

# CHESTER DIOCESAN BOARD OF EDUCATION

England & Wales · Charity number 525790

## Details

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**Other names** CHESTER DIOCESAN EDUCATION ASSOCIATION

**Status** Registered

**Legal form** Other

**Company number** [00085176](#)

**Registered** 1967-03-07

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** Chester Diocesan Board of Education  
5500 Daresbury Park  
Daresbury  
Warrington  
WA4 4GE

**Phone** 01928718834

**Email** [chris.penn@chester.anglican.org](mailto:chris.penn@chester.anglican.org)

**Website** [chesterdbe.co.uk](http://chesterdbe.co.uk)

## Activities

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**Objects:** THE ASSOCIATION IS ESTABLISHED TO ACT AS THE EDUCATION AUTHORITY FOR THE CHURCH OF ENGLAND IN THE DIOCESE, AND TO EXERCISE AND PERFORM WITHIN THE DIOCESE THE RIGHTS POWERS DUTIES AND OBLIGATIONS BY THE MEASURE, AND ANY AMENDMENTS AND RE-ENACTMENTS, GIVEN TO AND IMPOSED ON IT BY THAT MEASURE.

**Activities:** Support Church of England Schools in the Diocese of Chester

## Classification

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- **How:** Makes Grants To Organisations, Provides Services, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Religious Activities
- **Who:** Children/young People, Other Charities Or Voluntary Bodies

## Geography

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- **Area of benefit:** CHESHIRE COUNTY AND DIOCESE OF CHESTER.
- Cheshire East
- Cheshire West & Chester
- Derbyshire
- Halton
- Stockport
- Tameside
- Trafford
- Warrington
- Wirral
- Wrexham

## Finances

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Period end	Income	Expenditure	Assets	Employees
2024-12-31	£2,448,542	£2,728,843	£14,061,908	0
2023-12-31	£2,574,434	£1,862,711	£14,040,375	0
2022-12-31	£2,455,383	£2,376,325	£12,415,458	8
2021-12-31	£2,293,706	£2,290,742	£14,034,617	7
2020-12-31	£1,024,302	£455,912	£11,346,745	8

## Trustees

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Name	Role	Appointed
Catherine Speed		2023-01-31
Claire Corley		2023-01-31
David Cumberland		2017-04-24
David Hermitt		2023-01-31
Dr Christopher Gordon		2019-11-09
Dr Darren Paul Walter		2019-11-12
Dr Elaine Hemmings		2025-03-12
Ian Gould-Jones		2025-03-12
Janine Arnott		2023-01-31
Margaret Eileen Cruxton		2019-11-09
Paul Gibbons		2023-01-31
Piers Bostock		2025-03-12
Sharon Hudson		2019-03-16
Ven Dr Michael Gilbertson		2019-02-12

## Linked charities

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- BISHOP'S SCHOOL FUND (525790-1)
- ELLIS MEMORIAL PRIZE (525790-2)
- CHESTER DIOCESE ORDINATION CANDIDATES FUND (525790-3)
- CANON GORE MEMORIAL FUND (525790-4)

**CHESTER DIOCESAN BOARD OF EDUCATION**

England & Wales - Charity number 525790

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# Accounts

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Charity registration number 525790

Company registration number 85176 (England and Wales)

**CHESTER DIOCESAN BOARD OF EDUCATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

# CHESTER DIOCESAN BOARD OF EDUCATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Members of the Board of Education

The Bishop's nominees: -

Ven Dr M Gilbertson  
Canon D Hermitt

Members elected by Diocesan Synod: -

Revd J Arnott  
Revd L Bannon (resigned 17/6/2024)  
Professor P Bowden (resigned 4/3/2024)  
Mrs M Cruxton  
Dr D Cumberland  
Dr C Gordon  
Mrs S C Hudson  
Professor D Walter

Co-opted members: -

Revd J Bridgman  
Revd C Corley  
Mr P Gibbons  
Mrs C Speed

### Trustees

Ven Dr M R Gilbertson (Chair)  
Revd J Arnott  
Revd L Bannon (resigned 17/06/2024)  
Prof P Bowden (resigned 4/03/2024)  
Revd J Bridgeman  
Revd C Corley  
Mrs M Cruxton  
Ass Prof D Cumberland  
Mr P Gibbons  
Dr C Gordon  
Mr D Hermitt  
Mrs S C Hudson  
Mrs C Speed  
Prof D Walