	—	**251,608**
2022 Total funds	**1,487,955**	**191,878**	**2,675,906**	**1,000**	**4,356,739**

6 Expenditure on charitable activities (continued)

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2021 £
School maintenance expenditure	—	—	951,592	—	951,592
VASCA grant expenditure	—	—	7,672,182	—	7,672,182
Advice and guidance	861,825	115,269	—	—	977,094
Training and development	288,888	38,639	136,738	1,000	465,265
Project management	283,883	37,969	—	—	321,852
2021 Total funds	1,434,596	191,877	8,760,512	1,000	10,387,985

7 Analysis of total expenditure

	Direct costs £	Other directly allocated costs £	Support costs £	2022 £
Raising funds (note 5)	430,868	258	—	**431,126**
Charitable activities (note 6)				
. School maintenance expenditure	471,806	—	—	**471,806**
. Advice and guidance	566,124	424,934	157,347	**1,148,405**
. Training and development	140,043	115,028	37,238	**292,309**
. Project management	36,951	2,285,712	121,556	**2,444,219**
	1,645,792	**2,825,932**	**316,141**	**4,787,865**

	Direct costs £	Other directly allocated costs £	Support costs £	2021 £
Raising funds (note 5)	511,106	247	—	511,353
Charitable activities (note 6)				
. School maintenance expenditure	951,592	—	—	951,592
. Advice and guidance	418,691	418,772	139,631	977,094
. Training and development	152,935	277,113	35,216	465,264
. Project management	51,763	7,810,124	132,147	7,994,034
	2,086,087	8,506,256	306,994	10,899,337

Support costs are analysed as follows:

	Expenditure on charitable activities			
	Advice and guidance £	Training and development £	Project management £	Total 2022 £
Finance and HR	**77,379**	**4,372**	**56,834**	**138,585**
Administration	**37,290**	**22,467**	**55,371**	**115,128**
Governance	**42,678**	**10,399**	**9,351**	**62,428**
2022 Total funds	**157,347**	**37,238**	**121,556**	**316,141**

7 Analysis of total expenditure (continued)

	Expenditure on charitable activities			
	Advice and guidance £	Training and development £	Project management £	Total 2021 £
Finance and HR	72,011	3,695	48,045	123,751
Administration	34,409	20,388	73,162	127,959
Governance	33,211	11,133	10,940	55,284
2021 Total funds	139,631	35,216	132,147	306,994

All costs allocations are made on the basis of estimated time spent by staff.

8 Net movement in funds

Net movement in funds is stated after charging:

	2022 £	2021 £
Staff costs (note 9)	**1,210,259**	1,132,803
Depreciation (note 10)	**192,184**	192,501
Auditor's remuneration (including VAT)		
. Audit work	**28,693**	25,790
. Other services	**4,710**	6,860
. Prior year	**4,366**	1,110
Bank charges and interest on bank loans and overdrafts	**5,068**	3,392

9 Employee and key management personnel remuneration

(a) Staff costs

	2022 £	2021 £
Wages and salaries	**760,849**	669,437
Social security costs	**79,908**	74,045
Pension costs	**206,448**	186,830
	1,047,205	930,312
Consultancy costs	**163,054**	202,491
	1,210,259	1,132,803

(b) Staff numbers

The number of employees during the year, calculated on an average headcount basis, was 16 (2021 – 16).

9 **Employee and key management personnel remuneration** (continued)

(c) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2022 number	2021 number
£60,000 - £70,000	**4**	1
£70,001 – £80,000	**1**	2
£80,001 – £90,000	**1**	—
£90,001 - £100,000	**1**	1
£100,001 - £110,000	**1**	—

All of the above higher paid employees participated in the Teachers' Pension Scheme. Aggregate employer pension contributions for the above employees during the year amounted to £145,762 (2021 – £82,112). Details of the Teachers' Pension Scheme are given in note 17.

(d) Key management personnel

Key management personnel comprise the Trustees together with the Director of Education, Assistant Director of Education, Financial Controller, Building and Capital Programmes Manager and the Office Managers.

The aggregate remuneration and benefits received by key management personnel during the year was as follows:

	2022 £	2021 £
Remuneration, including employer's National Insurance contributions	**401,419**	400,507
Pension contributions	**96,985**	101,878
	498,404	502,385

The above figures do not include the value of staff time rechargeable to SDBE Multi-Academy Trust (note 18). None of the Trustees received any remuneration or reimbursed expenses in respect of their services during the year (2021 – none).

10 Tangible fixed assets

	Freehold land and buildings £	Property improve-ments £	Charity total £	Group office and computer equipment £	Group total £
Cost					
At 1 January 2022	2,864,050	95,834	**2,959,884**	22,481	**2,982,365**
Additions	—	—	—	—	—
At 31 December 2022	2,864,050	95,834	**2,959,884**	22,481	**2,982,365**
Depreciation					
At 1 January 2022	1,527,859	3,948	**1,531,807**	22,175	**1,553,982**
Charge for the year	190,939	940	**191,879**	305	**192,184**
At 31 December 2022	1,718,798	4,888	**1,723,686**	22,480	**1,746,166**
Net book value					
At 31 December 2022	1,145,252	90,946	**1,236,198**	1	**1,236,199**
At 31 December 2021	1,336,191	91,886	**1,428,077**	306	**1,428,383**

11 Investments

Group and charity		2022 £	2021 £
Listed investments	(a)	**5,090,680**	5,992,852
Investment properties	(b)	**16,630,000**	16,210,000
		21,720,680	22,202,852

In addition to the above investments, the charity also holds a £1 investment in the called-up share capital of its wholly-owned trading subsidiary, Southwark Diocesan Education Services Limited (note 12). A full revaluation of the property portfolio was undertaken by Rapleys LLP in March 2023 and this has been reflected in these valuations.

(a) Listed investments

Group and charity	2022 £	2021 £
Market value at 1 January 2022	**4,035,352**	3,821,730
Additions	**634,623**	686,239
Disposals (proceeds: £498,847, realised losses: £68,221)	**(567,068)**	(715,808)
Unrealised gains on revaluation	**(530,804)**	243,191
Market value at 31 December 2022	**3,572,103**	4,035,352
Cash held by investment managers	**1,518,577**	1,957,500
	5,090,680	5,992,852
Cost of listed investments at 31 December 2022	**3,543,296**	4,981,208

All listed investments were dealt in on a recognised stock exchange and comprised UK equities and UK managed funds. No individual holding comprised more than 5% of the portfolio in either the current or prior year.

11 Investments (continued)

(b) Investment properties

Group and charity	Charity and Group freehold properties	
	2022 £	2021 £
Valuation at 1 January 2022	**16,210,000**	22,935,000
Additions	**700,000**	1,600,000
Revaluation in the year	**(280,000)**	(8,325,000)
Valuation at 31 December 2022	**16,630,000**	16,210,000
Historic cost at 31 December 2021	**4,998,161**	4,298,161

Additions to investment properties include £700,000 in relation to the donation of a former school building at 16 Larcom Street (linked to St John's CE Primary School London) (2021 – £1,600,000 Walworth St John's), which is being held to generate rental income to support the work of the charity.

On the basis that the charity's investment properties have continued to generate rental yields which are materially comparable to those earned prior to the pandemic, the trustees do not consider that there has been any material impairment to the fair value of these properties since the previous valuation.

12 Investment in subsidiary undertaking

The charity owns 100% of the issued ordinary share capital of a subsidiary undertaking, Southwark Diocesan Education Services Limited (amounting to £1), which is registered in England and supplies administrative services to the charity and to Schools in the Diocese. The company began trading on 1 April 1996 and its results for the period and assets and liabilities have been consolidated into the charity's financial statements. Total income for the year was £613,578 (2021: £608,660), gross profit was £417,057 (2021: £565,947) and total administrative expenditure was £196,522 (2021: £166,748). The net profit after taxation was £nil (2021 – £nil) after recognising gift aided donations payable to the parent charity under the conditions of its Memorandum and Articles of Association of £417,057 (2021: £399,199).

13 Debtors

Amounts falling due within one year:

	Group 2022 £	**Charity 2022** £	Group 2021 £	Charity 2021 £
Other debtors	**199,216**	**122,709**	91,286	51,559
Prepayments and accrued income	**169,562**	**129,191**	56,333	17,549
	368,778	**251,900**	147,619	69,108

13 Debtors (continued)

Amounts falling due in more than one year:

	Group and Charity 2022 £	Group and Charity 2021 £
Amounts due from SDBE Multi-Academy Trust	**150,000**	150,000

Amounts receivable represent funds invested in the SDBE Multi-Academy Trust to fund its early development. Whilst there is an understanding between SDBE and the Trust that these funds are to be repaid, there is no obligation for this to take place within the next 12 months.

14 Creditors

Amounts falling due within one year:

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Trade creditors	**606,337**	**590,697**	1,279,551	1,290,492
Other creditors	**132,019**	**100,971**	372,554	363,717
Conduit creditor	**—**	**—**	—	—
Accruals and deferred income	**433,040**	**300,624**	742,639	614,459
Amounts due to group undertakings	**—**	**20,448**	—	10,801
Deferred lease premium (see below)	**8,000**	**8,000**	8,000	8,000
	1,179,396	**1,020,740**	2,402,744	2,287,469

Amounts falling due in more than one year:

	Group and Charity 2022 £	Group and Charity 2021 £
Amounts payable to Southwark Diocesan Board of Finance	**150,000**	150,000
Deferred Highshore lease premium	**944,000**	952,000
	1,094,000	1,102,000

Amounts payable to Southwark Diocesan Board of Finance represent the drawdown on a loan made available to SDBE to fund the early development of SDBE Multi-Academy Trust. There is no requirement for any or all of the balance to be repaid in the next 12 months and therefore the full amount has been presented as falling due in more than one year.

The deferred Highshore lease premium represents the remaining balance on a premium of £1,000,000 received by the charity during the year ended 31 December 2017 in respect of a 125 year lease of the Highshore School site to the Mayor and Burgess of the London Borough of Southwark. The premium is being released to the Statement of Financial Activities over the life of the lease. As such, £8,000 is included under accruals and deferred income falling due within one year, with the remainder falling due in more than one year.

14 Creditors (continued)

The movements on deferred income are analysed as follows:

	2022 £	2021 £
Brought forward as at 1 January 2022	**1,088,179**	1,087,417
Released in the year	**(136,179)**	(127,417)
New deferrals in the year	**132,416**	128,179
Carried forward as at 31 December 2022	**1,084,416**	1,088,179

The deferred income balance represents:

- Service income relating to periods after 31 December 2022 of £132,416 (2021: £128,179); and
- Deferred lease premium income relating to the Highshore lease, split between £8,000 included in creditors falling due within less than one year (2021: £8,000) and £944,000 included in creditors falling due in more than one year (2021: £952,000).

15 Analysis of group funds

Analysis of group net assets between funds

	General funds £	Designated property fund £	Restricted funds £	Endowment funds £	2022 Total funds £
Tangible fixed assets	**—**	**1,236,199**	**—**	**—**	**1,236,199**
Listed investments	**4,146,364**	**—**	**764,964**	**179,352**	**5,090,680**
Investment properties	**—**	**15,630,000**	**—**	**1,000,000**	**16,630,000**
Net current (liabilities) assets	**(1,264,902)**	**317,483**	**4,006,014**	**14,541**	**3,073,136**
Non-current assets	**—**	**—**	**150,000**	**—**	**150,000**
Non-current liabilities	**—**	**—**	**(150,000)**	**(944,000)**	**(1,094,000)**
	2,881,280	**17,183,682**	**4,770,978**	**249,893**	**25,086,015**

	General funds £	Designated property fund £	Restricted funds £	Endowment funds £	2021 Total funds £
Tangible fixed assets	—	1,428,382	—	—	1,428,382
Listed investments	4,751,893	—	1,063,747	177,211	5,992,851
Investment properties	—	15,210,000	—	1,000,000	16,210,000
Net current (liabilities) assets	(1,339,150)	199,182	251,194	15,205	(873,569)
Non-current assets	—	—	150,000	—	150,000
Non-current liabilities	—	—	(150,000)	(952,000)	(1,102,00)
	3,412,743	16,837,564	1,314,942	240,416	21,805,665

15 Analysis of group funds (continued)

Reconciliation of funds

	Balance at 1 January 2022 £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	Balance at 31 December 2022 £
Endowment funds	**240,416**	**10,477**	**(1,000)**	**—**	**—**	**249,893**
Restricted funds						
External maintenance scheme	—	595,980	(471,806)	—	(60,000)	64,174
VASCA capital funds	(548,066)	5,575,019	(2,192,610)	—	—	2,834,343
Other restricted funds	1,863,008	20,943	(11,490)	—	—	1,872,461
	1,314,942	6,191,942	(2,675,906)	—	(60,000)	4,770,978
Designated funds						
Property fund	16,830,885	700,000	(191,878)	(280,000)	—	17,059,007
Croydon St Andrews Fund	6,679	117,996	—	—	—	124,675
	16,837,564	817,996	(191,878)	(280,000)	—	17,183,682
General funds (including trading funds of £11,755)	3,412,743	1,858,604	(1,919,081)	(530,804)	60,000	2,881,462
Total unrestricted funds	20,250,307	2,676,600	(2,110,959)	(810,804)	(60,000)	20,065,144
	21,805,665	8,879,019	(4,787,865)	(810,804)	—	25,086,015

	Balance at 1 January 2021 £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	Balance at 31 December 2021 £
Endowment funds	233,416	8,103	(1,000)	—	(103)	240,416
Restricted funds						
External maintenance scheme	177,819	534,076	(951,592)	—	239,696	—
VASCA capital funds	1,819,496	5,304,622	(7,672,182)	—	—	(548,064)
Other restricted funds	1,986,722	13,024	(136,738)	—	—	1,863,008
	3,984,037	5,851,721	(8,760,512)	—	239,696	1,314,941
Designated funds						
Property fund	23,555,885	1,600,000	—	(8,325,000)	—	16,830,885
Croydon St Andrews Fund	139,057	59,499	(191,877)	—	—	6,679
	23,694,942	1,659,499	(191,877)	(8,325,000)	—	16,837,564
General funds (including trading funds of £11,755)	3,605,403	1,714,448	(1,945,949)	278,434	(239,593)	3,412,743
Total unrestricted funds	27,300,345	3,373,947	(2,137,826)	(8,046,566)	(239,593)	20,250,307
	31,517,798	9,233,771	(10,899,338)	(8,046,566)	—	21,805,665

15 Analysis of group funds (continued)

Endowment funds represent a fund held under a Section 86 order and a fund set aside under a charity order to develop Church of England education.

The **External Periodic Maintenance Scheme** is a scheme developed by the charity on a voluntary subscription basis to ensure that all the schools in the Diocese can maintain the external fabric and structural elements of their buildings. The fund balance carried forward represents the accumulation of income over expenditure which is available to meet the Governors' 10% liability for ongoing schemes of maintenance works.

The **Diocesan grant restricted fund** relates to funding provided by the Diocese of Southwark to fund a specific post and chaplaincy support.

The **Croydon St Andrew's capital funds** represent receipts of capital funding from a closed school, which have been applied to improvement works at that school to keep the property compliant and insured.

Other restricted funds *represent assets arising from the disposal of redundant school* buildings to be deployed by the Southwark Diocesan Board of Education under Section 554 of the Education Act 1996. Such funds can be deployed (directly and indirectly) for the development of existing schools or the provision of new schools within the Diocese of Southwark. Such Schools are to follow the tenets of the Church of England.

The **designated property fund** represents the net book value of the fixed assets and investment properties at the balance sheet date.

The **designated Croydon St Andrew's fund** represents income received from the rental of the St Andrew's school building which the charity intends to apply towards further refurbishment work at the school.

VASCA fund - The school building projects fund represents the income received from the VASCA grant from the Department for Education and the associated commitment on the fund. The funds are restricted to capital and maintenance projects at the schools. VASCA funds must be committed to projects or returned to the DfE if not committed within two years of the grant date.

16 Conduit funds – capital projects

	2022 £	2021 £
Income	**6,783,279**	8,739,901
Expenditure	**(6,783,279)**	(8,739,901)
	—	—

The income figure represents funds receivable from Salix Finance Ltd, Devolved Formula Capital from schools and Governor and Local Authority Contributions to building projects, while the expenditure figure represents supplier and contractor costs incurred and committed during the year. Unspent committed costs are realised in the forthcoming financial year and represent timing differences in acquiring the funds with their related expenditure. The main reasons for the decrease in 2022 are reduced funding from the Salix Finance Company and associated governor and Devolved Formula Capital contributions. These are recognised as income and expenditure as discussed in note 1 and the accounting policies.

The Conduit Fund exists to channel funds sourced from the public sector into capital and maintenance projects in schools; it posts no profit and all its funds are committed. As at 31 December 2022 the combined total assets of the fund (including accrued income) amounted to £6.8m. The combined liabilities were identical. Additionally, as at 31 December 2022 the charity owed £nil to the conduit fund (2021: £nil). Separately, amounts held on behalf of schools as part of the Devolved Formula Capital Scheme (which are ultimately destined for the conduit fund) were £0.6m at 31 December 2022 (2021: £2.49m). These funds represent agency cash balances in the charity, and are not included in the charity's fund balances.

17 Pension and similar obligations

The Group's employees belong to two principal pension schemes, the Teachers' Pension Scheme (TPS) and the Church of England Church Workers Pension Fund (CWPF), which are of the defined benefit type, the assets of the schemes being held in separate Trustee administered funds. Both the TPS and CWPF fund assets are not apportioned to individual employing bodies in the fund and therefore both constitute collective defined benefit pension schemes under Financial Reporting Standard 102: Section 28 – Employee Benefits. The total pension cost was £206,448 (2021: £186,830). There were no creditors falling due within one year at either 31 December 2022 or 31 December 2021.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers and lecturers who are or have previously been employed at eligible institutions. Teachers and lecturers have the option to opt out of the TPS following enrolment.

17 Pension and similar obligations (continued)

***Teachers' Pension Scheme** (continued)*

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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 the information available on the scheme below.

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; and
- 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 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 year amounted to £104,921 (2021: £80,343).

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

17 Pension and similar obligations (continued)

Church of England Church Workers Pension Fund

Valuation of the Church of England Church Workers Pension Fund
Southwark Diocesan Board of Education (DBS) participates in the Defined Benefits Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

CWPF has two sections:

1. The Defined Benefits Scheme

2. The Pension Builder Scheme, which has two subsections;

    a. deferred annuity section known as Pension Builder Classic, and,

    b. cash balance section known as Pension Builder 2014..

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

For funding purposes, DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2022: £101,526; 2021: £106,519).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

17 Pension and similar obligations (continued)

Church of England Church Workers Pension Fund *(continued)*

Defined Benefits Scheme (continued)
A valuation of DBS is carried out once every three years. The most recently finalised was carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in DBS was £11.3m

The next actuarial valuation is due at 31 December 2023.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 45% of pensionable salary and expenses of £5,400 per year.

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

18 Related party transactions
The Southwark Diocesan Board of Education is a company limited by guarantee. The results and balance sheet of Southwark Diocesan Education Services Limited (SDES) are consolidated into these financial statements. The Southwark Diocesan Board of Education has taken advantage of the exemptions in FRS 102 and has not reported transactions between it and SDES.

During the year ended 31 December 2022, the group received grant funding amounting to £336,795 (2021: £333,460) in respect of the Diocesan Measure and lettings income of £20,313 (2021: £19,200) from the Southwark Diocesan Board of Finance and South London Church Fund, which is a related party as a result of sharing a number of Trustees with the charity. At the year end, the charity owed £150,000 (2021: £150,000) to the Diocesan Board of Finance in respect of a loan used partly to fund the early development of SDBE Multi-Academy Trust (note 14).

During the year ended 31 December 2021, the group received income of £11,490 (2021: £11,154), including VAT, from Bacons College in respect of the provision of a service level agreement. £nil was owing at 31 December 2022 (2021: £nil). Bacon's College is a related party as a result of sharing a number of Trustees with the charity.

During the year ended 31 December 2022, the group received income of £121,088 (2021: £143,812) including VAT from the SDBE Multi-Academy Trust in respect of the provision of a service level agreement and additional advisory and consultancy work. As at 31 December 2022, £11,613 remained to be received (2021: £25,640). SDBE Multi-Academy Trust is a related party by virtue of the fact that it shares a number of trustees with the charity.

18 Related party transactions (continued)

In 2017 the charity advanced £150,000 to the SDBE Multi-Academy Trust in order to fund its early development. At the year end, £150,000 (2021: £150,000) was receivable in respect of this balance. Whilst there is an understanding between SDBE and the Multi-Academy Trust that these funds are to be repaid, there is no obligation for this to take place within the next 12 months, therefore this amount is presented as a debtor falling due in more than one year (note 13).

19 Funds held as agent

During the year, the charity acted as an agent, with interest receivable £2,080 (2021: £82) being paid into accounts held on behalf of various Schools under the aegis of the Diocese of Southwark. No amounts were paid over to these schools in either year. At the year end, balances of £160,243 were held in designated bank accounts separate from the charity and trading subsidiary's designated bank accounts (2021: £158,162). As the Trustees have no responsibility for the application of these funds, the income and bank balances have been excluded from the financial statements.

20 Members

The company is limited by guarantee and the liability of the members is limited to an amount not exceeding £1.

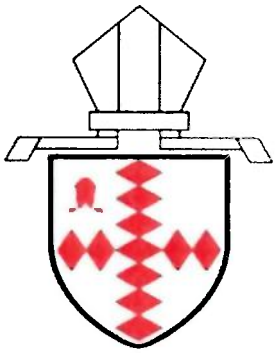
21 Consolidated statement of financial activities – Year to 31 December 2021

	Notes	Unrestricted funds: General funds £	Unrestricted funds: Designated funds £	Restricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
Income and endowments from:							
Grants and donations	1	351,800	1,600,000	5,304,622	—	7,256,422	15,158,835
Charitable activities	2	71,395	—	534,076	—	605,471	620,651
Other trading activities	3	554,786	—	—	—	554,786	547,401
Investments	4	736,467	59,499	13,023	8,103	817,092	951,637
Total income		1,714,448	1,659,499	5,851,721	8,103	9,233,771	17,278,524
Expenditure on:							
Raising funds	5	511,353	—	—	—	511,353	345,940
Charitable activities	6	1,434,596	191,877	8,760,512	1,000	10,387,985	6,095,714
Total expenditure	7	1,945,949	191,877	8,760,512	1,000	10,899,338	6,441,654
Net income (expenditure) before investment gains and losses		(231,501)	1,467,622	(2,908,791)	7,103	(1,665,567)	10,836,870
Unrealised losses on investment properties	11b	—	(8,325,000)	—	—	(8,325,000)	—
Net gains on listed investments	11a	278,434	—	—	—	278,434	217,871
Net income (expenditure) before transfers		46,933	(6,857,378)	(2,908,791)	7,103	(9,712,133)	11,054,741
Transfers between funds	15	(239,593)	—	239,696	(103)	—	—
Net movement in funds	8	(192,660)	(6,857,378)	(2,669,095)	7,000	(9,712,133)	11,054,741
Reconciliation of funds:							
Funds brought forward at 1 January 2021		3,605,403	23,694,942	3,984,037	233,416	31,517,798	20,463,057
Funds carried forward at 31 December 2021	15	3,412,743	16,837,564	1,314,942	240,416	21,805,665	31,517,798

THE SOUTHWARK DIOCESAN BOARD OF EDUCATION (INCORPORATED)

England & Wales - Charity number 313001

Accounts



Southwark Diocesan Board of Education Incorporated

Annual Report and Financial Statements

31 December 2021

Company Limited by Guarantee
Registration Number 00086641
(England and Wales)

Charity Registration Number
313001

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Reference and administrative information Year to 31 December 2021

Trustees	The Rt Revd Christopher Chessun (President) The Rt Revd Jonathan Clark (Chair) - retired Dec 2021 The Rt Revd Dr Rosemarie Mallett – appointed May 2021 The Revd Susan Lynn Billin - retired Dec 2021 Mr Martin Brecknell Mrs Elizabeth Broad Ms Julia Corby The Revd Canon Stephen Coulson Mrs Pam Davies - retired Dec 2021 Mr John Dewhurst - retired Dec 2021 Mrs Helen Dixon Mrs Virginia Eaton – retired Dec 2021 Mr Malcolm Edwards CBE The Revd Capt. Jeremy Garton – retired Dec 2021 Mrs Riana Gouws - retired Nov 2021 The Revd Annie Kurk Mr Robert Love MBE - retired Dec 2021 Miss Maria McBean The Revd Esther Moorey – retired Dec 2021 The Revd Dr Sharon Moughtin-Mumby - retired Dec 2021 Dr David Muir Mr Ekundayo Olomu The Revd Peter Organ - retired Dec 2021 Dr Nicholas Shepherd - retired Dec 2021 Mrs Penny Smith-Orr - retired Dec 2021 Dr Catharina Stibe Hickson The Revd Ariadne van den Hof Mrs Alison Venn - retired Dec 2021 The Revd Andrew Williams The Revd Erica Wooff
Senior leadership team	Mrs Roz Cordner (Director of Education) Mr Marcus Cooper (Assistant Director of Education)
Company secretary	Mrs Roz Cordner
Registered office	48 Union Street London SE1 1TD
Charity registration number	313001
Company registration number	00086641

Reference and administrative information Year to 31 December 2021

Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	National Westminster Bank plc P.O. Box 3038 57 Victoria Street London SW1H 0HN
Solicitors	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB

The Trustees (who are also the Directors of the charitable company for Companies Act purposes) have pleasure in presenting their Annual Report and the audited Financial Statements for the year ended 31 December 2021.

This report provides an opportunity for the Southwark Diocesan Board of Education (SDBE) to set out how its objectives, governance, strategy, activities and achievements all contribute to its overall mission and purpose, and the contribution the SDBE makes to the education of children and young people within the Diocese of Southwark.

The Trustees are proud of the achievements that have taken place in 2021 and would like to thank all the staff, volunteers, supporters, schools and governors who have made these possible.

The SDBE also provides information through a range of publications, briefings, the Diocesan website (www.education.southwark.anglican.org).

Vision, mission and aims

Developing Church of England education

The purpose and objects of the Southwark Diocesan Board of Education are set out in its two main constitutional documents:

A. The Diocesan Board of Education Measure (1991); and

B. The Memorandum and Articles of Association of the Southwark Diocesan Board of Education.

Our vision

1. To enable the mission of God through the work of the Board;
2. To be a high-performing Diocesan Board promoting excellence in education both locally and nationally;
3. To develop and grow highly effective, inclusive Church of England schools rooted in Christian values;
4. To celebrate and share the richness, quality and successes of our schools and chaplaincies; and
5. To offer exemplary service to our schools and chaplaincies.

Key areas

6. Church School Effectiveness;
7. Development of Chaplaincy in Schools, Colleges and Universities; and
8. Development and growth.

Vision, mission and aims (continued)

Developing Church of England education *(continued)*

Church School effectiveness
Strong, effective, high performing schools;

9. Strong effective governance;
10. Excellent Christian leadership;
11. Identify individual school need and support;
12. High quality Religious Education and Collective Worship;
13. Securing resources; and
14. Living well together.

Development of chaplaincy in schools and colleges

15. Structured programme of development;
16. Looking for new opportunities and models;
17. Links with Diocesan Clergy; and
18. Clergy development.

Development and growth

19. New provision and expansion;
20. Develop sustainability response to falling pupil numbers.
21. Embracing new systems and structures;
22. Financial stability of the Board;
23. Staff team development;
24. Continual improvement of efficient and effective structures;
25. Additional services to schools;
26. Working well together; and
27. Environmental stewardship.



Vision, mission and aims (continued)

Developing Church of England education *(continued)*
The SDBE provides support to the following:

28. 92 Primary schools; (one of which, St John's, Walworth, Southwark, closed on 31 August 2021).;

29. 14 Secondary schools – including 2 all-through schools;

30. 7 Higher and 5 Further Education institutions through its role in Chaplaincy.

The relationship with our beneficiaries and service users is one of partnership and collegiality. We work mainly with school leaders and governors to achieve our aims. Our main activities include:

31. Delivery of a comprehensive 'Partnership Agreement' with Church of England schools in the Diocese;

32. Analysis of the outcomes of school inspection (Office for Standards in Education (OFSTED) and Statutory Inspection of Anglican and Methodist Schools (SIAMS);

33. Headteacher and Senior leaders meetings and conferences;

34. Delivery of a comprehensive range of training programmes;

35. Regular school visits;

36. Meetings of the Board of Education and its Committees;

37. Pastoral support for headteachers;

38. Representation on Local Authority Overview and Scrutiny Committees;

39. Representation on Standing Advisory Councils for Religious Education (SACRES);

40. Administration of the Statutory Inspection of Anglican and Methodist Schools (SIAMS) across the Diocese up to 31 August 2021 – from 01 September 2021, liaise with the National programme for inspection via SIAMS; Contact – Dr Margaret James ;

41. Meetings of Officers and Advisers to determine work patterns;

42. Support for governing bodies in fulfilling their roles and responsibilities;

43. Support and development of chaplaincies across schools and Higher and Further Education institutions;

44. Liaising with Local Authorities and other providers; and

45. Church of England liaising with the Department for Education.

Achievements and performance for 2021

The past year was unusual due to changes in leadership and extended lock-down arrangements during the Covid-19 pandemic. Following the retirement of the long-serving Diocesan Director for Education in December 2020, interim leadership arrangements were put in place for the Spring term, with Co-directors sharing the role. This was reviewed in March 2021 with the roles revised, separating out the DDE and CEO duties. The structure will be revisited in Spring 2023. The capacity of the team was significantly tested with a series of extended staff absence. Three key members of staff were absent at the same time over the Summer term. Additional support was brokered with external parties to ensure the partnership agreement could be fulfilled.

The unexpected decision by governors to close St John's Walworth, Southwark in February 2021 had a significant impact across the work of the SDBE. As well as the focus on closure, the ripple effect of Covid added to an exit from inner city boroughs, with the realisation that birth rates and projected pupil numbers no longer matched up, meant a complete step change in the nature of our school based work. Sustainability and managing stretched budgets alongside falling rolls became the central focus. An immediate review of surplus pupil places was carried out and the reality that school organisation of the future will look different to that of the previous decade. Given the unknown challenges of managing empty school estates, the Board was pleased to set up a new Steering Committee to advise SDBE staff. This has been hugely beneficial allowing complex matters to be aired and reviewed from many different angles. Successful partnerships have been brokered since then with shared leadership models being explored as a first step when a leadership vacancy arises; these have been well supported and proved successful during the early stages, with three of these leading to longer term arrangements, securing school viability.

The Board was delighted when the final application for the new secondary school in Kingston was approved – and now await the planning process. The Board's joint Further Education and Higher Education committee was revived and an interim chaplaincy development officer was appointed at the end of the year, funded by SDBE in the short term to meet the need to respond to the new vision for FE/HE. We benefitted from a Public Sector Decarbonisation Scheme (PSDS) award with 60 schools taking the first steps towards becoming Carbon Net Zero. Plans to reduce our carbon footprint at Union Street are in place with £88,249 of funding via Public Sector Decarbonisation Fund being secured by our Buildings Officer.

Other highlights listed below demonstrate how the SDBE is fulfilling its aims. Key strategic areas identified for 2021 were:

46. Church school effectiveness;

47. Development of education chaplaincy;

48. Development of the Board of Education;

49. Evaluation of opportunities for development and growth.

Achievements and performance for 2021 (continued)

Growing and appointing the best leaders for our schools is key to our success and recruitment over the year, and lockdown has meant that the recruitment processes have been even more robust, often with a mix of remote tasks blended with face-to-face, final stage interviews and activities. Pastoral leadership has provided a much needed and valued service for our school leaders and school communities both during and in-between lockdowns. Board staff have continued to develop and produce quality advice and support materials for schools to meet the ever changing education landscape and adapted the offer to provide Zoom training for governors and staff which has been well received.

During 2021 the following Performance Indicators were reported to the Board: (NB Inspections were suspended between January and July. Ofsted resumed in September. SIAMS has not yet restarted.)

50. 95% of schools graded good or better by OFSTED against a national average of 85%
51. 100% of schools graded good or better by SIAMS
52. 69% of schools graded excellent by SIAMS
53. Four inadequate schools
54. Five new substantive Headteachers took up post over 5 schools during the year. In 5 schools there were interim leadership arrangements

The number of Diocesan Foundation Governor vacancies was 21.

Key activities and outcomes for the year:

55. Ofsted inspection resumed in September 2021.
56. There were 11 OFSTED inspections.
57. 27% of schools are graded outstanding against a national average of 19%.
58. Outcomes for SIAMS remain the same as no inspections have taken place since March 2020.
59. 100% of schools graded good or better for RE by SIAMS
60. 53% of schools graded excellent for RE by SIAMS
61. Public examinations were adapted again due to the pandemic; no performance data is available for the 20/21 cohorts across primary and secondary schools.

Achievements and performance for 2021 (continued)

Secondary End of Key Stages 4 and 5 assessment 2021:
In summer 2021 a student's grade in each subject both at GCSE and A-Level was based on their teachers' assessment of the standard at which the student was performing. Teachers drew on a broad range of evidence of a student's work in making their final assessment. Schools and colleges undertook quality assurance of their teachers' assessments and provided reassurance to the exam boards. As a result of this no local or national assessment data has been published and DfE guidance clearly states that no individual school data should be scrutinised and that 2020 and 2021 GCSE and A-Level outcomes data is not to be used for accountability purposes by Diocesan Boards, Local Authorities, Regional Schools Commissioners (RSCs) or Ofsted.

- The forum for outstanding schools has continued.

62. 6 schools engaged in building development projects.

63. 6 schools completed the Bishop's Certificate in Church School Governance.

64. The Further Education framework was embedded.

65. The Board's property rental portfolio was expanded to achieve improved returns.

66. Additional arrangements to cover the maternity leave for the office manager were put in place.

67. Successful secondments were brokered to bring experienced, serving headteachers onto the adviser team who had led schools during the pandemic, strengthening our capacity to respond to school requirements.

Primary End of Key Stage 2 Assessment 2021
As a result of COVID-19 the national curriculum assessments did not take place in primary schools for the end of the academic year 2020/21. This means the following planned assessments between April 2021 and July 2021 were cancelled:

68. Early Years Foundation Stage Profile;

69. End of Key Stage 1 and Key Stage 2 assessments (including tests and teacher assessment);

70. Phonics screening check (PSC);

71. Year 4 multiplication tables check (MTC) untils schools become 'Good';

72. Science sampling tests;

73. All statutory trialling.

Achievements and performance for 2021 (continued)

Primary End of Key Stage 2 Assessment 2021 (continued)
For this reason there is no primary national or local assessment data available. There will be no updates to performance data in Analyse School Performance (ASP), the Inspection Data Summary Report (IDSR) or the public-facing DfE Compare School Performance and other published data. OFSTED will continue to use the official end of Key Stage results for 2019.

Throughout the Covid-19 pandemic the Board continued to offer its full range of services to schools in line with our Partnership Agreement. A full staff complement was retained during this period.

Future plans
It should be noted that the points below are being continuously reviewed in the light of the worldwide Covid-19 pandemic, which began in early 2020 (and is still ongoing at the time of writing this report). Notwithstanding, the situation has improved considerably - Financial help was made available to companies and individuals in the UK by the Government and the majority of the population is now protected by vaccination. Throughout the pandemic it was possible to continue to provide the services of the Board of Education to our schools (with some limited exceptions, such as face-to-face training).

In order to continue to deliver a high quality service and to continue to achieve our aims, the following areas will be explored during 2022:

74. Review the implementation of the 2019-2022 Organisation Development Plan within the context of the pandemic;

75. To develop work streams that reflect the needs of our schools in the current climate – low pupil numbers, limited budget, challenging HR issues – as well as building expertise to deliver our key strands around Equality, Inclusion and Diversity (EID), Climate Justice and the anticipated arrival of the White Paper and its impact on the academy programme;

76. To monitor carefully the income from our property portfolio within the context of the current circumstances;

77. To revise the Growth and Sustainability plan so that it reflects the actual need for school places across the diocese following the turbulence of the past two years;

78. To consolidate our Partnership Offer to schools;

79. To further embed the Chaplaincy frameworks in the various institutions;

80. To continue to monitor the implementation of the SIAMS Evaluation Schedule;

81. To ensure that the Board prepares its scheme in order to implement the new Diocesan Measure;

Future plans (continued)
Adopt the proposed milestones for schools, as set out in the Church of England's Route map to Net Zero Carbon by 2030 consultation, October 2021.

Public benefit
In preparing this report the Trustees have paid due regard to the Charity Commission guidance on public benefit in deciding what activities the charity should undertake.

Our principal beneficiaries and service users are the Church of England schools and the students and staff of the universities and colleges located within the Diocese of Southwark. In practice, the relationship with our beneficiaries and service users is one of partnership and collegiality. While our mission is directed towards the advancement and promotion of education for thousands of children and young people in the maintained education sector throughout the Diocese of Southwark, in real terms we achieve this through support of the management, staff and governors of our schools.

The specific needs and requirements of those who benefit from our services are identified in a number of ways, including:

82. Regular contact with Church School leaders and governors and in response to requests for advice and support provided through our Partnership Agreement for Church of England schools and academies;

83. Analysis of the outcomes of school inspection by the Office for Standards in Education Inspection (OFSTED) and through the Statutory Inspection of Anglican and Methodist Schools (SIAMS); and

84. Governor meetings, briefings and training; and

85. The Southwark Diocesan Board of Education Headteacher Association.

Trustee membership

TRUSTEES:

Bishop of the Diocese (President)	The Rt Revd Christopher Chessun
Chair (the Bishop's appointee)	The Rt Revd Jonathan Clark
Members appointed by the Bishop	Mr Martin Brecknell
	The Rt Revd Dr Rosemarie Mallett
	The Revd Canon Stephen Coulson
CROYDON EPISCOPAL AREA	
Croydon Archdeaconry	
Member of Diocesan Synod	Mr Ekundayo Olomu
Clerk in Holy Orders	Revd Susan Lynn Billin
Lay Member	Mrs Penny Smith-Orr
Reigate Archdeaconry	
Member of Diocesan Synod	Dr Catharina Stibe Hickson
Clerk in Holy Orders	Revd Capt. Jeremy Garton
Lay Member	Mrs Virginia Eaton

Trustee membership (continued)

KINGSTON EPISCOPAL AREA	
Lambeth Archdeaconry	
Member of Diocesan Synod	Mrs Esther Moorey
Clerk in Holy Orders	The Revd Erica Wooff
Lay Member	Miss Maria McBean
Wandsworth Archdeaconry	
Member of Diocesan Synod	Mr John Dewhurst
Clerk in Holy Orders	The Revd Annie Kurk
Lay Member	Mrs Pam Davies
WOOLWICH EPISCOPAL AREA	
Lewisham & Greenwich Archdeaconry	
Member of Diocesan Synod	Mr Robert Love MBE
Clerk in Holy Orders	The Revd Ariadne van den Hof
Lay Member	Dr Nicholas Shepherd
Southwark Archdeaconry	
Member of Diocesan Synod	Vacancy
Clerk in Holy Orders	The Revd Dr Sharon Moughtin-Mumby
Lay Member	Mrs Alison Venn
Chair of the Southwark Diocesan Head Teachers Association	Ms Julia Corby
The Heads of Whiteland's College	Dr David Muir
Chairs of Committees	
Policy & Strategy Committee	The Rt Revd Jonathan Clark
Schools Committee	The Rt Revd Dr Rosemarie Mallett
Finance & Development Committee	Mr Malcolm Edwards CBE
Further & Higher Education Committee	The Revd Andrew Williams
Co-opted Members	Mr Malcolm Edwards
	Mrs Helen Dixon
	The Revd Peter Organ
	Mrs Riana Gouws
Members Elected from FE/HE Committee	The Revd Andrew Williams
Members Elected from Schools Committee	Mrs Elizabeth Broad

Audit Committee appointed by the Board	Ms Sarah Ironmonger Revd Annie Kurk Revd Derek Holbird Mr Eugene O'Keeffe

Members and members' interests

The members of the Board are directors under the Companies Act. Their names at the date of this report are included on page 1. No other member(s) served on the Board during the year. Attendance at Board Meetings was 67% (2020 – 63%).

The Board is a charitable company limited by guarantee and members may derive no benefit, income or capital interest in the Board's financial affairs other than reimbursement of out of pocket expenses.

Each Trustee, being a member of the Trust, has given a guarantee of £1, in accordance with the Articles of Association.

Structure, governance and management

Governing document: Memorandum and Articles of Association of Southwark Diocesan Board of Education (2014).

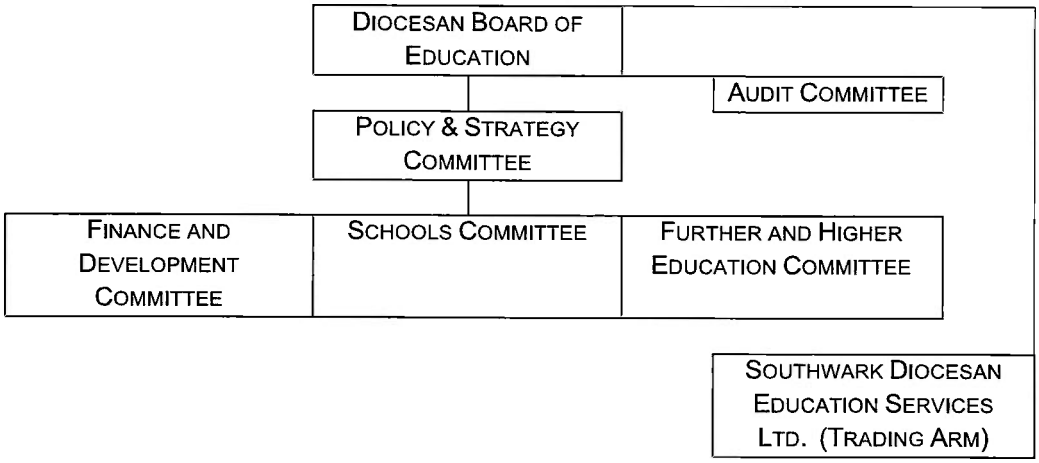
The Board has a membership representing a wide range of experience and interest, including representatives from the Diocese of Southwark, the Southwark Diocesan Head Teachers' Association, Roehampton University and appointees from each of the Board's Committees as well as the Chairs of the Committees.

The Board's four principal Committees are: Policy and Strategy, Schools, Finance & Development and Further & Higher Education. The Schools Committee includes a significant representation of headteachers and foundation governors from Diocesan schools. The four Committees each include a designated officer of the Board. The Board also appoints an Audit Committee. Other working parties are established for specific projects.

The Board meets three times a year to monitor and review progress, consider new developments and set strategy. The Audit Committee meets up to three times each year and has a membership comprising independent members appointed by the Board. The Board and its Committees operate under specific terms of reference, which delegate certain functions of the Board to one of the four principal Committees. The minutes of all Committee meetings are considered by the full Board.

Day-to-day leadership and management of the SDBE are delegated to the Director and Assistant Directors. Strategic development and any urgent matters which cannot wait for consideration by the Board and Committees are referred to the Policy & Strategy

Committee. Members of the Policy & Strategy Committee are the Chairs of the Board and Committees, the Director and the Assistant Directors. The Policy & Strategy Committee meets up to six times a year between Board meetings and supports the strategic development and work programme of the Board and its Committees.



Structure, governance and management (continued)

Deanery Synod nominations to Episcopal Area Forums require nominees to identify relevant areas of interest and experience. Generally Members of the Board have experience as trustees of other charities. An induction and an information pack is provided for all members and ongoing training and development needs are met through an annual training and development event, written briefings and presentations at Board Meetings. A total of twelve Local Authorities are located within the Diocese and the SDBE is responsible for the appointment of a local representative to the committee responsible for the oversight of education services for children and young people. In addition the SDBE seeks to establish partnerships at a local, regional and national level and is actively engaged in education programmes and initiatives as they relate to church schools and education chaplaincy.

Each school has its own governing body and has deemed charitable status. The SDBE appoints a minority of governors to each school's governing body and as such does not consider them to be related parties. The task of supporting Christian education is an important and demanding one. Our thanks and appreciation are due to the SDBE staff team for their unstinting commitment and hard work on behalf of church schools and education chaplaincy in the Diocese of Southwark.

The staffing structure and team for the reporting year comprised:

Director of Education	Mrs Roz Cordner
Assistant Director of Education	Mr Marcus Cooper
9 Educational Advisers (5.4 FTE)	Mr Marcus Cooper Mr Shaun Burns Miss Fiona Foreman (0.6 FTE) Dr Rachael Norman Riana Gouws (0.6 FTE) Josephine Copeland (0.4 FTE) Sara Sanbrook-Davies (0.4 FTE) Victoria Matthews (0.2 FTE) Hilary Grainger (0.2 FTE)
Chaplaincy Development Officer	Miss Fiona Foreman *Interim* (0.4 FTE)
Buildings and Capital Programmes Manager	Mr Paul Forrest Mrs Sally Chapman (0.6 FTE)
Human Resources Adviser	Mrs Julie Richardson (0.8 FTE)
Governance, Admissions and Development Adviser	Mr Leo Morrell
Financial Controller	Mr David Coyle
Office Manager	Miss Elisabeth Sparkes (from November 2020 – August 2021) Mrs Clare Rusbridge (from August 2021-Dec 2021)
2 Administrators	Miss Elisabeth Sparkes Mrs Anita Marijetic
Caretaker	Mr Gyorgy Szabo (0.2 FTE)

The SDBE is a statutory body and is also incorporated as a company limited by guarantee (1905) within the Diocese of Southwark. It receives an annual grant from the Diocese through the Diocesan Board of Finance to fund the work of delivering the Diocesan Measure in the Board's schools.

Key management personnel

Together with the Trustees, the Director of Education, Director's Assistants, Financial Controller, Buildings and Capital Programmes Manager and Office Manager are considered key management personnel by virtue of the fact that they are in charge of controlling, running and operating the charity on a day-to-day basis. The pay for all staff is set by the Staffing Reference Group and by the Policy and Strategy Committee.

Relationship with other charities and foundations

The SDBE has the opportunity to nominate to the following educational charitable foundations, which support the provision and promotion of educational opportunity for children and young people through grants to organisations and individuals within the area of the Diocese of Southwark:

86. Greenwich Bluecoat Foundation;

87. Culham St Gabriel's Trust; and

88. St Mary Newington United Fund

The SDBE works closely with the Southwark Diocesan Board of Finance and the SDBE Multi-Academy Trust. Further details of the relationship with these parties are given in the notes to the accounts.

Risk and Internal Controls

The Trustees have overall responsibility for ensuring the SDBE has effective systems of control and for maintaining appropriate accounting procedures and records that comply with legislative requirements and good practice. Our systems of internal control have been developed to provide reasonable assurance against material misstatement or loss and include:

89. Strategic development priorities and annual budget approved by the Trustees;

90. Regular monitoring of financial performance and service delivery;

91. Appropriate delegation of authority and segregation of duties;

92. Identification and management of risk; and

93. Adherence to Section 17 of the Charities Act 2011, and trustees' requirement to have regard to public benefit.

94. Potential school closures due to pupil demographics

The major risks to which the charity is exposed, as identified by the Trustees, are regularly reviewed and systems have been established to mitigate those risks. These are included in the risk register and have been subject to further review during the year. The Trustees have also developed a Major Incident Plan.

Risk Management

Church of England Primary and Secondary Schools throughout the Diocese of Southwark are responsible for more than 37,000 children and more than 1,000 staff.

A scoring system in the Board's risk register identifies the level of risk the Trustees have identified as significant in a variety of different areas, and included in the document is a system of controls which (as far as is possible) addresses the risks therein.

The Trustees consider it is appropriate to take some calculated risks with our charity's resources to make opportunities available to the pupils and staff whom we serve. The Board will not however, take any risks relating to the protection of young people and vulnerable adults. Full vetting procedures are always followed for all staff and volunteers and disciplinary action follows when breaches occur.

The Trustees will similarly not take any risks in relation to fraud and corruption. The charity is fortunate to hold assets in the form of property and investments, which generate revenue. While some risk has to be taken to achieve good returns, it would be inappropriate to risk the capital value of the assets. Therefore the risk of loss should be balanced against the expected return.

The key risks (as identified by the scoring system in the risk register) faced by the Board are:

95. Falling pupil rolls – potential school closures
96. Exposure to costs associated with redundant school buildings
97. Changes to educational landscape – more schools joining SDBE MAT reduces income to EPMS
98. Impact of increased building costs and building supplies resulting in depleted reserves
99. Staff absences reducing capacity to deliver core offer to schools as per partnership agreement
100. Extended empty property resulting in lost rent

Actions taken to mitigate against these key risks are addressed in the charity's risk register which is updated and reviewed by the board twice a year.

The Trustees have adopted measures to manage these (in addition to the other risks which the charity faces), and the risk register and policy are kept under regular review.

Investment policy and performance

The Board of Trustees' investment powers fall under the Trustee Act 2000 and the Memorandum and Articles of Association in which paragraph 10 permits the Board of Trustees "to invest any monies possessed by the charity (or held in trust by it) in or upon such investments or securities as may from time to time be determined, but so that monies or property subject to the jurisdiction of the Charity Commissioners shall only be invested in such securities and with such sanction as may for the time being be prescribed by law.

Portfolio Performance (01/01/21 to 31/12/21)

Low Risk Portfolio	**+5.94% (2020: +3.86%)**
Comparative benchmark	+4.06% (2020: +1.37%)
Low to Medium Risk Portfolio	**+7.89% (2020: +9.42%)**
Comparative benchmark	+8.08% (2020: -0.16%)
Medium to High Risk Portfolio	**+15.59% (2020: +14.65%)**
Comparative benchmark	+13.62% (2020: +0.16%)

Investment policy and performance (continued)

2021 was a positive year for the portfolios, as global economies continued their transition from a Covid backdrop, to one of recovery and reopening. Over the year, investor attention switched from a Covid centric outlook to one more heavily influenced by inflation, interest rates and central bank policy.

At the start of 2021, any removal of central banks' collective monetary support for financial markets was a very dim prospect. In fact, earlier in the year, to quote US Federal Reserve Chair Powell, the US central bank was 'not even thinking about thinking about' such a scenario. Fast forward to the end of 2021, and we saw central banks including the US Federal Reserve, the European Central Bank, and the Bank of England signal a more nuanced path ahead for monetary policy. During Q4, these central banks, to various degrees, moderated their support of financial markets through their Quantitative Easing (QE) programmes (where central banks have bought assets, largely government bonds, but also corporate debt, to support liquidity and risk appetite in broader financial markets). In November, the world's most important central bank, the US Federal Reserve, started tapering its QE programme, and in December it speeded the pace of this taper.

This collective monetary policy tilt has prompted markets to contemplate when we might see an interest rate 'lift-off'. Indeed, in the UK, the Bank of England has already moved, raising rates from a 0.1% record low, to 0.25% at its December meeting. However, removing emergency accommodation is one thing, but expecting a rapid sequence of following rate moves is quite another. In December, the US Federal Reserve signalled a much greater willingness to raise interest rates in 2022 should the economic picture require it, but that felt more about the US central bank keeping its options open around responding to inflation and economic growth, rather than a committed forecast. Indeed, Federal Reserve Chair Powell said in December that "we continue to expect inflation to decline to levels closer to our two per cent longer-run goal by the end of next year ... [but]

we're not going to act as though that's a certainty". In the case of the Bank of England, in December, the rate setting committee said that it "continues to judge that there are two-sided risks around the inflation outlook in the medium term". Meanwhile, the European Central Bank in December conceded that "monetary accommodation is still needed for inflation to stabilise at the two per cent inflation target over the medium-term." The key takeaway from all this is that it is the absolute level of interest rates which matters most. With interest rates in advanced economies currently close to zero at the end of the year, even with some rate hikes likely ahead, we still expected the overall level of interest rates to remain low against historical ranges throughout 2022.

With central banks easing back on the level of monetary policy support being provided, we also saw a similar picture emerge in the case in governments' spending plans around the world. The scale of discretionary fiscal support by developed economies globally was huge during the pandemic. Yet almost inevitably, it would not be possible to maintain this high level of support going forward. Instead, governments were thinking about how the huge spending over the last two years could be pared back. As a result, the idea of 'fiscal drag' – where governments will very likely introduce a tapering of spending in 2022 and beyond – could well become an important factor for markets. Taken together, the relative moderation in both monetary and fiscal policy potentially challenged the notion that the pandemic had delivered a structurally higher level of government and central bank support going forward in support of an enduring boost for markets. This shift in cadence, although moderate, may yet weigh on hopes for sustained, faster economic growth. Reflecting this risk, 2021 was a year for maintaining balance in portfolios between growth/defensive and value/cyclical investment styles.

Financial review

Finance and resources

The SDBE is established as a statutory body to fulfil a range of duties and responsibilities. Total income of £9,233,771 (2020 – £17,278,524) was received during the year. During 2021, income included £1,600,000 (2020 – £8,825,000) of donated assets and £5,304,622 (2020 - £5,919,905) of Voluntary-Aided School Condition Allocation (VASCA) grant funding. Excluding these amounts, operational income for the year was derived from the following sources:

101. Schools (Service agreements and related income): £482,206 – 21% (2020: £475,586 – 19%)

102. Maintenance scheme subscriptions: £534,076 – 23% (2020: £554,470 – 22%)

103. Diocesan Grants: £333,460 – 14% (2020: £333,460 – 13%)

104. Lettings and Investments: £817,092 – 35% (2020: £951,637 – 37%)

105. Other income: £162,315 – 7% (2020: £218,466– 9%)

To fund the discharge of its day to day outgoings in the delivery of The Diocesan Measure (as distinct from its work connected with building works at the schools), the charity depends on the grant received from the Diocese of Southwark, which amounted to a total grant of £333,460 (2020 – £333,460) for the year, comprising £333,460 (2020 – £333,460) core grant.

The charity's operational activities are represented by its unrestricted general fund. The operational expenditure of the charity exceeded its operational income, resulting in a deficit of £231,501 (2020 – Surplus of £107,488) before taking into account net gains on listed investments of £278,434 (2020 – net gains of £217,871) and transfers. Transfers in and out of the unrestricted general fund included a transfer in of £60,000 from the external periodic maintenance restricted fund representing the costs of administering the fund (2020 – £60,000), a transfer to the property fund representing additions to investment properties and tangible fixed assets of £nil (2020 – £28,823) and net other transfers out of the fund totalling £299,593 (2020 – net transfers out of the fund of £8,554). This gives, read together with realised and unrealised gains on the value of investments of £278,434 (2020 – gains of £271,871), a net decrease in the unrestricted (operational) funds of the charity for the year of £192,660 (2020 – net increase of £347,982).

Overall, there was a net decrease in total funds of £ 9,712,133 (2020 – net increase of £11,054,741), after also accounting for an decrease in restricted funds of £ 2,669,095 (2020 – increase of £1,941,812), an decrease in the property fund of £ 6,857,378 (2020 – increase of £8,800,379) and a increase of £7,000 in the value of endowment funds (2020 – increase of £35,432).

Southwark Diocesan Education Services Limited

The charity operates a wholly owned subsidiary company, Southwark Diocesan Education Services Limited. This company carries out a number of the charity's activities including the provision of services for schools in the Diocese of Southwark and the provision of administrative services for the charity. Its turnover for the year was £608,660 (2020 – £580,552) and the company made an operating profit of £nil (2020 – £nil) after making a donation of £399,199 by Gift Aid to the parent charity (2020 – £367,953) in accordance with its articles of association.

Reserves policy

The General Synod of the Church of England, at its meeting in November 1999, affirmed two principal roles for the Diocesan Boards of Education in their support of Church of England schools in their Diocese:

106. to provide an advisory service to schools; and

107. to maintain and improve school buildings.

The reserves policy of the Trustees has been determined in the light of these objectives. The reserves policy is monitored and reviewed annually.

Its main features are:

(a) To maintain a margin of working capital sufficient to enable all aspects of the charity's work to be conducted in an orderly and efficient way and additionally to deal with the management of the schools' building and maintenance programme where the timing of the cash flow from receipts and payments may require temporary bridging from internal resources of up to £500,000.

(b) Current income and expenditure of the charity should be in balance and every effort will be made to maintain this, but a liquid reserve is necessary to provide for any unexpected but unavoidable items of expenditure which cannot be funded from current income. In this respect, it is important to realise that some of the charity's reserves are in the form of fixed assets which would take time to realise and which in any case provide income which is part of the monies used to fund the current work of the Board.

In addition to (a) and (b) above, the trustees consider it desirable that the charity retains additional liquidity (including cash and market investments) reserves to allow it to finance 'business as usual' operations for a temporary period of up to eighteen months due to an unforeseen shutdown of ordinary operations e.g. terrorist attack or health pandemic with an additional six months to take advantage of the opportunities afforded by changes in the educational system, to expand and strengthen Church of England education in the Diocese.

In accordance with Charity Commission guidance, the following are not considered as reserves for the above purposes: endowment funds; restricted funds; designated funds and income funds represented by fixed assets held for the charity's use. In order to meet the criteria in (a), (b) and (c) above, the Trustees consider that the minimum level of reserves required are equivalent to two times average annual operational expenditure, of which one year should be represented by cash held on interest bearing deposit.

The current free reserves of the charity are £3.4m (2020 – £3.6m). The charity's policy implies a minimum level of reserves of £3.9m (including £1.9m in cash) (2020 – £3.2m (including £1.6m in cash). Cash reserves are defined as: unrestricted funds held on deposit with the Central Board of Finance, cash balances held by the Investment Managers, and operational balances in the Board's unrestricted bank accounts. The current level of reserves is below the target figure and the Trustees intend to set aside funds during the next three years to achieve the required level.

COVID-19 Pandemic

Despite preparations for another difficult year, the Board was able to continue to maintain an almost full service to its schools during the pandemic. Planning for reduced income (mainly in investment returns) largely did not materialise, while capital growth has been substantially higher than in the previous year.

Rents were largely unaffected during the pandemic and have remained at the previous (pre-pandemic) levels.

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

108. select suitable accounting policies and then apply them consistently;

109. observe the methods and principles in the Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102);

110. make judgements and estimates that are reasonable and prudent;

111. state whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

112. 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 that disclose with reasonable accuracy at any time of 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

113. so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and

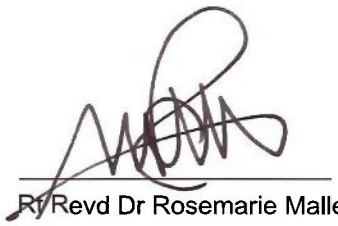
114. the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.

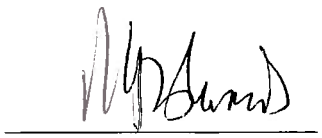
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United

Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board of Trustees:



Rt Revd Dr Rosemarie Mallett, Trustee



Mr Malcolm Edwards, Trustee

Approved by the board on: 7 July 2022

Independent auditor's report to the members of Southwark Diocesan Board of Education Incorporated

Opinion

We have audited the financial statements of Southwark Diocesan Board of Education Incorporated (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows, and the notes to the financial statements, including the principal 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 group's and the charitable parent company's affairs as at 31 December 2021 and the group's 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 group 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. 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 group's or the charitable parent 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 Trustees' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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;
- the financial statements are not in agreement with the accounting records or returns;
- 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.
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 group's and the parent 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 group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the charitable parent 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 (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation); and

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

Auditor's responsibilities for the audit of the financial statements (continued)
We assessed the susceptibility of the group's and the charitable parent company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to 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.

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;
- tested authorization controls on expenditure items, including staff expense claims, to check that all expenditure was approved in line with the group's and the parent charitable company's financial procedures;
- tested expenditure passing through the off-balance sheet conduit fund to check that it had been incurred in line with the funding agreement and had been appropriately authorized; and
- considered the controls and processes in place relating to the conduit fund, in particular those relating to the receipt and use of the new Voluntary-Aided Schools Capital Allocation funding stream.

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.

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

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

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

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.



Katharine Patel (Senior Statutory Auditor) 16 September 2022
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Consolidated statement of financial activities incorporating an income and expenditure account
Year to 31 December 2021

	Notes	Unrestricted funds: General funds £	Unrestricted funds: Designated funds £	Restricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
Income and endowments from:							
Grants and donations	1	**351,800**	**1,600,000**	**5,304,622**	**—**	**7,256,422**	15,158,835
Charitable activities	2	**71,395**	**—**	**534,076**	**—**	**605,471**	620,651
Other trading activities	3	**554,786**	**—**	**—**	**—**	**554,786**	547,401
Investments	4	**736,467**	**59,499**	**13,023**	**8,103**	**817,092**	951,637
Total income		**1,714,448**	**1,659,499**	**5,851,721**	**8,103**	**9,233,771**	17,278,524
Expenditure on:							
Raising funds	5	**511,353**	**—**	**—**	**—**	**511,353**	345,940
Charitable activities	6	**1,434,596**	**191,877**	**8,760,512**	**1,000**	**10,387,985**	6,095,714
Total expenditure	7	**1,945,949**	**191,877**	**8,760,512**	**1,000**	**10,899,338**	6,441,654
Net income (expenditure) before investment gains and losses		**(231,501)**	**1,467,622**	**(2,908,791)**	**7,103**	**(1,665,567)**	10,836,870
Unrealised losses on investment properties	11b	**—**	**(8,325,000)**	**—**	**—**	**(8,325,000)**	**—**
Net gains on listed investments	11a	**278,434**	**—**	**—**	**—**	**278,434**	217,871
Net income (expenditure) before transfers		**46,933**	**(6,857,378)**	**(2,908,791)**	**7,103**	**(9,712,133)**	11,054,741
Transfers between funds	15	**(239,593)**	**—**	**239,696**	**(103)**	**—**	**—**
Net movement in funds	8	**(192,660)**	**(6,857,378)**	**(2,669,095)**	**7,000**	**(9,712,133)**	11,054,741
Reconciliation of funds:							
Funds brought forward at 1 January 2021		**3,605,403**	**23,694,942**	**3,984,037**	**233,416**	**31,517,798**	20,463,057
Funds carried forward at 31 December 2021	15	**3,412,743**	**16,837,564**	**1,314,942**	**240,416**	**21,805,665**	31,517,798

All of the group's activities derived from continuing operations during the above financial years.

All recognised gains and losses for the year are included in the above statements of financial activities.

Comparative information by fund class for the year ended 31 December 2020 is given in note 20.

No summary income and expenditure account has been produced as the only difference to the statement of financial activities would be the omission of endowed income of £8,103 (2020 – £8,872); endowed expenditure of £1,000 (2020 – £11,830) and transfer of £103 (2020 - £32,474) to the restricted fund.

Balance sheets 31 December 2021

	Notes	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Fixed assets					
Tangible assets	10	**1,428,383**	**1,428,077**	1,620,885	1,619,955
Investments	11	**22,202,852**	**22,202,852**	28,709,537	28,709,538
		23,631,235	**23,630,929**	30,330,422	30,329,493
Current assets					
Debtors	13	**147,619**	**69,108**	194,257	143,300
Cash at bank and in hand		**1,381,555**	**1,333,344**	6,311,226	6,264,119
		1,529,174	**1,402,452**	6,505,483	6,407,419
Creditors: amounts falling due within one year	14	**(2,402,744)**	**(2,287,469)**	(4,358,107)	(4,270,867)
Net current assets		**(873,570)**	**(885,017)**	2,147,376	2,136,552
Debtors: amounts receivable after more than one year	13	**150,000**	**150,000**	150,000	150,000
Creditors: amounts falling due after more than one year	14	**(1,102,000)**	**(1,102,000)**	(1,110,000)	(1,110,000)
Net assets		**21,805,665**	**21,793,912**	31,517,798	31,506,045
The funds of the charity	15				
Unrestricted funds					
. General funds		**3,412,743**	**3,400,991**	3,605,403	3,593,650
. Designated funds		**16,837,564**	**16,837,564**	23,694,942	23,694,942
Restricted funds		**1,314,942**	**1,314,942**	3,984,037	3,984,037
Endowment funds		**240,416**	**240,416**	233,416	233,416
		21,805,665	**21,793,913**	31,517,798	31,506,045

The financial statements were approved and authorised for issue by the Trustees and were signed on their behalf by:

Rt Revd Dr Rosemarie Mallett, Trustee

Mr Malcolm Edwards, Trustee

Approved by the board on: 7 July 2022

Southwark Diocesan Board of Education Incorporated
Company limited by guarantee
Registration Number: 00086641 (England and Wales)

The notes on pages 31 to 54 form part of the financial statements.

Consolidated statement of cash flows Year to 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash (used) provided in operating activities	A	**(5,806,880)**	5,098,363
Cash flows from investing activities:			
Dividends, interest and rents from investments		**817,092**	951,637
Purchase of tangible fixed assets		**—**	(28,823)
Proceeds from the disposal of listed investments		**751,049**	840,022
Purchase of listed investments		**(686,239)**	(874,674)
Net cash provided by investing activities		**881,902**	888,162
Change in cash and cash equivalents in the year		**(4,924,978)**	5,986,525
Cash and cash equivalents at 1 January 2021	B	**8,264,033**	2,277,508
Cash and cash equivalents at 31 December 2021	B	**3,339,055**	8,264,033

Notes to the cash flow statement for the year to 31 December 2021:

A Reconciliation of net movement in funds to net cash flows from operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	**(9,712,133)**	11,054,741
Adjustments for:		
Depreciation charge	**192,502**	192,501
Donated assets	**(1,600,000)**	(8,825,000)
Gains on listed investments	**(278,432)**	(217,871)
Losses on investment properties	**8,325,000**	—
Dividends, interest and rents from investments	**(817,092)**	(951,637)
Amortisation of lease premium	**(8,000)**	(8,000)
(Decrease) increase in creditors	**(1,955,363)**	3,932,056
Decrease (increase) in debtors	**46,638**	(78,427)
Net cash (used) provided in operating activities	**(5,806,880)**	5,098,363

B Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	**At 31 December 2021 £**
Cash at bank and in hand	6,311,226	(4,929,671)	**1,381,555**
Cash held by investment managers	1,952,807	4,693	**1,957,500**
	8,264,033	(4,924,978)	**3,339,055**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation
These financial statements have been prepared for the year to 31 December 2021.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement
Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

141. estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;

142. determining the basis for allocating support costs across expenditure categories;

143. determining the basis of valuation for the charity's investment property portfolio;

144. the estimation of future income and expenditure for the purposes of assessing going concern.

Assessment of going concern
The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

Assessment of going concern (continued)
The Board's market investments enjoyed slightly increased dividend income during the year, although not materially so. As in the previous year extensive financial modelling has been carried out to cover different scenarios. As the seriousness of the Covid 19 pandemic appears to have receded somewhat (due in large part to a successful vaccination campaign by the UK Government), the risk of rent defaults in Board owned properties would appear to have lessened. However, this particular risk has been replaced by the spectre of falling pupil demographics leading to potential school closures, of which the Board has already suffered two. In a worst case scenario, the Board may not be in operational surplus at the end of the coming year, however the Board has significant free reserves and also has access to an overdraft facility should it be required. The Trustees are therefore of the opinion that the charity has sufficient reserves to be able to meet its liabilities as they fall due.

The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 December 2021, the most significant areas that will affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment and property markets (please see the investment policy and the risk management sections of the Trustees' report for more information).

Income recognition
Income is recognised in the period in which the charity has entitlement to the income, the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises grants, maintenance subscriptions, rental and investment income and the income from the charity's trading subsidiary. Income from other trading activities carried out by the trading subsidiary comprises, in the main, charges made for service agreement subscriptions, educational consultancy and other services provided to schools, and conduit project management fees.

Grants and donations are included as income from activities in furtherance of the charity's objectives where these amount to a contract for services, but as voluntary income where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Maintenance and service level subscriptions are recognised in the financial year to which the subscription relates and deferred if received in advance of that financial year.

Income derived from the letting of the charity's investment properties is recognised in the period to which the tenancy relates, when it is probable that the funds will be received.

Dividends are recognised when they have been earned and credited to the investment portfolio.

Income (continued)
Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from educational consultancy services is accounted for on an accruals basis with the income being recognised when due contractually.

Conduit project management fees are recognised on the date of completion of the relevant project.

Other amounts derived from capital and maintenance project activities where the charity acts as an agent, administering projects funded principally by the Department for Education and Skills on behalf of the school governors are excluded from these financial statements, as they constitute conduit funds. Details of these funds are set out in note 16.

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

145. Expenditure on raising funds includes the direct costs and support costs associated with generating rental income, together with the fees paid to investment managers in connection with the management of the charity's listed investments.

146. Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs (including governance costs).

Allocation of support and governance costs
Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good

practice. Support costs and governance costs are apportioned using percentages based on the time spent on the activities by the employees of the charity.

Tangible fixed assets
The charity's policy is to capitalise asset purchases over £1,000. Depreciation is provided on tangible fixed assets so as to write down the cost over the expected useful life.

The following depreciation rates are used:

Freehold properties and property improvements	–	2% straight line
Office equipment	–	25% straight line

Investments
Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

The charity does not acquire put options, derivatives or other complex financial instruments.

Investment properties are included in the financial statements at the estimated current market value of the properties based on open market value. The valuation has been determined by the Trustees after consultation with professional property advisers.

During the year St John's CE school in Walworth closed. The Board is currently preparing to lease the empty site to generate income to support the activities of the charity. As a result the site has been brought into the accounts at market valuation as an investment property.

Former school sites
In the course of administering a capital scheme under the Education Acts 1944 to 1973, the charity acts as Trustee to a number of former schools, whose former property may be sold or leased as part of the implementation of the scheme. These proceeds are generally "free monies" in the hands of the charity to use under the provisions of the Education Acts 1943, subject to the restrictions applying under Section 86 of the 1944 Act and Section 2 of the 1973 Act. The Trustees do not consider that it is practicable to place a value on such assets and, accordingly, they are not included in the financial statements.

Debtors
Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it would pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Subsidiary undertaking

The charity owns the whole of the issued share capital of Southwark Diocesan Education Services Limited. The principal activity of the subsidiary undertaking is the provision of services for schools in Southwark Diocese and administrative services for its parent undertaking. The consolidated financial statements include the financial statements of SDBE and its subsidiary Southwark Diocesan Education Services Limited. In accordance with the current SORP, a separate statement of financial activities dealing with the results of SDBE has not been presented.

Funds

The charity has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Unrestricted funds

Unrestricted funds arise from all the accumulated surpluses and deficits in the provision of general charitable activities.

Designated funds

Designated funds are funds set aside out of general funds by the Trustees and designated for a particular purpose. The balance on the designated property fund represents the net book value of the fixed assets and the value of investment properties shown on the balance sheet at that date.

Restricted funds

These are funds subject to specific conditions imposed by the donor or by the specific terms of a trust deed or other legal measure. Income and expenditure on restricted funds is taken directly to those funds in the statement of financial activities except to the extent that income is freely available to the charity.

Endowment funds
These are funds subject to the condition that they be held as permanent capital. Unexpended income is included in the relevant funds in accordance with the terms of the trust.

***Funds** (continued)*

Custodian trusts
Trusts, where the charity acts merely as custodian Trustee with no control over the management or use of the funds, are not included in the statement of financial activities or balance sheet.

Conduit Funds – capital projects
The charity is responsible on behalf of school governors for the financial administration of capital projects funded by the Department for Education (DfE) and Local Authorities. The statutory legal agreement between the charity, the schools and the government department gives the charity ultimate control over the application of the Voluntary Aided Schools Capital Allowance grants to specific schools, therefore these are recognised as restricted income by the charity. Details of these funds are set out in note 16.

The agreement grants no decision making authority to the charity over the schools' funds, including Devolved Formula Capital grants and governors' funds, and therefore the charity acts as administrative agent in respect of these. Accordingly these funds represent conduit funding and are therefore excluded from the charity's financial statements.

Pension contributions
Contributions are made for full-time staff to the Church of England Church Workers 'Pension Fund and to the Teachers' Pension Scheme. The pension costs charged by the schemes are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that the regular pension cost represents a substantially consistent percentage of the current and future payroll. Variations from regular cost are spread over the remaining service lives of the current employees in the schemes.

Both pension schemes constitute collective employer pension schemes under section 28 of FRS 102 and are therefore accounted for as if they were defined contribution schemes. Further details are set out in note 17.

1 Grants and donations

	Unrestricted funds				
	General funds £	**Designated funds £**	**Restricted funds £**	**Endowment funds £**	**2021 £**
Diocesan grant	**333,460**	**—**	**—**	**—**	**333,460**
Donated assets – Croydon St Andrews (note 11b)	**—**	**1,600,000**	**—**	**—**	**1,600,000**
VASCA Grants	**—**	**—**	**5,304,622**	**—**	**5,304,622**
Capital funds - Croydon St Andrews	**—**	**—**	**—**	**—**	**—**
Other grants	**18,340**	**—**	**—**	**—**	**18,340**
2021 Total funds	**351,800**	**1,600,000**	**5,304,622**	**—**	**7,256,422**

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2020 £
Diocesan grant	333,460	—	—	—	333,460
Donated assets – Croydon St Andrews (note 11b)	—	8,825,000	—	—	8,825,000
VASCA Grants	—	—	5,919,905	—	5,919,905
Capital funds - Croydon St Andrews	—	—	63,130	—	63,130
Other grants	17,340	—	—	—	17,340
2020 Total funds	350,800	8,825,000	5,983,035	—	15,158,835

The Charity assists voluntary aided schools with school building projects. It historically acted as the agent of school governors in helping to arrange funding through the DfE and Local Authorities and in paying professional fees and building costs on behalf of school governors. The VASCA (Voluntary-Aided Schools Condition Allocation) system was introduced in April 2020 and superseded the LCVAP (Locally Coordinated Voluntary-Aided Programme). The change in funding gives the charity ultimate control over the application of the VASCA grants to specific schools. Historically, the LCVAP was not reflected in the Statement of Financial Activities as the Charity had no control over the funds. The transactions were those of the schools and controlled and approved by the governors rather than the Charity, which acted as agent. Since the use of the VASCA grant funding is at the discretion of the Board it is now included in the SOFA along with the related expenditure. The unspent balance at the end of the year is committed to projects or returned to the DfE if not committed within two years of the grant date.

2 Charitable activities

	Unrestricted funds				
	General funds £	**Designated funds £**	**Restricted funds £**	**Endowment funds £**	**2021 £**
Maintenance subscriptions	**—**	**—**	**534,076**	**—**	**534,076**
Other educational income					
. Advisory and consultancy fees	**61,867**	**—**	**—**	**—**	**61,867**
. Bishop's certificate in church school governance	**2,400**	**—**	**—**	**—**	**2,400**
. Other sundry income	**7,128**	**—**	**—**	**—**	**7,128**
2021 Total funds	**71,395**	**—**	**534,076**	**—**	**605,471**

2 Charitable activities (continued)

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2020 £
Maintenance subscriptions	—	—	554,470	—	554,470
Other educational income					
. Advisory and consultancy fees	53,331	—	—	—	53,331
. Bishop's certificate in church school governance	3,840	—	—	—	3,840
. Other sundry income	9,010	—	—	—	9,010
2020 Total funds	66,181	—	554,470	—	620,651

3 Other trading activities

	Unrestricted funds				
	General funds £	**Designated funds £**	**Restricted funds £**	**Endowment funds £**	**2021 £**
Service Agreement Subscriptions	**482,206**	—	—	—	**482,206**
Management fees	—	—	—	—	—
. Capital projects	**4,817**	—	—	—	**4,817**
. Maintenance projects	**15,286**	—	—	—	**15,286**
Training events	—	—	—	—	—
Additional advisor support	**21,650**	—	—	—	**21,650**
Sundry trading income	**30,827**	—	—	—	**30,827**
2021 Total funds	**554,786**	—	—	—	**554,786**

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2020 £
Service Agreement Subscriptions	475,586	—	—	—	475,586
Management fees					
. Capital projects	—	—	—	—	—
. Maintenance projects	18,325	—	—	—	18,325
Training events	3,768	—	—	—	3,768
Additional advisor support	13,150	—	—	—	13,150
Sundry trading income	36,572	—	—	—	36,572
2020 Total funds	547,401	—	—	—	547,401

4 Income from investments

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2021 £
Listed and unlisted investments	**60,390**	**—**	**13,023**	**8,103**	**81,516**
Rental and lettings income	**676,077**	**59,499**	**—**	**—**	**735,576**
2021 Total funds	**736,467**	**59,499**	**13,023**	**8,103**	**817,092**

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2020 £
Listed and unlisted investments	60,578	—	4,168	8,872	73,618
Rental and lettings income	668,019	210,000	—	—	878,019
2020 Total funds	728,597	210,000	4,168	8,872	951,637

5 Expenditure on raising funds

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2021 £
Lettings expenses	**483,486**	**—**	**—**	**—**	**483,486**
Investment management fees	**24,475**	**—**	**—**	**—**	**24,475**
Bank charges	**3,392**	**—**	**—**	**—**	**3,392**
2021 Total funds	**511,353**	**—**	**—**	**—**	**511,353**

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2020 £
Lettings expenses	186,058	70,943	63,130	—	320,131
Investment management fees	22,327	—	—	—	22,327
Bank charges	3,482	—	—	—	3,482
2020 Total funds	211,867	70,943	63,130	—	345,940

6 Expenditure on charitable activities

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2021 £
School maintenance expenditure	**—**	**—**	**951,592**	**—**	**951,592**
VASCA grant expenditure	**—**	**—**	**7,672,182**	**—**	**7,672,182**
Advice and guidance	**861,825**	**115,269**	**—**	**—**	**977,094**
Training and development	**288,888**	**38,639**	**136,738**	**1,000**	**465,265**
Project management	**283,883**	**37,969**	**—**	**—**	**321,852**
2021 Total funds	**1,434,596**	**191,877**	**8,760,512**	**1,000**	**10,387,985**

6 Expenditure on charitable activities (continued)

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2020 £
School maintenance expenditure	—	—	413,257	—	413,257
VASCA grant expenditure	—	—	4,100,409	—	4,100,409
Advice and guidance	895,314	125,471	—	—	1,020,785
Training and development	307,833	43,140	4,093	11,830	366,896
Project management	170,477	23,890	—	—	194,367
2020 Total funds	1,373,624	192,501	4,517,759	11,830	6,095,714

7 Analysis of total expenditure

	Direct costs £	**Other directly allocated costs £**	**Support costs £**	**2021 £**
Raising funds (note 5)	**511,106**	**247**	**—**	**511,353**
Charitable activities (note 6)				
. School maintenance expenditure	**951,592**	**—**	**—**	**951,592**
. Advice and guidance	**418,691**	**418,772**	**139,631**	**977,094**
. Training and development	**152,935**	**277,113**	**35,216**	**465,265**
. Project management	**51,763**	**7,810,124**	**132,147**	**7,994,034**
	2,086,087	**8,506,256**	**306,994**	**10,899,338**

	Direct costs £	Other directly allocated costs £	Support costs £	2020 £
Raising funds (note 5)	345,675	265	—	345,940
Charitable activities (note 6)				
. School maintenance expenditure	413,257	—	—	413,257
. Advice and guidance	514,326	361,634	144,825	1,020,785
. Training and development	193,210	128,433	45,253	366,896
. Project management	50,006	4,169,267	75,503	4,294,776
	1,516,474	4,659,599	265,581	6,441,654

Support costs are analysed as follows:

	Expenditure on charitable activities			
	Advice and guidance £	**Training and development £**	**Project management £**	**Total 2021 £**
Finance and HR	**72,011**	**3,695**	**48,045**	**123,751**
Administration	**34,409**	**20,388**	**73,162**	**127,959**
Governance	**33,211**	**11,133**	**10,940**	**55,284**
2021 Total funds	**139,631**	**35,216**	**132,147**	**306,994**

7 Analysis of total expenditure (continued)

	Expenditure on charitable activities			
	Advice and guidance £	Training and development £	Project management £	Total 2020 £
Finance and HR	67,749	3,588	46,640	117,977
Administration	46,786	31,251	23,096	101,133
Governance	30,290	10,414	5,767	46,471
2020 Total funds	144,825	45,253	75,503	265,581

All costs allocations are made on the basis of estimated time spent by staff.

8 Net movement in funds

Net movement in funds is stated after charging:

	2021 £	2020 £
Staff costs (note 9)	**1,132,803**	1,085,576
Depreciation (note 10)	**192,501**	192,501
Auditor's remuneration (including VAT)		
. Audit work	**25,790**	22,220
. Other services	**6,860**	3,860
. Prior year	**1,110**	2,760
Bank charges and interest on bank loans and overdrafts	**3,392**	3,482

9 Employee and key management personnel remuneration

(a) Staff costs

	2021 £	2020 £
Wages and salaries	**669,437**	739,141
Social security costs	**74,045**	83,783
Pension costs	**186,830**	192,489
	930,312	1,015,413
		—
Consultancy costs	**202,491**	70,163
	1,132,803	1,085,576

(b) Staff numbers

The number of employees during the year, calculated on an average headcount basis, was 16 (2020 – 15).

9 Employee and key management personnel remuneration (continued)

(c) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2021 number	2020 number
£60,000 - £70,000	**1**	0
£70,001 – £80,000	**2**	1
£80,001 – £90,000	**0**	2
£90,001 - £100,000	**1**	0
£100,001 – £110,000	**0**	1

All of the above higher paid employees participated in the Teachers' Pension Scheme. Aggregate employer pension contributions for the above employees during the year amounted to £82,112 (2020 – £82,351). Details of the Teachers' Pension Scheme are given in note 17.

(d) Key management personnel

Key management personnel comprise the Trustees together with the Director of Education, Assistant Director of Education, Financial Controller, Building and Capital Programmes Manager and the Office Managers.

The aggregate remuneration and benefits received by key management personnel during the year was as follows:

	2021 £	2020 £
Remuneration, including employer's National Insurance contributions	**400,507**	445,497
Pension contributions	**101,878**	107,380
	502,385	552,877

The above figures do not include the value of staff time rechargeable to SDBE Multi-Academy Trust (note 18). None of the Trustees received any remuneration or reimbursed expenses in respect of their services during the year (2020 – none). The significant increase in 2020 reflects the increased responsibilities taken on by the Director's Assistants, as well as the increase in the rate of employer contributions to the Teachers' Pension Scheme.

10 Tangible fixed assets

	Freehold land and buildings £	Property improve-ments £	**Charity total £**	Group office and computer equipment £	**Group total £**
Cost					
At 1 January 2021	2,864,050	95,834	**2,959,884**	22,481	**2,982,365**
Additions	—	—	**—**	—	**—**
At 31 December 2021	2,864,050	95,834	**2,959,884**	22,481	**2,982,365**
Depreciation					
At 1 January 2021	1,336,558	3,372	**1,339,930**	21,551	**1,361,481**
Charge for the year	191,301	576	**191,877**	624	**192,501**
At 31 December 2021	1,527,859	3,948	**1,531,807**	22,175	**1,553,982**
Net book value					
At 31 December 2021	1,336,191	91,886	**1,428,077**	306	**1,428,383**
At 31 December 2020	1,527,492	92,462	**1,619,954**	930	**1,620,884**

11 Investments

Group and charity		**2021 £**	2020 £
Listed investments	(a)	**5,992,852**	5,774,537
Investment properties	(b)	**16,210,000**	22,935,000
		22,202,852	28,709,537

In addition to the above investments, the charity also holds a £1 investment in the called-up share capital of its wholly-owned trading subsidiary, Southwark Diocesan Education Services Limited (note 12). The large fall in value of the investment properties is attributable to a re-valuation of the site at Croydon St Andrews. Other properties carrying values were not affected by the valuation

(a) Listed investments

Group and charity	**2021 £**	2020 £
Market value at 1 January 2021	**3,821,730**	3,569,207
Additions	**686,239**	874,674
Disposals (proceeds: £751,049 , realised gains: £35,241)	**(715,808)**	(822,166)
Movement in cash	**—**	—
Unrealised gains on revaluation	**243,191**	200,015
Market value at 31 December 2021	**4,035,352**	3,821,730
Cash held by investment managers	**1,957,500**	1,952,807
	5,992,852	5,774,537
Cost of listed investments at 31 December 2021	**4,981,208**	4,943,505

All listed investments were dealt in on a recognised stock exchange and comprised UK equities and UK managed funds.

11 Investments (continued)

(b) Investment properties

Group and charity	Charity and Group freehold properties	
	2021 £	2020 £
Valuation at 1 January 2021	**22,935,000**	14,110,000
Additions	**1,600,000**	8,825,000
Revaluation in the year	**(8,325,000)**	—
Valuation at 31 December 2021	**16,210,000**	22,935,000
Historic cost at 31 December 2021	**4,298,161**	4,298,161

Additions to investment properties include £1,600,000 in relation to the donation of a former school building (St John's CE Primary School London) (2020: £8,825,000 St Andrew's Church of England School Croydon), which is being held to generate rental income to support the work of the charity.

On the basis that the charity's investment properties have continued to generate rental yields which are materially comparable to those earned prior to the pandemic, the trustees do not consider that there has been any material impairment to the fair value of these properties since the previous valuation.

12 Investment in subsidiary undertaking

The charity owns 100% of the issued ordinary share capital of a subsidiary undertaking, Southwark Diocesan Education Services Limited (amounting to £1), which is registered in England and supplies administrative services to the charity and to Schools in the Diocese. The company began trading on 1 April 1996 and its results for the period and assets and liabilities have been consolidated into the charity's financial statements. Total income for the year was £608,660 (2020 – £580,552), gross profit was £565,947 (2020 – £535,701) and total administrative expenditure was £166,748 (2020 – £167,748). The net profit after taxation was £nil (2020 – £nil) after recognising gift aided donations payable to the parent charity under the conditions of its Memorandum and Articles of Association of £399,199 (2020 – £367,953).

13 Debtors

Amounts falling due within one year:

	Group 2021 £	**Charity 2021** £	Group 2020 £	Charity 2020 £
Other debtors	**91,286**	**51,559**	148,068	132,947
Prepayments and accrued income	**56,333**	**17,549**	46,189	10,353
	147,619	**69,108**	194,257	143,300

Amounts falling due in more than one year:

	Group and Charity 2021 £	Group and Charity 2020 £
Amounts due from SDBE Multi-Academy Trust	**150,000**	150,000

13 Debtors (continued)

Amounts receivable represent funds invested in the SDBE Multi-Academy Trust to fund its early development. Whilst there is an understanding between SDBE and the Trust that these funds are to be repaid, there is no obligation for this to take place within the next 12 months.

14 Creditors

Amounts falling due within one year:

	Group 2021 £	**Charity 2021 £**	Group 2020 £	Charity 2020 £
Trade creditors	**1,279,551**	**1,290,492**	2,950,619	2,934,820
Other creditors	**372,554**	**363,717**	282,783	281,252
Conduit creditor	**—**	**—**	25,000	25,000
Accruals and deferred income	**742,639**	**614,459**	1,091,705	965,287
Amounts due to group undertakings	**—**	**10,801**	—	56,508
Deferred lease premium (see below)	**8,000**	**8,000**	8,000	8,000
	2,402,744	**2,287,469**	4,358,107	4,270,867

Amounts falling due in more than one year:

	Group and Charity 2021 £	Group and Charity 2020 £
Amounts payable to Southwark Diocesan Board of Finance	**150,000**	150,000
Deferred Highshore lease premium	**952,000**	960,000
	1,102,000	1,110,000

Amounts payable to Southwark Diocesan Board of Finance represent the drawdown on a loan made available to SDBE to fund the early development of SDBE Multi-Academy Trust. There is no requirement for any or all of the balance to be repaid in the next 12 months and therefore the full amount has been presented as falling due in more than one year.

The deferred Highshore lease premium represents the remaining balance on a premium of £1,000,000 received by the charity during the year ended 31 December 2017 in respect of a 125 year lease of the Highshore School site to the Mayor and Burgess of the London Borough of Southwark. The premium is being released to the Statement of Financial Activities over the life of the lease. As such, £8,000 is included under accruals and deferred income falling due within one year, with the remainder falling due in more than one year.

The movements on deferred income are analysed as follows:

	2021 £	2020 £
Brought forward as at 1 January 2021	**1,087,417**	1,123,334
Released in the year	**(127,417)**	(155,334)
New deferrals in the year	**128,179**	119,417
Carried forward as at 31 December 2021	**1,088,179**	1,087,417

14 Creditors (continued)

The deferred income balance represents:

147. Service income relating to periods after 31 December 2021 of £128,179 (2020 –£119,417); and

148. Deferred lease premium income relating to the Highshore lease, split between £8,000 included in creditors falling due within less than one year (2020 – £8,000) and £952,000 included in creditors falling due in more than one year (2020 – £960,000).

At the previous year end, the remaining £30,000 of deferred income related to a receipt from the London Borough of Lewisham to assist the development of a new free school. This amount (less £1,620 agreed administration costs incurred) has been returned to the Department for Work and Pensions, as the project never went ahead.

15 Analysis of group funds

Analysis of group net assets between funds

	General funds £	**Designated property fund £**	**Restricted funds £**	**Endowment funds £**	**2021 Total funds £**
Tangible fixed assets	**—**	**1,428,383**	**—**	**—**	**1,428,383**
Listed investments	**4,751,893**	**—**	**1,063,748**	**177,211**	**5,992,852**
Investment properties	**—**	**15,210,000**	**—**	**1,000,000**	**16,210,000**
Net current (liabilities) assets	**(1,339,150)**	**199,181**	**251,194**	**15,205**	**(873,570)**
Non-current assets	**—**	**—**	**150,000**	**—**	**150,000**
Non-current liabilities	**—**	**—**	**(150,000)**	**(952,000)**	**(1,102,000)**
	3,412,743	**16,837,564**	**1,314,942**	**240,416**	**21,805,665**

	General funds £	Designated property fund £	Restricted funds £	Endowment funds £	2020 Total funds £
Tangible fixed assets	—	1,620,885	—	—	1,620,885
Listed investments	4,531,344	—	1,041,777	201,416	5,774,537
Investment properties	—	21,935,000	—	1,000,000	22,935,000
Net current (liabilities) assets	(925,941)	139,057	2,942,260	(8,000)	2,147,376
Non-current assets	—	—	150,000	—	150,000
Non-current liabilities	—	—	(150,000)	(960,000)	(1,110,000)
	3,605,403	23,694,942	3,984,037	233,416	31,517,798

15 Analysis of group funds (continued)

Reconciliation of funds

	Balance at 1 January 2021 £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	Balance at 31 December 2021 £
Endowment funds	**233,416**	**8,103**	**(1,000)**	**—**	**(103)**	**240,416**
Restricted funds						
External maintenance scheme	**177,819**	**534,077**	**(951,592)**	**—**	**239,696**	**—**
VASCA capital funds	**1,819,496**	**5,304,620**	**(7,672,182)**	**—**	**—**	**(548,066)**
Other restricted funds	**1,986,722**	**13,024**	**(136,738)**	**—**	**—**	**1,863,008**
	3,984,037	**5,851,721**	**(8,760,512)**	**—**	**239,696**	**1,314,942**
Designated funds						
Property fund	**23,555,885**	**1,600,000**	**—**	**(8,325,000)**	**—**	**15,830,885**
Croydon St Andrews Fund	**139,057**	**59,499**	**(191,877)**	**—**	**—**	**6,679**
	23,694,942	**1,659,499**	**(191,877)**	**(8,325,000)**	**—**	**16,837,564**
General funds (including trading funds of £11,755)	**3,605,403**	**1,714,448**	**(1,945,949)**	**278,434**	**(239,593)**	**3,412,743**
Total unrestricted funds	**27,300,345**	**3,373,947**	**(2,137,826)**	**(8,046,566)**	**(239,593)**	**20,250,307**
	31,517,798	**9,233,771**	**(10,899,338)**	**(8,046,566)**	**—**	**21,805,665**

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	Balance at 31 December 2020 £
Endowment funds	268,848	8,872	(11,830)	—	(32,474)	233,416
Restricted funds						
External maintenance scheme	96,606	554,470	(413,257)	—	(60,000)	177,819
Diocesan grants	10,000	—	—	—	(10,000)	—
Croydon St Andrews Capital Funds	—	63,130	(63,130)	—	—	—
VASCA capital funds	—	5,919,905	(4,100,409)	—	—	1,819,496
Other restricted funds	1,935,619	4,168	(4,093)	—	51,028	1,986,722
	2,042,225	6,541,673	(4,580,889)	—	(18,972)	3,984,037
Designated funds						
Property fund	14,894,563	8,825,000	(192,501)	—	28,823	23,555,885
Croydon St Andrews Fund	—	210,000	(70,943)	—	—	139,057
	14,894,563	9,035,000	(263,444)	—	28,823	23,694,942
General funds (including trading funds of £11,755)	3,257,421	1,692,979	(1,585,491)	217,871	22,623	3,605,403
Total unrestricted funds	18,151,984	10,727,979	(1,848,935)	217,871	51,446	27,300,345
	20,463,057	17,278,524	(6,441,654)	217,871	—	31,517,798

15 Analysis of group funds (continued)

Endowment funds represent a fund held under a Section 86 order and a fund set aside under a charity order to develop Church of England education.

The **External Periodic Maintenance Scheme** is a scheme developed by the charity on a voluntary subscription basis to ensure that all the schools in the Diocese can maintain the external fabric and structural elements of their buildings. The fund balance carried forward represents the accumulation of income over expenditure which is available to meet the Governors' 10% liability for ongoing schemes of maintenance works.

The **Diocesan grant restricted fund** relates to funding provided by the Diocese of Southwark to fund a specific post and chaplaincy support.

The **Croydon St Andrew's capital funds** represent receipts of capital funding from a closed school, which have been applied to improvement works at that school to keep the property compliant and insured.

Other restricted funds represent assets arising from the disposal of redundant school buildings to be deployed by the Southwark Diocesan Board of Education under Section 554 of the Education Act 1996. Such funds can be deployed (directly and indirectly) for the development of existing schools or the provision of new schools within the Diocese of Southwark. Such Schools are to follow the tenets of the Church of England.

The **designated property fund** represents the net book value of the fixed assets and investment properties at the balance sheet date.

The **designated Croydon St Andrew's fund** represents income received from the rental of the St Andrew's school building which the charity intends to apply towards further refurbishment work at the school.

VASCA fund - The school building projects fund represents the income received from the VASCA grant from the Department for Education and the associated commitment on the fund. The funds are restricted to capital and maintenance projects at the schools. The deficit balance at the end of the year represents a timing difference between future receipt of funds and current plans. The Trustees are confident that there is a realistic expectation that these commitments can be met as the source of the funding is Central Government, and the funds at the time of writing already notified for the following year far exceed the deficit. VASCA funds must be committed to projects or returned to the DfE if not committed within two years of the grant date.

16 Conduit funds – capital projects

	2021 £	2020 £
Income	**8,739,901**	132,355
Expenditure	**(8,739,901)**	(132,355)
	—	—

The income figure represents funds receivable from Salix Finance Ltd, Devolved Formula Capital from schools and Governor and Local Authority Contributions to building projects, while the expenditure figure represents supplier and contractor costs incurred and committed during the year. Unspent committed costs are realised in the forthcoming financial year and represent timing differences in acquiring the funds with their related expenditure. The main reasons for the increase in 2021 are; the inclusion of public sector funding from Salix Finance Ltd (6.7m) for decarbonisation work in schools which commenced in June 2021, along with the associated increased commitment on governors and other funds (2m), which supplement the publicly funded decarbonisation projects. These are recognised as income and expenditure as discussed in note 1 and the accounting policies.

The Conduit Fund exists to channel funds sourced from the public sector into capital and maintenance projects in schools; it posts no profit and all its funds are committed. As at 31 December 2021 the combined total assets of the fund (including accrued income) amounted to £7.2m. The combined liabilities were identical. Additionally, as at 31 December 2021 the charity owed £nil to the conduit fund (2020 – £25,000). Separately, amounts held on behalf of schools as part of the Devolved Formula Capital Scheme (which are ultimately destined for the conduit fund) were £2.49m at 31 December 2021 (2020 – £2.83m).These funds represent agency cash balances in the charity, and are not included in the charity's fund balances.

17 Pension and similar obligations

The Group's employees belong to two principal pension schemes, the Teachers' Pension Scheme (TPS) and the Church of England Church Workers Pension Fund (CWPF), which are of the defined benefit type, the assets of the schemes being held in separate Trustee administered funds. Both the TPS and CWPF fund assets are not apportioned to individual employing bodies in the fund and therefore both constitute collective defined benefit pension schemes under Financial Reporting Standard 102: Section 28 – Employee Benefits. The total pension cost was £186,830 (2020 – £192,489). There were no creditors falling due within one year at either 31 December 2021 or 31 December 2020.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers and lecturers who are or have previously been employed at eligible institutions. Teachers and lecturers have the option to opt out of the TPS following enrolment.

17 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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 the information available on the scheme below.

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; and
- 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 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 year amounted to £80,343 (2020 – £103,971).

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

17 Pension and similar obligations (continued)

Church of England Church Workers Pension Fund (continued)

Valuation of the Church of England Church Workers Pension Fund
Southwark Diocesan Board of Education (DBS) participates in the Defined Benefits Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

CWPF has two sections:

1.The Defined Benefits Scheme

2.The Pension Builder Scheme, which has two subsections;
(a) a deferred annuity section known as Pension Builder Classic, and,
(b) a cash balance section known as Pension Builder 2014.

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

For funding purposes, DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2021: £106,519 2020: £93,418)

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

17 Pension and similar obligations (continued)

Church of England Church Workers Pension Fund (continued)

Defined Benefits Scheme (continued)
A valuation of DBS is carried out once every three years. The most recently finalised was carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in DBS was £11.3m

The next actuarial valuation is due at 31 December 2022.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 45% of pensionable salary and expenses of £5,400 per year.

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

18 Related party transactions
The Southwark Diocesan Board of Education is a company limited by guarantee. The results and balance sheet of Southwark Diocesan Education Services Limited (SDES) are consolidated into these financial statements. The Southwark Diocesan Board of Education has taken advantage of the exemptions in FRS 102 and has not reported transactions between it and SDES.

During the year ended 31 December 2021, the group received grant funding amounting to £333,460 (2020 – £333,460) in respect of the Diocesan Measure and lettings income of £19,200 (2020 – £12,375) from the Southwark Diocesan Board of Finance and South London Church Fund, which is a related party as a result of sharing a number of Trustees with the charity. At the year end, the charity owed £150,000 (2020 – £150,000) to the Diocesan Board of Finance in respect of a loan used partly to fund the early development of SDBE Multi-Academy Trust (note 14).

During the year ended 31 December 2021, the group received income of £11,154 (2020 – £10,830), including VAT, from Bacons College in respect of the provision of a service level agreement. £150 was owing at 31 December 2021 (2020 – £150). Bacon's College is a related party as a result of sharing a number of Trustees with the charity.

During the year ended 31 December 2021, the group received income of £143,812 (2020 – £140,237) including VAT from the SDBE Multi-Academy Trust in respect of the provision of a service level agreement and additional advisory and consultancy work. As at 31 December 2021, £25,640 remained to be received (2020 – £25,283). SDBE Multi-Academy Trust is a related party by virtue of the fact that it shares a number of trustees with the charity

18 Related party transactions (continued)

In 2017 the charity advanced £150,000 to the SDBE Multi-Academy Trust in order to fund its early development. At the year end, £150,000 (2020 – £150,000) was receivable in respect of this balance. Whilst there is an understanding between SDBE and the Multi-Academy Trust that these funds are to be repaid, there is no obligation for this to take place within the next 12 months, therefore this amount is presented as a debtor falling due in more than one year (note 13).

19 Funds held as agent

During the year, the charity acted as an agent, with interest receivable £82 (2020 – £668) being paid into accounts held on behalf of various Schools under the aegis of the Diocese of Southwark. No amounts were paid over to these schools in either year. At the year end, balances of £158,162 were held in designated bank accounts separate from the charity and trading subsidiary's designated bank accounts (2020 – £158,080). As the Trustees have no responsibility for the application of these funds, the income and bank balances have been excluded from the financial statements.

20 Members

The company is limited by guarantee and the liability of the members is limited to an amount not exceeding £1.

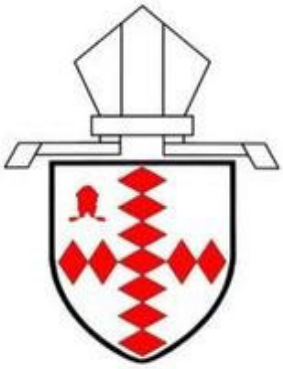
21 Consolidated statement of financial activities – Year to 31 December 2020

	Notes	Unrestricted funds: General funds £	Unrestricted funds: Designated funds £	Restricted funds £	Endowment funds £	Total 2020 £	Total 2019 £
Income and endowments from:							
Grants and donations	1	350,800	8,825,000	5,983,035	—	15,158,835	754,901
Charitable activities	2	66,181	—	554,470	—	620,651	642,746
Other trading activities	3	547,401	—	—	—	547,401	591,668
Investments	4	728,597	210,000	4,168	8,872	951,637	785,438
Total income		1,692,979	9,035,000	6,541,673	8,872	17,278,524	2,774,753
Expenditure on:							
Raising funds	5	211,867	70,943	63,130	—	345,940	192,353
Charitable activities	6	1,373,624	192,501	4,517,759	11,830	6,095,714	2,252,724
Total expenditure	7	1,585,491	263,444	4,580,889	11,830	6,441,654	2,445,077
Net income (expenditure) before investment gains		107,488	8,771,556	1,960,784	(2,958)	10,836,870	329,676
Unrealised losses on investment properties	11b	—	—	—	—	—	(71,785)
Net gains on listed investments	11a	217,871	—	—	—	217,871	349,854
Net income (expenditure) before transfers		325,359	8,771,556	1,960,784	(2,958)	11,054,741	607,745
Transfers between funds	15	22,623	28,823	(18,972)	(32,474)	—	—
Net movement in funds	8	347,982	8,800,379	1,941,812	(35,432)	11,054,741	607,745
Reconciliation of funds:							
Funds brought forward at 1 January 2020		3,257,421	14,894,563	2,042,225	268,848	20,463,057	19,855,312
Funds carried forward at 31 December 2020	15	3,605,403	23,694,942	3,984,037	233,416	31,517,798	20,463,057

THE SOUTHWARK DIOCESAN BOARD OF EDUCATION (INCORPORATED)

England & Wales - Charity number 313001

Accounts



Southwark Diocesan Board of Education Incorporated

Annual Report and Financial Statements

31 December 2020

Company Limited by Guarantee
Registration Number 00086641
(England and Wales)

Charity Registration Number
313001

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Reference and administrative information Year to 31 December 2020

Trustees	The Rt Revd Christopher Chessun (President) The Rt Revd Jonathan Clark (Chair) The Revd Susan Lynn Billin Mr Martin Brecknell Mrs Elizabeth Broad (appointed 13 May 2020) Ms Julia Corby (appointed 30 January 2020) The Revd Canon Stephen Coulson Mrs Pam Davies Mr John Dewhurst Mrs Helen Dixon Mrs Virginia Eaton Mr Malcolm Edwards CBE The Revd Dr Mark Garner (resigned 2 July 2020) The Revd Capt. Jeremy Garton (appointed 30 January 2020) Mrs Riana Gouws The Revd Annie Kurk Mr Robert Love MBE Miss Maria McBean (appointed 13 November 2020) The Ven Dr Rosemarie Mallett (appointed 13 November 2020) The Revd Esther Moorey The Revd Dr Sharon Moughtin-Mumby Dr David Muir (appointed 13 November 2020) Mr Ekundayo Olomu The Revd Peter Organ Dr Nicholas Shepherd Mrs Penny Smith-Orr The Ven Dr Jane Steen (resigned 5 November 2020) Dr Catharina Stibe Hickson The Revd Ariadne van den Hof Mrs Alison Venn The Revd Andrew Williams The Revd Erica Wooff
Senior leadership team	Mr Colin Powell (Director of Education, retired 31 December 2020) Mr Marcus Cooper (Director's Assistant) Mrs Roz Cordner (Director's Assistant)
Company secretary	Mr Colin Powell
Registered office	48 Union Street London SE1 1TD
Charity registration number	313001
Company registration number	00086641

Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	National Westminster Bank plc P.O. Box 3038 57 Victoria Street London SW1H 0HN
Solicitors	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB

The Trustees (who are also the Directors of the charitable company for Companies Act purposes) have pleasure in presenting their Annual Report and the audited Financial Statements for the year ended 31 December 2020.

This report provides an opportunity for the Southwark Diocesan Board of Education (SDBE) to set out how its objectives, governance, strategy, activities and achievements all contribute to its overall mission and purpose, and the contribution the SDBE makes to the education of children and young people within the Diocese of Southwark.

The Trustees are proud of the achievements that have taken place in 2020 and would like to thank all the staff, volunteers, supporters, schools and governors who have made these possible.

The SDBE also provides information through a range of publications, briefings, the Diocesan website (www.education.southwark.anglican.org).

Vision, mission and aims

Developing Church of England education

The purpose and objects of the Southwark Diocesan Board of Education are set out in its two main constitutional documents:

- The Diocesan Board of Education Measure (1991); and
- The Memorandum and Articles of Association of the Southwark Diocesan Board of Education.

Our vision

- To enable the mission of God through the work of the Board;
- To be a high-performing Diocesan Board promoting excellence in education both locally and nationally;
- To develop and grow highly effective, inclusive Church of England schools rooted in Christian values;
- To celebrate and share the richness, quality and successes of our schools and chaplaincies; and
- To offer exemplary service to our schools and chaplaincies.

Vision, mission and aims (continued)

Developing Church of England education *(continued)*

Key areas

- Church School Effectiveness;
- Development of Chaplaincy in Schools, Colleges and Universities; and
- Development and growth.

Church School effectiveness

- Strong, effective, high performing schools;
- Strong effective governance;
- Excellent Christian leadership;
- Identify individual school need and support;
- High quality Religious Education and Collective Worship;
- Securing resources; and
- Living well together.

Development of chaplaincy in schools and colleges

- Structured programme of development;
- Looking for new opportunities and models;
- Links with Diocesan Clergy; and
- Clergy development.

Development and growth

- New provision and expansion;
- Embracing new systems and structures;
- Financial stability of the Board;
- Staff team development;
- Continual improvement of efficient and effective structures;
- Additional services to schools;
- Working well together; and
- Environmental stewardship.

Vision, mission and aims (continued)

Developing Church of England education *(continued)*
The SDBE provides support to the following:

- 92 Primary schools;
- 13 Secondary schools – including 2 all-through schools – one of which, St Andrew's Church of England School, Croydon, closed on 31 August 2020;
- 7 Higher and 5 Further Education institutions through its role in Chaplaincy.

The relationship with our beneficiaries and service users is one of partnership and collegiality. We work mainly with school leaders and governors to achieve our aims. Our main activities include:

- Delivery of a comprehensive 'Partnership Agreement' with Church of England schools in the Diocese;
- Analysis of the outcomes of school inspection (Office for Standards in Education (OFSTED) and Statutory Inspection of Anglican and Methodist Schools (SIAMS);
- Headteacher and Senior leaders meetings and conferences;
- Delivery of a comprehensive range of training programmes;
- Regular school visits;
- Meetings of the Board of Education and its Committees;
- Pastoral support for headteachers;
- Representation on Local Authority Overview and Scrutiny Committees;
- Representation on Standing Advisory Councils for Religious Education (SACRES);
- Administration of the Statutory Inspection of Anglican and Methodist Schools (SIAMS) across the Diocese;
- Meetings of Officers and Advisers to determine work patterns;
- Support for governing bodies in fulfilling their roles and responsibilities;
- Support and development of chaplaincies across schools and Higher and Further Education institutions;
- Liaising with Local Authorities and other providers; and
- Liaising with the Department for Education.

Achievements and performance for 2020

2020 was another busy and successful year for the SDBE. The highlights listed below demonstrate how the SDBE is fulfilling its aims. Key strategic areas identified for 2020 were:

- Church school effectiveness;
- Development of education chaplaincy;
- Development of the Board of Education; and
- Evaluation of opportunities for development and growth.

Growing and appointing the best leaders for our schools is key to our success and recruitment over the year, and lockdown has meant that the recruitment processes have been even more robust, often with a mix of remote tasks blended with face-to-face, final stage interviews and activities. Our schools perform well above National averages on a range of indicators. Inspection framework reviews (OFSTED and SIAMS) challenge all schools to meet new, demanding criteria which has resulted in some schools retaining, or indeed improving a grade at inspection. All judgment based inspections from OFSTED and SIAMS were suspended on 17 March 2020 and are yet to resume. Interim visits from OFSTED were introduced from 28 September 2020 and five schools were visited between March and December. Pastoral leadership has provided a much needed and valued service for our school leaders and school communities both during and in-between lockdowns. Board staff have continued to develop and produce quality advice and support materials for schools to meet the ever changing education landscape and adapted the offer to provide Zoom training and for governors and staff which has been well received.

During 2020 the following Performance Indicators were reported to the Board:

- 93% of schools graded good or better by OFSTED against a national average of 85%;
- 100% of schools graded good or better by SIAMS;
- 69% of schools graded excellent by SIAMS;
- Four inadequate schools; (*previously five)*
- Nine new headteachers and two co-headteachers took up post over 10 schools during the year;
- The number of Diocesan Foundation Governor vacancies was 15.

Key activities and outcomes for the year:

- There were 2 OFSTED inspections and one monitoring visit prior to 17 March 2020;
- There were 5 interim OFSTED visits up to 31 December 2020;
- 30% of schools are graded outstanding against a national average of 19%;

Achievements and performance for 2020 (continued)

- 100% of schools graded good or better for RE by SIAMS;
- 53% of schools graded excellent for RE by SIAMS;
- The average Progress 8 score for diocesan secondary schools was +0.28, this was up from +0.16 in 2019;
- The diocesan average of the proportion of students achieving 5 or above in English and Mathematics was 50% compared to the national average of 43% at Key Stage 4;
- The diocesan average of the proportion of students achieving 4 or above in English and Mathematics was 69% compared to the national average of 64% at Key Stage 4;
- Attainment 8 overall was significantly above the national average at 5.2 compared to the national average of 4.6 at Key Stage 4;
- The forum for outstanding schools has continued;
- Seven schools engaged in building development projects;
- Ten schools completed the Bishop's Certificate in Church School Governance;
- The Further Education framework was embedded;
- The Board's property rental portfolio was expanded to achieve improved returns; and
- Three new members of staff joined our team.

Primary End of Key Stage 2 Assessment 2020

- As a result of the Covid-19 pandemic, the Department for Education announced in March 2020 that national curriculum assessments would not take place in primary schools for the end of the academic year 2019/20. As a result, the following planned assessments between April 2020 and July 2020 were cancelled;
    - End of Key Stage 1 and Key Stage 2 assessments *(including tests and teacher assessment)*;
    - Phonics screening check;
    - Year 4 multiplication tables check; and
    - Science sampling tests.
- For this reason there is no primary national or local assessment data available. There will be no updates to performance data in Analyse School Performance (ASP), the Inspection Data Summary Report (IDSR) or the public-facing DfE Compare School Performance and other published data. OFSTED will continue to use the official end of Key Stage results for 2019.

Primary End of Key Stage 2 Assessment 2020 (continued)

- Throughout the Covid-19 pandemic the Board continued to offer its full range of services to schools in line with our Partnership Agreement. A full staff complement was retained during this period.

Future plans

It should be noted that the points below are being continuously reviewed in the light of the worldwide Covid-19 pandemic, which began in early 2020 (and is still ongoing at the time of writing this report). Since then, Governments around the world have struggled to contain the virus and keep public health systems working. Lockdown of most countries' populations have ensued, leaving millions unemployed and furloughed from work. Financial help has been made available to companies and individuals in the UK by the Government and it has been possible to continue to provide the services of the Board of Education to our schools (with some limited exceptions, such as face-to-face training).

In order to continue to deliver a high quality service and to continue to achieve our aims, the following areas will be explored during 2021:

- Review the implementation of the 2019-2021 Organisation Development Plan within the context of the pandemic;
- To develop work streams built on the expertise of new team members;
- To monitor carefully the income from our property portfolio within the context of the current circumstances;
- To implement the Growth and Sustainability plan;
- To consider a further range of additional 'bought-back' / commissioned services for our schools;
- To further embed the Chaplaincy frameworks in the various institutions;
- To continue to monitor the implementation of the new SIAMS Evaluation Schedule;
- To appoint and induct the new Diocesan Director of Education due to the retirement of the previous Director; and
- To consider the implementation of the new Diocesan Measure.

Public benefit

In preparing this report the Trustees have paid due regard to the Charity Commission guidance on public benefit in deciding what activities the charity should undertake.

Public benefit (continued)

Our principal beneficiaries and service users are the Church of England schools and the students and staff of the universities and colleges located within the Diocese of Southwark. In practice, the relationship with our beneficiaries and service users is one of partnership and collegiality. While our mission is directed towards the advancement and promotion of education for thousands of children and young people in the maintained education sector throughout the Diocese of Southwark, in real terms we achieve this through support of the management, staff and governors of our schools.

The specific needs and requirements of those who benefit from our services are identified in a number of ways, including:

- Regular contact with Church School leaders and governors and in response to requests for advice and support provided through our Partnership Agreement for Church of England schools and academies;
- Analysis of the outcomes of school inspection by the Office for Standards in Education Inspection (OFSTED) and through the Statutory Inspection of Anglican and Methodist Schools (SIAMS); and
- Governor meetings, briefings and training; and
- The Southwark Diocesan Board of Education Headteacher Association.

Trustee membership

TRUSTEES:	
Bishop of the Diocese (President)	The Rt Revd Christopher Chessun
Chair (the Bishop's appointee)	The Rt Revd Jonathan Clark
Members appointed by the Bishop	Mr Martin Brecknell
	The Ven Dr Rosemarie Mallett
	The Revd Canon Stephen Coulson
CROYDON EPISCOPAL AREA	
Croydon Archdeaconry	
Member of Diocesan Synod	Mr Ekundayo Olomu
Clerk in Holy Orders	Revd Susan Lynn Billin
Lay Member	Mrs Penny Smith-Orr
Reigate Archdeaconry	
Member of Diocesan Synod	Dr Catharina Stibe Hickson
Clerk in Holy Orders	Revd Capt. Jeremy Garton
Lay Member	Mrs Virginia Eaton
KINGSTON EPISCOPAL AREA	
Lambeth Archdeaconry	
Member of Diocesan Synod	Mrs Esther Moorey
Clerk in Holy Orders	The Revd Erica Wooff
Lay Member	Miss Maria McBean
Wandsworth Archdeaconry	
Member of Diocesan Synod	Mr John Dewhurst
Clerk in Holy Orders	The Revd Annie Kurk
Lay Member	Mrs Pam Davies

Trustee membership (continued)

WOOLWICH EPISCOPAL AREA	
Lewisham & Greenwich Archdeaconry	
Member of Diocesan Synod	Mr Robert Love MBE
Clerk in Holy Orders	The Revd Ariadne van den Hof
Lay Member	Dr Nicholas Shepherd
Southwark Archdeaconry	
Member of Diocesan Synod	Vacancy
Clerk in Holy Orders	The Revd Dr Sharon Moughtin-Mumby
Lay Member	Mrs Alison Venn
Chair of the Southwark Diocesan Head Teachers Association	Ms Julia Corby
The Heads of Whiteland's College	Dr David Muir The Revd Dr Mark Garner (resigned July 2020)
Chairs of Committees	
Policy & Strategy Committee	The Rt Revd Jonathan Clark
Schools Committee	The Ven Dr Rosemarie Mallett
Finance & Development Committee	Mr Malcolm Edwards CBE
Further & Higher Education Committee	The Revd Andrew Williams
Co-opted Members	Mr Malcolm Edwards Mrs Helen Dixon The Revd Peter Organ Mrs Riana Gouws
Members Elected from FE/HE Committee	The Revd Andrew Williams The Ven. Dr Jane Steen (resigned Nov. 2020)
Members Elected from Schools Committee	Mrs Elizabeth Broad
Audit Committee appointed by the Board	Ms Sarah Ironmonger Revd Annie Kurk Revd Derek Holbird Mr Eugene O'Keeffe

Members and members' interests

The members of the Board are directors under the Companies Act. Their names at the date of this report are included on page 1. No other member(s) served on the Board during the year. Attendance at Board Meetings was 67% (2019 – 63%).

The Board is a charitable company limited by guarantee and members may derive no benefit, income or capital interest in the Board's financial affairs other than reimbursement of out of pocket expenses.

Each Trustee, being a member of the Trust, has given a guarantee of £1, in accordance with the Articles of Association.

Structure, governance and management

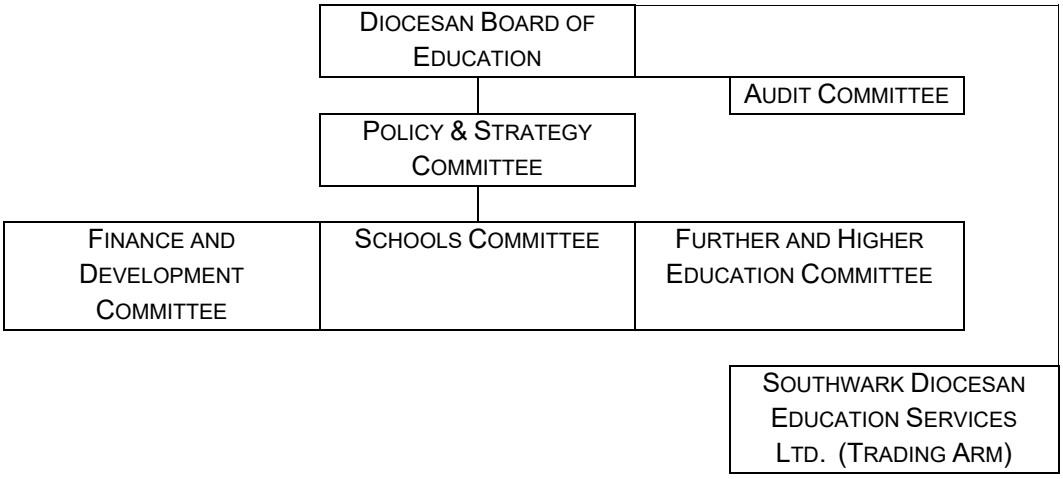
Governing document: Memorandum and Articles of Association of Southwark Diocesan Board of Education (2014).

The Board has a membership representing a wide range of experience and interest, including representatives from the Diocese of Southwark, the Southwark Diocesan Head Teachers' Association, Roehampton University and appointees from each of the Board's Committees as well as the Chairs of the Committees.

The Board's four principal Committees are: Policy and Strategy, Schools, Finance & Development and Further & Higher Education. The Schools Committee includes a significant representation of headteachers and foundation governors from Diocesan schools. The four Committees each include a designated officer of the Board. The Board also appoints an Audit Committee. Other working parties are established for specific projects.

The Board meets three times a year to monitor and review progress, consider new developments and set strategy. The Audit Committee meets up to three times each year and has a membership comprising independent members appointed by the Board. The Board and its Committees operate under specific terms of reference, which delegate certain functions of the Board to one of the four principal Committees. The minutes of all Committee meetings are considered by the full Board.

Day-to-day leadership and management of the SDBE are delegated to the Director and Assistant Directors. Strategic development and any urgent matters which cannot wait for consideration by the Board and Committees are referred to the Policy & Strategy Committee. Members of the Policy & Strategy Committee are the Chairs of the Board and Committees, the Director and the Assistant Directors. The Policy & Strategy Committee meets up to six times a year between Board meetings and supports the strategic development and work programme of the Board and its Committees.



Structure, governance and management (continued)

Deanery Synod nominations to Episcopal Area Forums require nominees to identify relevant areas of interest and experience. Generally Members of the Board have experience as trustees of other charities. An induction and an information pack is provided for all members and ongoing training and development needs are met through an annual training and development event, written briefings and presentations at Board meetings.

A total of twelve Local Authorities are located within the Diocese and the SDBE is responsible for the appointment of a local representative to the committee responsible for the oversight of education services for children and young people. In addition the SDBE seeks to establish partnerships at a local, regional and national level and is actively engaged in education programmes and initiatives as they relate to church schools and education chaplaincy.

Each school has its own governing body and has deemed charitable status. The SDBE appoints a minority of governors to each school's governing body and as such does not consider them to be related parties.

The task of supporting Christian education is an important and demanding one. Our thanks and appreciation are due to the SDBE staff team for their unstinting commitment and hard work on behalf of church schools and education chaplaincy in the Diocese of Southwark.

The staffing structure and team for the reporting year comprised:

Director	Mr Colin Powell (retired 31 December 2020)
Director's Assistant	Mr Marcus Cooper Mrs Roz Cordner
5 Educational Advisers (4.6 FTE)	Mrs Roz Cordner Mr Marcus Cooper Mr Shaun Burns Miss Fiona Foreman (0.6 FTE) Dr Rachael Norman

Structure, governance and management (continued)

Chaplaincy Development Officer	Vacancy (0.46 FTE)
Buildings and Capital Programmes Manager	Mr Paul Forrest Mrs Sally Chapman (0.6 FTE)
Human Resources Adviser	Mrs Julie Richardson (0.8 FTE)
Governance, Admissions and Development Adviser	Mr Leo Morrell
Financial Controller	Mr David Coyle
Office Manager	Mrs Sarah Bogati (maternity leave November 2020) Miss Elisabeth Sparkes (from November 2020)
2 Administrators	Miss Elisabeth Sparkes Mrs Anita Marijetic (September 2020)
Caretaker	Mr Gyorgy Szabo (0.2 FTE)

The SDBE is a statutory body and is also incorporated as a company limited by guarantee (1905) within the Diocese of Southwark. It receives an annual grant from the Diocese through the Diocesan Board of Finance to fund the work of delivering the Diocesan Measure in the Board's schools.

Key management personnel

Together with the Trustees, the Director of Education, Director's Assistants, Financial Controller, Buildings and Capital Programmes Manager and Office Manager are considered key management personnel by virtue of the fact that they are in charge of controlling, running and operating the charity on a day-to-day basis. The pay for all staff is set by the Staffing Reference Group and by the Policy and Strategy Committee.

Relationship with other charities and foundations

The SDBE has the opportunity to nominate to the following educational charitable foundations, which support the provision and promotion of educational opportunity for children and young people through grants to organisations and individuals within the area of the Diocese of Southwark:

- Greenwich Bluecoat Foundation;
- Culham St Gabriel's Trust; and
- St Mary Newington United Fund

The SDBE works closely with the Southwark Diocesan Board of Finance and the SDBE Multi-Academy Trust. Further details of the relationship with these parties are given in the notes to the accounts.

Risk and Internal Controls

The Trustees have overall responsibility for ensuring the SDBE has effective systems of control and for maintaining appropriate accounting procedures and records that comply with legislative requirements and good practice. Our systems of internal control have been developed to provide reasonable assurance against material misstatement or loss and include:

- Strategic development priorities and annual budget approved by the Trustees;
- Regular monitoring of financial performance and service delivery;
- Appropriate delegation of authority and segregation of duties;
- Identification and management of risk; and
- Adherence to Section 17 of the Charities Act 2011, and trustees' requirement to have regard to public benefit.

The major risks to which the charity is exposed, as identified by the Trustees, are regularly reviewed and systems have been established to mitigate those risks. These are included in the risk register and have been subject to further review during the year. The Trustees have also developed a Major Incident Plan.

Risk Management

Church of England Primary and Secondary Schools throughout the Diocese of Southwark are responsible for more than 37,000 children and more than 1,000 staff.

A scoring system in the Board's risk register identifies the level of risk the Trustees have identified as significant in a variety of different areas, and included in the document is a system of controls which (as far as is possible) addresses the risks therein.

The Trustees consider it is appropriate to take some calculated risks with our charity's resources to make opportunities available to the pupils and staff whom we serve. The Board will not however, take any risks relating to the protection of young people and vulnerable adults. Full vetting procedures are always followed for all staff and volunteers and disciplinary action follows when breaches occur.

The Trustees will similarly not take any risks in relation to fraud and corruption. The charity is fortunate to hold assets in the form of property and investments, which generate revenue. While some risk has to be taken to achieve good returns, it would be inappropriate to risk the capital value of the assets. Therefore the risk of loss should be balanced against the expected return.

The key risks (as identified by the scoring system in the risk register) faced by the Board are:

- Loss of key staff;
- Government changes in legislation; and
- Competition from other providers.

Risk management (continued)
Actions taken to mitigate against these key risks are addressed in the charity's risk register which is updated and reviewed by the board twice a year.

The Trustees have adopted measures to manage these (in addition to the other risks which the charity faces), and the risk register and policy are kept under regular review

Investment policy and performance
The Board of Trustees' investment powers fall under the Trustee Act 2000 and the Memorandum and Articles of Association in which paragraph 10 permits the Board of Trustees "to invest any monies possessed by the charity (or held in trust by it) in or upon such investments or securities as may from time to time be determined, but so that monies or property subject to the jurisdiction of the Charity Commissioners shall only be invested in such securities and with such sanction as may for the time being be prescribed by law.

Despite the wider market and economic turmoil, 2020 was a fantastic year in terms of portfolio performance with all three portfolios significantly outperforming benchmarks over the period (see figures below).

Low Risk Portfolio	**+3.86%**
Comparative benchmark	+1.37%
Low to Medium Risk Portfolio	**+9.42%%**
Comparative benchmark	-0.16%
Medium to High Risk Portfolio	**+14.65%**
Comparative benchmark	+0.16%

As we look back at Q4, it is hard to exaggerate the importance of the arrival of vaccines to fight the COVID-19 pandemic. While the vaccine news pushed global equities to new record highs during the quarter, November saw a violent swing towards cyclical equities, which had been largely unloved during the pandemic. Yet the counter to any sense of unbridled enthusiasm has been the pick-up in case growth as winter takes hold in the Northern Hemisphere. Compounding this has been the emergence of a new and more transmissible variant of the COVID-19 virus, again forcing governments to take tougher action to curb the spread of infections.

While COVID-19 vaccines arrived during the quarter, markets had to wait until the last days of 2020 for a UK-EU free trade deal agreement and an additional US fiscal stimulus. While each event by itself neither makes nor breaks the broader post-pandemic recovery, each can still have a material impact on the pace of such a recovery.

Looking ahead to 2021, we expect the year to be defined as a transition from recession to recovery and improved optimism towards cyclical sectors. Cyclical companies are more sensitive to an uptick in economic growth, whereas defensive companies are more resilient across a business cycle. Over the first months of 2021 especially, this should provide further support to the cyclical rotation that we have seen develop during Q4. We have exposure to such a near-term rotation through both our domestic UK positions in absolute terms, as well as more markedly in relative terms through our high conviction overweight to Asia ex-Japan.

Investment policy and performance (continued)

In most countries and regions globally, monetary policy (such as a central bank's position on interest rates) is likely to remain highly accommodative throughout 2021. In contrast, fiscal policy (reflecting government's choices on spending and taxation) is the big question mark. If governments' spending retreats as the economic recovery takes hold and vaccines roll out, this may produce a more challenging backdrop in the second half of 2021.

As we look forward to the coming year, we see an advantage in employing a barbell approach within our asset allocation. Within an equity context, we express this as a balance between our exposures to longer-duration growth assets in technology, sustainability and healthcare and supported by our positive US outlook on the one side, against our positive Asia ex-Japan positioning and UK exposures at the cyclical end. Despite the hopes of a quicker return to more normal economic activity, longer term we continue to see an investment environment shaped by interest rates remaining low, inflation proving to be contained, and broader economic growth subdued. Across the range of asset classes more broadly, as we look forward to 2021, we maintain our relative preference for equities over bonds. Within bonds specifically, 2020 has seen our asset allocation show an increased tilt away from the comparatively lower yielding sovereign debt markets and towards the relatively more attractive returns in investment grade corporate credit. Finally, we continue to see value in holding other non-equity alternative asset classes within our asset allocation framework, such as structured notes and convertible bonds, and these remain an important building block of our centralised investment process.

Financial review

Finance and resources

The SDBE is established as a statutory body to fulfil a range of duties and responsibilities. Total income of £17,278,524 (2019 – £2,774,753) was received during the year. During 2020, income included £8,825,000 (2019 – £360,000) of donated assets and £5,919,905 (2019 - £nil) of VASCA grant funding. Excluding these amounts, operational income for the year was derived from the following sources:

- Schools (Service agreements and related income): £475,586 – 19% (2019: £463,823 – 19%)
- Maintenance scheme subscriptions: £554,470 – 22% (2019: £557,521 – 23%)
- Diocesan Grants: £333,460 – 13% (2019: £356,391 – 15%)
- Lettings and Investments: £951,637 – 37% (2019: £785,438 – 33%)
- Other income: £218,466 – 9% (2019: £251,580– 10%)

For the discharge of its day to day outgoings (as distinct from its work connected with building works at the schools), the charity depends on the grant received from the Diocese of Southwark, which amounted to a total grant of £333,460 (2019 – £356,391) for the year, comprising £333,460 (2019 – £331,188) core grant, and £nil (2019 – £25,203) additional grant allocation.

Financial review (continued)

Finance and resources (continued)

The charity's operational activities are represented by its unrestricted general fund. The operational income of the charity exceeded its operational expenditure, resulting in a surplus of £107,488 (2019 – £131,108) before taking into account net gains on listed investments of £217,871 (2019 – net gains of £349,854) and transfers. Transfers in and out of the unrestricted general fund included a transfer in of £60,000 from the external periodic maintenance restricted fund representing the costs of administering the fund (2019 – £60,000), a transfer to the property fund representing additions to investment properties and tangible fixed assets of £28,823 (2019 – £72,386) and net other transfers out of the fund totalling £8,554 (2019 – net transfers out of the fund of £479). This gives, read together with realised and unrealised gains on the value of investments of £271,871 (2019 – gains of £349,854), a net increase in the unrestricted (operational) funds of the charity for the year of £347,982 (2019 – £469,055).

Overall, there was a net increase in total funds of £11,054,741 (2019 – net increase of £607,745), after also accounting for an increase in restricted funds of £1,941,812 (2019 – decrease of £37,270), an increase in the property fund of £8,800,379 (2019 – increase of £167,960) and a decrease of £35,432 in the value of endowment funds (2019 – increase of £8,000).

Southwark Diocesan Education Services Limited

The charity operates a wholly owned subsidiary company, Southwark Diocesan Education Services Limited. This company carries out a number of the charity's activities including the provision of services for schools in the Diocese of Southwark and the provision of administrative services for the charity. Its turnover for the year was £580,552 (2019 – £631,279) and the company made an operating profit of £nil (2019 – £nil) after making a donation of £367,953 by Gift Aid to the parent charity (2019 – £345,415) in accordance with its articles of association.

Reserves policy

The General Synod of the Church of England, at its meeting in November 1999, affirmed two principal roles for the Diocesan Boards of Education in their support of Church of England schools in their Diocese:

- to provide an advisory service to schools; and
- to maintain and improve school buildings.

The reserves policy of the Trustees has been determined in the light of these objectives. The reserves policy is monitored and reviewed annually.

Its main features are:

Finance review (continued)

(a) To maintain a margin of working capital sufficient to enable all aspects of the charity's work to be conducted in an orderly and efficient way and additionally to deal with the management of the schools' building and maintenance programme where the timing of the cash flow from receipts and payments may require temporary bridging from internal resources of up to £500,000.

(b) Current income and expenditure of the charity should be in balance and every effort will be made to maintain this, but a liquid reserve is necessary to provide for any unexpected but unavoidable items of expenditure which cannot be funded from current income. In this respect, it is important to realise that some of the charity's reserves are in the form of fixed assets which would take time to realise and which in any case provide income which is part of the monies used to fund the current work of the Board.

(c) In addition to (a) and (b) above, the trustees consider it desirable that the charity retains additional liquidity (including cash and market investments) reserves to allow it to finance 'business as usual' operations for a temporary period of up to eighteen months due to an unforeseen shutdown of ordinary operations e.g. terrorist attack or health pandemic with an additional six months to take advantage of the opportunities afforded by changes in the educational system, to expand and strengthen Church of England education in the Diocese.

In accordance with Charity Commission guidance, the following are not considered as reserves for the above purposes: endowment funds; restricted funds; designated funds and income funds represented by fixed assets held for the charity's use. In order to meet the criteria in (a), (b) and (c) above, the Trustees consider that the minimum level of reserves required are equivalent to two times average annual operational expenditure, of which one year should be represented by cash held on interest bearing deposit.

The current free reserves of the charity are £3.605m (2019 – £3.257m). The charity's policy implies a minimum level of reserves of £3.2m (including £1.6m in cash) (2019 – £3.3m (including £1.7m in cash). Cash reserves are defined as: unrestricted funds held on deposit with the Central Board of Finance, cash balances held by the Investment Managers, and operational balances in the Board's unrestricted bank accounts. The Board considers that, overall, both accounting and cash reserves are sufficient to meet operational requirements and thus the reserves policy stated above.

COVID-19 Pandemic

Shortly after the start of the pandemic, the Board's investment managers advised of a material fall in the value of the Board's market investments (c.14% on average at the beginning of the financial year). However these have since recovered their value. Dividend returns were slightly down on the previous year, but capital growth has been substantially higher than in the previous year.

Some tenants of rental properties previously informed the management that they were struggling to pay rents when due. The Board lost a small number of tenants during the year, but rents overall have remained at the previous (pre-pandemic) levels.

COVID-19 Pandemic (continued)
As a result of lockdown, with staff working from home for much of the year, substantial savings were made in the costs of running the Offices. Notwithstanding, (and given the lessons of the pandemic) the Trustees intend to set aside further funds in the coming five years with a view to increasing free cash reserves.

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure of the charitable group 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 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 United Kingdom and Republic of Ireland (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- so far as the Trustee is 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.

Statement of Trustees' responsibilities (continued)

This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United

Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board of Trustees:

The Rt Revd Bishop J Clark

Mr M J Edwards

Approved by the board on: 1st July 2021

Independent auditor's report to the members of Southwark Diocesan Board of Education Incorporated

Opinion

We have audited the financial statements of Southwark Diocesan Board of Education Incorporated (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the group statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows, and the notes to the financial statements, including the principal 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 group's and the charitable parent company's affairs as at 31 December 2020 and the group's 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 group 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. 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 group's or the charitable parent 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 Trustees' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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;
- the financial statements are not in agreement with the accounting records or returns;
- 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.
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 group's and the parent 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 group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the charitable parent 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 (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation); and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

Auditor's responsibilities for the audit of the financial statements (continued)
We assessed the susceptibility of the group's and the charitable parent company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to 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.

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;
- tested authorisation controls on expenditure items, including staff expense claims, to check that all expenditure was approved in line with the group's and the parent charitable company's financial procedures;
- tested expenditure passing through the off-balance sheet conduit fund to check that it had been incurred in line with the funding agreement and had been appropriately authorised; and
- considered the controls and processes in place relating to the conduit fund, in particular those relating to the receipt and use of the new Voluntary-Aided Schools Capital Allocation funding stream.

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.

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

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

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

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.

Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

05 August 2021

Consolidated statement of financial activities incorporating an income and expenditure account
Year to 31 December 2020

	Notes	Unrestricted funds: General funds £	Unrestricted funds: Designated funds £	Restricted funds £	Endowment funds £	Total 2020 £	Total 2019 £
Income and endowments from:							
Grants and donations	1	350,800	8,825,000	5,983,035	—	**15,158,835**	754,901
Charitable activities	2	66,181	—	554,470	—	**620,651**	642,746
Other trading activities	3	547,401	—	—	—	**547,401**	591,668
Investments	4	728,597	210,000	4,168	8,872	**951,637**	785,438
Total income		**1,692,979**	**9,035,000**	**6,541,673**	**8,872**	**17,278,524**	2,774,753
Expenditure on:							
Raising funds	5	211,867	70,943	63,130	—	**345,940**	192,353
Charitable activities	6	1,373,624	192,501	4,517,759	11,830	**6,095,714**	2,252,724
Total expenditure	7	**1,585,491**	**263,444**	**4,580,889**	**11,830**	**6,441,654**	2,445,077
Net income (expenditure) before investment gains		**107,488**	**8,771,556**	**1,960,784**	**(2,958)**	**10,836,870**	329,676
Unrealised losses on investment properties	11b	—	—	—	—	**—**	(71,785)
Net gains on listed investments	11a	217,871	—	—	—	**217,871**	349,854
Net income (expenditure) before transfers		**325,359**	**8,771,556**	**1,960,784**	**(2,958)**	**11,054,741**	607,745
Transfers between funds	15	22,623	28,823	(18,972)	(32,474)	**—**	—
Net movement in funds	8	**347,982**	**8,800,379**	**1,941,812**	**(35,432)**	**11,054,741**	607,745
Reconciliation of funds:							
Funds brought forward at 1 January 2020		**3,257,421**	**14,894,563**	**2,042,225**	**268,848**	**20,463,057**	19,855,312
Funds carried forward at 31 December 2020	15	**3,605,403**	**23,694,942**	**3,984,037**	**233,416**	**31,517,798**	20,463,057

All of the group's activities derived from continuing operations during the above financial years.

All recognised gains and losses for the year are included in the above statements of financial activities.

Comparative information by fund class for the year ended 31 December 2019 is given in note 21.

No summary income and expenditure account has been produced as the only difference to the statement of financial activities would be the omission of endowed income of £8,872 (2019 – £9,628); endowed expenditure of £11,830 (2019 – £nil) and transfer of £32,474 (2019 £1,628) to the restricted fund.

Balance sheets 31 December 2020

	Notes	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Fixed assets					
Tangible assets	10	**1,620,885**	**1,619,955**	1,784,563	1,783,009
Investments	11	**28,709,537**	**28,709,538**	19,455,838	19,455,839
		30,330,422	**30,329,493**	21,240,401	21,238,848
Current assets					
Debtors	13	**194,257**	**143,300**	115,830	59,238
Cash at bank and in hand		**6,311,226**	**6,264,119**	554,721	488,222
		6,505,483	**6,407,419**	670,551	547,460
Creditors: amounts falling due within one year	14	**(4,358,107)**	**(4,270,867)**	(479,895)	(367,004)
Net current assets		**2,147,376**	**2,136,552**	190,656	180,456
Debtors: amounts receivable after more than one year	13	**150,000**	**150,000**	150,000	150,000
Creditors: amounts falling due after more than one year	14	**(1,110,000)**	**(1,110,000)**	(1,118,000)	(1,118,000)
Net assets		**31,517,798**	**31,506,045**	20,463,057	20,451,304
The funds of the charity	15				
Unrestricted funds					
. General funds		**3,605,403**	**3,593,650**	3,257,421	3,245,668
. Designated funds		**23,694,942**	**23,694,942**	14,894,563	14,894,563
Restricted funds		**3,984,037**	**3,984,037**	2,042,225	2,042,225
Endowment funds		**233,416**	**233,416**	268,848	268,848
		31,517,798	**31,506,045**	20,463,057	20,451,304

The financial statements were approved and authorised for issue by the Trustees and were signed on their behalf by:

The Rt Revd Bishop J Clark

Mr M J Edwards

Approved by the board on: 1st July 2021

Southwark Diocesan Board of Education Incorporated
Company limited by guarantee
Registration Number: 00086641 (England and Wales)

The notes on pages 35 to 51 form part of the financial statements.

Consolidated statement of cash flows Year to 31 December 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash used in operating activities	A	**5,098,363**	(709,903)
Cash flows from investing activities:			
Dividends, interest and rents from investments		**951,637**	785,438
Purchase of tangible fixed assets		**(28,823)**	(1,225)
Proceeds from the disposal of listed investments		**840,022**	1,162,580
Purchase of listed investments		**(874,674)**	(1,031,685)
Additions to investment properties		—	(71,785)
Net cash provided by investing activities		**888,162**	843,323
Change in cash and cash equivalents in the year		**5,986,525**	133,420
Cash and cash equivalents at 1 January 2020	B	**2,277,508**	2,144,088
Cash and cash equivalents at 31 December 2020	B	**8,264,033**	2,277,508

Notes to the cash flow statement for the year to 31 December 2020:

A Reconciliation of net movement in funds to net cash flows from operating activities

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	**11,054,741**	607,745
Adjustments for:		
Depreciation charge	**192,501**	193,265
Donated assets	**(8,825,000)**	(360,000)
Gains on listed investments	**(217,871)**	(349,854)
Losses on investment properties	—	71,785
Dividends, interest and rents from investments	**(951,637)**	(785,438)
Amortisation of lease premium	**(8,000)**	(8,000)
Increase (decrease) in creditors	**3,932,056**	(148,126)
(Increase) decrease in debtors	**(78,427)**	68,720
Net cash used in operating activities	**5,098,363**	(709,903)

B Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	554,721	5,756,505	**6,311,226**
Bank overdraft facility	(53,844)	53,844	—
Cash held by investment managers	1,776,631	176,176	**1,952,807**
	2,277,508	5,986,525	**8,264,033**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2020.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- determining the basis for allocating support costs across expenditure categories;
- determining the basis of valuation for the charity's investment property portfolio;
- the estimation of future income and expenditure for the purposes of assessing going concern.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

Assessment of going concern (continued)
The Board's market investments suffered slightly reduced dividend income during the year, although not materially so. Extensive financial modelling has been carried out to cover different scenarios. In some scenarios there may still be a small number of tenants residing in Board owned investment properties, who may find themselves unable to meet rent payments when they fall due, because of the situation following the COVID-19 pandemic (with the ending of furlough payments and potential job losses). In a worst case scenario, the Board may not be in operational surplus at the end of the coming year, however the Board has significant free reserves and also has access to an overdraft facility should it be required. The Trustees are therefore of the opinion that the charity has sufficient reserves to be able to meet its liabilities as they fall due.

The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 December 2021, the most significant areas that will affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment and property markets (please see the investment policy and the risk management sections of the Trustees' report for more information).

Income recognition
Income is recognised in the period in which the charity has entitlement to the income, the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises grants, maintenance subscriptions, rental and investment income and the income from the charity's trading subsidiary. Income from other trading activities carried out by the trading subsidiary comprises, in the main, charges made for service agreement subscriptions, educational consultancy and other services provided to schools, and conduit project management fees.

Grants and donations are included as income from activities in furtherance of the charity's objectives where these amount to a contract for services, but as voluntary income where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Maintenance and service level subscriptions are recognised in the financial year to which the subscription relates and deferred if received in advance of that financial year.

Income derived from the letting of the charity's investment properties is recognised in the period to which the tenancy relates, when it is probable that the funds will be received.

Dividends are recognised when they have been earned and credited to the investment portfolio.

Income (continued)
Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from educational consultancy services is accounted for on an accruals basis with the income being recognised when due contractually.

Conduit project management fees are recognised on the date of completion of the relevant project.

Other amounts derived from capital and maintenance project activities where the charity acts as an agent, administering projects funded principally by the Department for Education and Skills on behalf of the school governors are excluded from these financial statements, as they constitute conduit funds. Details of these funds are set out in note 16.

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes the direct costs and support costs associated with generating rental income, together with the fees paid to investment managers in connection with the management of the charity's listed investments.

- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs (including governance costs).

Allocation of support and governance costs
Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice. Support costs and governance costs are apportioned using percentages based on the time spent on the activities by the employees of the charity.

Tangible fixed assets
The charity's policy is to capitalise asset purchases over £1,000. Depreciation is provided on tangible fixed assets so as to write down the cost over the expected useful life.

The following depreciation rates are used:

Freehold properties and property improvements	–	2% straight line
Office equipment	–	25% straight line

Investments
Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

The charity does not acquire put options, derivatives or other complex financial instruments.

Investment properties are included in the financial statements at the estimated current market value of the properties based on open market value. The valuation has been determined by the Trustees after consultation with professional property advisers.

During the year St Andrews CoE school in Croydon closed. The Board is currently using the empty site to generate income to assist in an eventual reopening of the school at such a time as the local demographics allow. As a result the site has been brought into the accounts at market valuation as an investment property.

Former school sites
In the course of administering a capital scheme under the Education Acts 1944 to 1973, the charity acts as Trustee to a number of former schools, whose former property may be sold or leased as part of the implementation of the scheme. These proceeds are generally "free monies" in the hands of the charity to use under the provisions of the Education Acts 1943, subject to the restrictions applying under Section 86 of the 1944 Act and Section 2 of the 1973 Act. The Trustees do not consider that it is practicable to place a value on such assets and, accordingly, they are not included in the financial statements.

Debtors
Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand
Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it would pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Subsidiary undertaking

The charity owns the whole of the issued share capital of Southwark Diocesan Education Services Limited. The principal activity of the subsidiary undertaking is the provision of services for schools in Southwark Diocese and administrative services for its parent undertaking. The consolidated financial statements include the financial statements of SDBE and its subsidiary Southwark Diocesan Education Services Limited. In accordance with the current SORP, a separate statement of financial activities dealing with the results of SDBE has not been presented.

Funds

The charity has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Unrestricted funds

Unrestricted funds arise from all the accumulated surpluses and deficits in the provision of general charitable activities.

Designated funds

Designated funds are funds set aside out of general funds by the Trustees and designated for a particular purpose. The balance on the designated property fund represents the net book value of the fixed assets and the value of investment properties shown on the balance sheet at that date.

Restricted funds

These are funds subject to specific conditions imposed by the donor or by the specific terms of a trust deed or other legal measure. Income and expenditure on restricted funds is taken directly to those funds in the statement of financial activities except to the extent that income is freely available to the charity.

Endowment funds

These are funds subject to the condition that they be held as permanent capital. Unexpended income is included in the relevant funds in accordance with the terms of the trust.

Funds (continued)

Custodian trusts

Trusts, where the charity acts merely as custodian Trustee with no control over the management or use of the funds, are not included in the statement of financial activities or balance sheet.

Conduit Funds – capital projects

The charity is responsible on behalf of school governors for the financial administration of capital projects funded by the Department for Education (DFE) and Local Authorities. The statutory legal agreement between the charity, the schools and the government department gives the charity ultimate control over the application of the Voluntary Aided Schools Capital Allowance grants to specific schools, therefore these are recognised as restricted income by the charity. Details of these funds are set out in note 16.

The agreement grants no decision making authority to the charity over the schools' funds, including Devolved Formula Capital grants and governors' funds, and therefore the charity acts as administrative agent in respect of these. Accordingly these funds represent conduit funding and are therefore excluded from the charity's financial statements.

Pension contributions

Contributions are made for full-time staff to the Church of England Church Workers 'Pension Fund and to the Teachers' Pension Scheme. The pension costs charged by the schemes are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that the regular pension cost represents a substantially consistent percentage of the current and future payroll. Variations from regular cost are spread over the remaining service lives of the current employees in the schemes.

Both pension schemes constitute collective employer pension schemes under section 28 of FRS 102 and are therefore accounted for as if they were defined contribution schemes. Further details are set out in note 17.

1 Grants and donations

	Unrestricted funds				
	General funds £	**Designated funds £**	**Restricted funds £**	**Endowment funds £**	**2020 £**
Diocesan grant	**333,460**	—	—	—	**333,460**
Donated assets – Croydon St Andrews (note 11b)	—	**8,825,000**	—	—	**8,825,000**
VASCA Grants	—	—	**5,919,905**	—	**5,919,905**
Capital funds - Croydon St Andrews	—	—	**63,130**	—	**63,130**
Other grants	**17,340**	—	—	—	**17,340**
2020 Total funds	**350,800**	**8,825,000**	**5,983,035**	—	**15,158,835**

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2019 £
Diocesan grant	331,188	—	25,203	—	356,391
Donated assets (note 11b)	—	360,000	—	—	360,000
Other grants	26,010	—	12,500	—	38,510
2019 Total funds	357,198	360,000	37,703	—	754,901

The Charity assists voluntary aided schools with school building projects. It historically acted as the agent of school governors in helping to arrange funding through the DfE and Local Authorities and in paying professional fees and building costs on behalf of school governors. The VASCA (Voluntary-Aided Schools Condition Allocation) system was introduced in April 2020 and superseded the LCVAP (Locally Coordinated Voluntary-Aided Programme). The change in funding gives the charity ultimate control over the application of the VASCA grants to specific schools. Historically, the LCVAP was not reflected in the Statement of Financial Activities as the Charity had no control over the funds. The transactions were those of the schools and controlled and approved by the governors rather than the Charity, which acted as agent. Since the use of the VASCA grant funding is at the discretion of the Board it is now included in the SOFA along with the related expenditure. The unspent balance at the end of the year must be committed to projects or returned to the DfE if not committed within two years of the grant date.

2 Charitable activities

	Unrestricted funds				
	General funds £	**Designated funds £**	**Restricted funds £**	**Endowment funds £**	**2020 £**
Maintenance subscriptions	—	—	**554,470**	—	**554,470**
Other educational income					
. Advisory and consultancy fees	**53,331**	—	—	—	**53,331**
. Bishop's certificate in church school governance	**3,840**	—	—	—	**3,840**
. Other sundry income	**9,010**	—	—	—	**9,010**
2020 Total funds	**66,181**	—	**554,470**	—	**620,651**

2 Charitable activities (continued)

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2019 £
Maintenance subscriptions	—	—	557,521	—	557,521
Other educational income					
. Advisory and consultancy fees	71,199	—	—	—	71,199
. Bishop's certificate in church school governance	2,960	—	—	—	2,960
. Other sundry income	11,066	—	—	—	11,066
2019 Total funds	85,225	—	557,521	—	642,746

3 Other trading activities

	Unrestricted funds				
	General funds £	**Designated funds £**	**Restricted funds £**	**Endowment funds £**	**2020 £**
Service Agreement Subscriptions	**475,586**	—	—	—	**475,586**
Management fees					
. Capital projects	—	—	—	—	—
. Maintenance projects	**18,325**	—	—	—	**18,325**
Training events	**3,768**	—	—	—	**3,768**
Additional advisor support	**13,150**	—	—	—	**13,150**
Sundry trading income	**36,572**	—	—	—	**36,572**
2020 Total funds	**547,401**	—	—	—	**547,401**

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2019 £
Service Agreement Subscriptions	463,823	—	—	—	463,823
Management fees					
. Capital projects	20,213	—	—	—	20,213
. Maintenance projects	31,244	—	—	—	31,244
Training events	21,120	—	—	—	21,120
Additional advisor support	13,070	—	—	—	13,070
Sundry trading income	42,198	—	—	—	42,198
2019 Total funds	591,668	—	—	—	591,668

4 Income from investments

	Unrestricted funds				
	General funds £	**Designated funds £**	**Restricted funds £**	**Endowment funds £**	**2020 £**
Listed and unlisted investments	**60,578**	—	**4,168**	**8,872**	**73,618**
Rental and lettings income	**668,019**	**210,000**	—	—	**878,019**
2020 Total funds	**728,597**	**210,000**	**4,168**	**8,872**	**951,637**

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2019 £
Listed and unlisted investments	76,880	--	32,377	9,628	118,885
Rental and lettings income	666,553	--	--	--	666,553
2019 Total funds	743,433	--	32,377	9,628	785,438

5 Expenditure on raising funds

	Unrestricted funds				
	General funds £	**Designated funds £**	**Restricted funds £**	**Endowment funds £**	**2020 £**
Lettings expenses	**186,058**	**70,943**	**63,130**	—	**320,131**
Investment management fees	**22,327**	—	—	—	**22,327**
Bank charges	**3,482**	—	—	—	**3,482**
2020 Total funds	**211,867**	**70,943**	**63,130**	—	**345,940**

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2019 £
Lettings expenses	157,521	—	—	—	157,521
Investment management fees	27,167	—	—	—	27,167
Bank charges	7,665	—	—	—	7,665
2019 Total funds	192,353	—	—	—	192,353

6 Expenditure on charitable activities

	Unrestricted funds				
	General funds £	**Designated funds £**	**Restricted funds £**	**Endowment funds £**	**2020 £**
School maintenance expenditure	—	—	**413,257**	—	**413,257**
VASCA grant expenditure	—	—	**4,100,409**	—	**4,100,409**
Advice and guidance	**895,314**	**125,471**	**—**	—	**1,020,785**
Training and development	**307,833**	**43,140**	**4,093**	**11,830**	**366,896**
Project management	**170,477**	**23,890**	**—**	—	**194,367**
2020 Total funds	**1,373,624**	**192,501**	**4,517,759**	**11,830**	**6,095,714**

6 Expenditure on charitable activities (continued)

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2019 £
School maintenance expenditure	—	—	536,875	—	536,875
Advice and guidance	900,369	117,246	26,352	—	1,043,967
Training and development	327,390	42,633	5,280	—	375,303
Project management	226,304	32,762	37,513	—	296,579
2019 Total funds	1,454,063	192,641	606,020	—	2,252,724

7 Analysis of total expenditure

	Direct costs £	**Other directly allocated costs £**	**Support costs £**	**2020 £**
Raising funds (note 5)	**345,675**	**265**	—	**345,940**
Charitable activities (note 6)				
. School maintenance expenditure	**413,257**	—	—	**413,257**
. Advice and guidance	**514,326**	**361,634**	**144,825**	**1,020,785**
. Training and development	**193,210**	**128,433**	**45,253**	**366,896**
. Project management	**50,006**	**4,169,267**	**75,503**	**4,294,776**
	1,516,474	**4,659,599**	**265,581**	**6,441,654**

	Direct costs £	Other directly allocated costs £	Support costs £	2019 £
Raising funds (note 5)	192,026	327	—	192,353
Charitable activities (note 6)				
. School maintenance expenditure	536,875	—	—	536,875
. Advice and guidance	467,702	460,132	116,133	1,043,967
. Training and development	175,078	163,010	37,215	375,303
. Project management	36,551	133,437	126,591	296,579
	1,408,232	756,906	279,939	2,445,077

Support costs are analysed as follows:

	Expenditure on charitable activities			
	Advice and guidance £	**Training and development £**	**Project management £**	**Total 2020 £**
Finance and HR	**67,749**	**3,588**	**46,640**	**117,977**
Administration	**46,786**	**31,251**	**23,096**	**101,133**
Governance	**30,290**	**10,414**	**5,767**	**46,471**
2020 Total funds	**144,825**	**45,253**	**75,503**	**265,581**

7 Analysis of total expenditure (continued)

	Expenditure on charitable activities			
	Advice and guidance £	Training and development £	Project management £	Total 2019 £
Finance and HR	46,992	3,958	51,459	102,409
Administration	33,910	20,447	65,287	119,644
Governance	35,231	12,810	9,845	57,886
2019 Total funds	116,133	37,215	126,591	279,939

All costs allocations are made on the basis of estimated time spent by staff.

8 Net movement in funds

Net movement in funds is stated after charging:

	2020 £	2019 £
Staff costs (note 9)	**1,085,576**	1,086,325
Depreciation (note 10)	**192,501**	193,265
Auditor's remuneration (including VAT)		
. Audit work	**22,220**	24,003
. Other services	**3,860**	12,320
. Prior year	**2,760**	917
Bank charges and interest on bank loans and overdrafts	**3,482**	7,665

9 Employee and key management personnel remuneration

(a) Staff costs

	2020 £	2019 £
Wages and salaries	**739,141**	715,268
Social security costs	**83,783**	79,454
Pension costs	**192,489**	161,648
	1,015,413	956,370
Ex-gratia payment	—	19,000
Consultancy costs	**70,163**	110,955
	1,085,576	1,086,325

(b) Staff numbers

The number of employees during the year, calculated on an average headcount basis, was 15 (2019 – 17).

(c) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2020 number	2019 number
£70,001 – £80,000	**1**	1
£80,001 – £90,000	**2**	1
£100,001 – £110,000	**1**	1

9 Employee and key management personnel remuneration (continued)

Higher paid staff (continued)

All of the above higher paid employees participated in the Teachers' Pension Scheme. Aggregate employer pension contributions for the above employees during the year amounted to £82,351 (2019 – £62,182). Details of the Teachers' Pension Scheme are given in note 17.

(d) Key management personnel

Key management personnel comprise the Trustees together with the Director of Education, Director's Assistants, Financial Controller, Building and Capital Programmes Manager and the Office Managers.

The aggregate remuneration and benefits received by key management personnel during the year was as follows:

	2020 £	2019 £
Remuneration, including employer's National Insurance contributions	**445,497**	306,401
Pension contributions	**107,380**	66,619
	552,877	373,020

The above figures do not include the value of staff time rechargeable to SDBE Multi-Academy Trust (note 18). None of the Trustees received any remuneration or reimbursed expenses in respect of their services during the year (2019 – none). The significant increase in 2020 reflects the increased responsibilities taken on by the Director's Assistants, as well as the increase in the rate of employer contributions to the Teachers' Pension Scheme.

10 Tangible fixed assets

	Freehold land and buildings £	Property improve-ments £	**Charity total £**	Group office and computer equipment £	**Group total £**
Cost					
At 1 January 2020	2,864,050	67,012	**2,931,062**	22,481	**2,953,543**
Additions	—	28,823	**28,823**	—	**28,823**
At 31 December 2020	2,864,050	95,835	**2,959,885**	22,481	**2,982,366**
Depreciation					
At 1 January 2020	1,145,257	2,796	**1,148,053**	20,927	**1,168,980**
Charge for the year	191,301	576	**191,877**	624	**192,501**
At 31 December 2020	1,336,558	3,372	**1,339,930**	21,551	**1,361,481**
Net book value					
At 31 December 2020	1,527,492	92,463	**1,619,955**	930	**1,620,885**
At 31 December 2019	1,718,793	64,216	**1,783,009**	1,554	**1,784,563**

11 Investments

Group and charity		2020 £	2019 £
Listed investments	(a)	**5,774,537**	5,345,838
Investment properties	(b)	**22,935,000**	14,110,000
		28,709,537	19,455,838

In addition to the above investments, the charity also holds a £1 investment in the called-up share capital of its wholly-owned trading subsidiary, Southwark Diocesan Education Services Limited (note 12).

(a) Listed investments

Group and charity	2020 £	2019 £
Market value at 1 January 2020	**3,569,207**	3,350,249
Additions	**874,674**	1,031,684
Disposals (proceeds: £840,022, realised gains: £17,856)	**(822,166)**	(1,108,670)
Unrealised gains on revaluation	**200,015**	295,944
Market value at 31 December 2020	**3,821,730**	3,569,207
Cash held by investment managers	**1,952,807**	1,776,631
	5,774,537	5,345,838
Cost of listed investments at 31 December 2020	**4,943,505**	4,711,024

All listed investments were dealt in on a recognised stock exchange and comprised UK equities and UK managed funds.

(b) Investment properties

Group and charity	Charity and Group freehold properties	
	2020 £	2019 £
Valuation at 1 January 2020	**14,110,000**	13,750,000
Additions	**8,825,000**	431,785
Revaluation in the year	**—**	(71,785)
Valuation at 31 December 2020	**22,935,000**	14,110,000
Historic cost at 31 December 2020	**4,298,161**	4,298,161

Additions to investment properties include £8,825,000 in relation to the donation of a former school building (St Andrew's Church of England School Croydon), which is being held to generate rental income until such a time as the school can reopen.

11 Investments (continued)

Investment properties (continued)

On the basis that the charity's investment properties have continued to generate rental yields which are materially comparable to those earned prior to the pandemic, the trustees do not consider that there has been any material impairment to the fair value of these properties since the previous valuation.

12 Investment in subsidiary undertaking

The charity owns 100% of the issued ordinary share capital of a subsidiary undertaking, Southwark Diocesan Education Services Limited (amounting to £1), which is registered in England and supplies administrative services to the charity and to Schools in the Diocese. The company began trading on 1 April 1996 and its results for the period and assets and liabilities have been consolidated into the charity's financial statements. Total income for the year was £580,552 (2019 – £631,279), gross profit was £535,701 (2019 – £574,812) and total administrative expenditure was £167,748 (2019 – £229,397). The net profit after taxation was £nil (2019 – £nil) after recognising gift aided donations payable to the parent charity under the conditions of its Memorandum and Articles of Association of £367,953 (2019 – £345,415).

13 Debtors

Amounts falling due within one year:

	Group 2020 £	**Charity 2020 £**	Group 2019 £	Charity 2019 £
Other debtors	**148,068**	**132,947**	68,064	48,256
Prepayments and accrued income	**46,189**	**10,353**	47,766	10,982
	194,257	**143,300**	115,830	59,238

Amounts falling due in more than one year:

	Group and Charity 2020 £	Group and Charity 2019 £
Amounts due from SDBE Multi-Academy Trust	**150,000**	150,000

Amounts receivable represent funds invested in the SDBE Multi-Academy Trust to fund its early development. Whilst there is an understanding between SDBE and the Trust that these funds are to be repaid, there is no obligation for this to take place within the next 12 months.

14 Creditors

Amounts falling due within one year:

	Group 2020 £	**Charity 2020 £**	Group 2019 £	Charity 2019 £
Bank overdraft	—	—	53,844	53,844
Trade creditors	**2,950,619**	**2,934,820**	48,772	32,642
Other creditors	**282,783**	**281,252**	48,893	72,049
Conduit creditor	**25,000**	**25,000**	135,000	135,000
Accruals and deferred income	**1,091,705**	**965,287**	185,386	31,227
Amounts due to group undertakings	—	**56,508**	—	34,242
Deferred lease premium (see below)	**8,000**	**8,000**	8,000	8,000
	4,358,107	**4,270,867**	479,895	367,004

Amounts falling due in more than one year:

	Group and Charity 2020 £	Group and Charity 2019 £
Amounts payable to Southwark Diocesan Board of Finance	**150,000**	150,000
Deferred Highshore lease premium	**960,000**	968,000
	1,110,000	1,118,000

Amounts payable to Southwark Diocesan Board of Finance represent the drawdown on a loan made available to SDBE to fund the early development of SDBE Multi-Academy Trust. There is no requirement for any or all of the balance to be repaid in the next 12 months and therefore the full amount has been presented as falling due in more than one year.

The deferred Highshore lease premium represents the remaining balance on a premium of £1,000,000 received by the charity during the year ended 31 December 2017 in respect of a 125 year lease of the Highshore School site to the Mayor and Burgess of the London Borough of Southwark. The premium is being released to the Statement of Financial Activities over the life of the lease. As such, £8,000 is included under accruals and deferred income falling due within one year, with the remainder falling due in more than one year.

The movements on deferred income are analysed as follows:

	2020 £	2019 £
Brought forward as at 1 January 2020	**1,123,334**	1,125,822
Released in the year	**(155,334)**	(119,822)
New deferrals in the year	**119,417**	117,334
Carried forward as at 31 December 2020	**1,087,417**	1,123,334

The deferred income balance represents:

- Service income relating to periods after 31 December 2020 of £119,417 (2019 – £117,334); and
- Deferred lease premium income relating to the Highshore lease, split between £8,000 included in creditors falling due within less than one year (2019 – £8,000) and £960,000 included in creditors falling due in more than one year (2019 – £968,000).

14 Creditors (continued)

At the previous year end, the remaining £30,000 of deferred income related to a receipt from the London Borough of Lewisham to assist the development of a new free school. This amount has been transferred to creditors during 2020 as the project did not go ahead.

15 Analysis of group funds

Analysis of group net assets between funds

	General funds £	**Designated property fund £**	**Restricted funds £**	**Endowment funds £**	**2020 Total funds £**
Tangible fixed assets	**—**	**1,620,885**	**—**	**—**	**1,620,885**
Listed investments	**4,531,344**	**—**	**1,041,777**	**201,416**	**5,774,537**
Investment properties	**—**	**21,935,000**	**—**	**1,000,000**	**22,935,000**
Net current (liabilities) assets	**(925,941)**	**139,057**	**2,942,260**	**(8,000)**	**2,147,376**
Non-current assets	**—**	**—**	**150,000**	**—**	**150,000**
Non-current liabilities	**—**	**—**	**(150,000)**	**(960,000)**	**(1,110,000)**
	3,605,403	**23,694,942**	**3,984,037**	**233,416**	**31,517,798**

	General funds £	Designated property fund £	Restricted funds £	Endowment funds £	2019 Total funds £
Tangible fixed assets	—	1,784,563	—	—	1,784,563
Listed investments	4,039,386	—	1,061,604	244,848	5,345,838
Investment properties	—	13,110,000	—	1,000,000	14,110,000
Net current assets (liabilities)	(781,965)	—	980,621	(8,000)	190,656
Non-current assets	—	—	150,000	—	150,000
Non-current liabilities	—	—	(150,000)	(968,000)	(1,118,000)
	3,257,421	14,894,563	2,042,225	268,848	20,463,057

15 Analysis of group funds (continued)

Reconciliation of funds

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	Balance at 31 December 2020 £
Endowment funds	268,848	8,872	(11,830)	—	(32,474)	233,416
Restricted funds						
External maintenance scheme	96,606	554,470	(413,257)	—	(60,000)	177,819
Diocesan grants	10,000	—	—	—	(10,000)	—
Croydon St Andrews Capital Funds	—	63,130	(63,130)	—	—	—
VASCA capital funds	—	5,919,905	(4,100,409)	—	—	1,819,496
Other restricted funds	1,935,619	4,168	(4,093)	—	51,028	1,986,722
	2,042,225	6,541,673	(4,580,889)	—	(18,972)	3,984,037
Designated funds						
Property fund	14,894,563	8,825,000	(192,501)	—	28,823	23,555,885
Croydon St Andrews Fund	—	210,000	(70,943)	—	—	139,057
	14,894,563	9,035,000	(263,444)	—	28,823	23,694,942
General funds (including trading funds of £11,755)	3,257,421	1,692,979	(1,585,491)	217,871	22,623	3,605,403
Total unrestricted funds	18,151,984	10,727,979	(1,848,935)	217,871	51,446	27,300,345
	20,463,057	17,278,524	(6,441,654)	217,871	—	31,517,798

	Balance at 1 January 2019 £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	Balance at 31 December 2019 £
Endowment funds	260,848	9,628	—	—	(1,628)	268,848
Restricted funds						
External maintenance scheme	135,960	557,521	(536,875)	—	(60,000)	96,606
Diocesan grants	10,000	25,203	(26,352)	—	1,149	10,000
Other restricted funds	1,933,535	44,877	(42,793)	—	—	1,935,619
	2,079,495	627,601	(606,020)	—	(58,851)	2,042,225
Designated property fund	14,726,603	360,000	(192,641)	(71,785)	72,386	14,894,563
General funds (including trading funds of £11,755)	2,788,366	1,777,524	(1,646,416)	349,854	(11,907)	3,257,421
	17,514,969	2,137,524	(1,839,057)	278,069	60,479	18,151,984
	19,855,312	2,774,753	(2,445,077)	278,069	—	20,463,057

Endowment funds represent a fund held under a Section 86 order and a fund set aside under a charity order to develop Church of England education.

The **External Maintenance Scheme** is a scheme developed by the charity on a voluntary subscription basis to ensure that all the schools in the Diocese can maintain the external fabric and structural elements of their buildings. The fund balance carried forward represents the accumulation of income over expenditure which is available to meet the Governors' 10% liability for ongoing schemes of maintenance works.

15 Analysis of group funds (continued)

The **Diocesan grant restricted fund** relates to funding provided by the Diocese of Southwark to fund a specific post and chaplaincy support.

The **Croydon St Andrew's capital funds** represent receipts of capital funding from a closed school, which have been applied to improvement works at that school to make the property fit for rental until such a time as the school can be reopened.

Other restricted funds represent assets arising from the disposal of redundant school buildings to be deployed by the Southwark Diocesan Board of Education under Section 554 of the Education Act 1996. Such funds can be deployed (directly and indirectly) for the development of existing schools or the provision of new schools within the Diocese of Southwark. Such Schools are to follow the tenets of the Church of England.

The **designated property fund** represents the net book value of the fixed assets and investment properties at the balance sheet date.

The **designated Croydon St Andrew's fund** represents income received from the rental of the St Andrew's school building which the charity intends to apply towards further refurbishment work at the school.

VASCA fund The school building projects fund represents the income received from the VASCA grant from the Department for Education and the associated expenditure. The funds are restricted to capital and maintenance projects at the schools. The unspent balance at the end of the year must be committed to projects or returned to the DfE if not committed within two years of the grant date.

16 Conduit funds – capital projects

	2020 **£**	2019 £
Income	132,355	7,073,271
Expenditure	(132,355)	(7,073,271)
	—	—

The income figure represents funds drawn down from the Education and Skills Funding Agency, Devolved Formula Capital from schools and Governor Contributions to building projects, while the expenditure figure represents supplier and contractor costs incurred and committed during the year. Committed costs will be realised in the forthcoming financial year and represent timing differences in acquiring the funds with their related expenditure. The reason for the reduction in 2020 is the introduction of the Voluntary Aided Schools Condition Allocation (VASCA) which commenced in September 2020 and is recognised as income and expenditure as discussed in note 1 and the accounting policies. The conduit fund exists to channel funds sourced from government into capital and maintenance projects in schools; it posts no profit and all its funds are committed. As at 31 December 2020 the charity owed £25,000 to the conduit fund (2019 – £135,000). On a separate note, amounts held on behalf of schools as part of the Devolved Formula Capital Scheme (which are largely destined for the conduit fund) were £2.83m at 31 December 2020 (2019 – £2.87m).These funds represent agency cash balances in the charity, and are not included in the charity's fund balances.

17 Pension and similar obligations

The Group's employees belong to two principal pension schemes, the Teachers' Pension Scheme (TPS) and the Church of England Church Workers Pension Fund (CWPF), which are of the defined benefit type, the assets of the schemes being held in separate Trustee administered funds. Both the TPS and CWPF fund assets are not apportioned to individual employing bodies in the fund and therefore both constitute collective defined benefit pension schemes under Financial Reporting Standard 102: Section 28 – Employee Benefits. The total pension cost was £192,489 (2019 – £161,648). There were no creditors falling due within one year at either 31 December 2020 or 31 December 2019.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers and lecturers who are or have previously been employed at eligible institutions. Teachers and lecturers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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 the information available on the scheme below.

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; and

17 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme (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 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 year amounted to £103,971 (2019 – £73,930).

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

Church of England Church Workers Pension Fund

Southwark Diocesan Board of Education (SDBE) participates in the Defined Benefits Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

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

Defined Benefits Scheme

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

For funding purposes, DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

17 Pension and similar obligations (continued)

Church of England Church Workers Pension Fund (continued)

Defined Benefits Scheme (continued)
The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to expenditure during the year are contributions payable towards benefits and expenses accrued in that year (2020 – £88,518; 2019 – £87,718).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of DBS is carried out once every three years. The most recent was carried out as at 31 December 2016. In this valuation, the Life Risk Section was shown to be in deficit by £2.6m and £2.6m was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in DBS was £26.2m.

A valuation as at 31 December 2019 was underway at 31 December 2020. The contributions agreed at that valuation will be reflected in the figures disclosed in the 2021 accounts.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 43.2% of pensionable salary and expenses of £4,900 per year.

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

18 Related party transactions
The Southwark Diocesan Board of Education is a company limited by guarantee. The results and balance sheet of Southwark Diocesan Education Services Limited (SDES) are consolidated into these financial statements. The Southwark Diocesan Board of Education has taken advantage of the exemptions in FRS 102 and has not reported transactions between it and SDES.

During the year ended 31 December 2020, the group received grant funding amounting to £333,460 (2019 – £356,391) in respect of the Diocesan Measure and lettings income of £12,375 (2019 – £nil) from the Southwark Diocesan Board of Finance and South London Church Fund, which is a related party as a result of sharing a number of Trustees with the charity. At the year end, the charity

18 Related party transactions (continued)

owed £150,000 (2019 – £150,000) to the Diocesan Board of Finance in respect of a loan used partly to fund the early development of SDBE Multi-Academy Trust (note 14).

During the year ended 31 December 2020, the group received income of £10,980 (2018 – £10,356), including VAT, from Bacons College in respect of the provision of a service level agreement. £150 was owing at 31 December 2020 (2019 – £nil). Bacon's College is a related party as a result of sharing a number of Trustees with the charity.

During the year ended 31 December 2020, the group received income of £140,237 (2019 – £142,883) including VAT from the SDBE Multi-Academy Trust in respect of the provision of a service level agreement and additional advisory and consultancy work. As at 31 December 2020, £25,283 remained to be received (2019 – £13,180). SDBE Multi-Academy Trust is a related party by virtue of the fact that it shares a number of trustees with the charity.

In 2017 the charity advanced £150,000 to the SDBE Multi-Academy Trust in order to fund its early development. At the year end, £150,000 (2019 – £150,000) was receivable in respect of this balance. Whilst there is an understanding between SDBE and the Multi-Academy Trust that these funds are to be repaid, there is no obligation for this to take place within the next 12 months, therefore this amount is presented as a debtor falling due in more than one year (note 13).

19 Funds held as agent

During the year, the charity acted as an agent, with interest receivable £668 (2019 – £1,082) being paid into accounts held on behalf of various Schools under the aegis of the Diocese of Southwark. No amounts were paid over to these schools in either year. At the year end, balances of £158,080 were held in designated bank accounts separate from the charity and trading subsidiary's designated bank accounts (2019 – £157,412). As the Trustees have no responsibility for the application of these funds, the income and bank balances have been excluded from the financial statements.

20 Members

The company is limited by guarantee and the liability of the members is limited to an amount not exceeding £1.

21 Consolidated statement of financial activities – Year to 31 December 2019

	Notes	Unrestricted funds: General funds £	Unrestricted funds: Property fund £	Restricted funds £	Endowment funds £	Total 2019 £	Total 2018 £
Income and endowments from:							
Grants and donations	1	357,198	360,000	37,703	—	754,901	752,415
Charitable activities	2	85,225	—	557,521	—	642,746	630,210
Other trading activities	3	591,668	—	—	—	591,668	592,549
Investments	4	743,433	—	32,377	9,628	785,438	644,139
Total income		1,777,524	360,000	627,601	9,628	2,774,753	2,619,313
Expenditure on:							
Raising funds	5	192,353	—	—	—	192,353	119,370
Charitable activities	6	1,454,063	192,641	606,020	—	2,252,724	2,156,133
Total expenditure		1,646,416	192,641	606,020	—	2,445,077	2,275,503
Net income before investment gains		131,108	167,359	21,581	9,628	329,676	343,810
Unrealised (losses) gains on investment properties	11b	—	(71,785)	—	—	(71,785)	2,055,042
Net gains (losses) on listed investments	11a	349,854	—	—	—	349,854	(137,795)
Net income before transfers		480,962	95,574	21,581	9,628	607,745	2,261,057
Transfers between funds	15	(11,907)	72,386	(58,851)	(1,628)	—	—
Net movement in funds	8	469,055	167,960	(37,270)	8,000	607,745	2,261,057
Reconciliation of funds:							
Funds brought forward at 1 January 2019		2,788,366	14,726,603	2,079,495	260,848	19,855,312	17,594,255
Funds carried forward at 31 December 2019	15	3,257,421	14,894,563	2,042,225	268,848	20,463,057	19,855,312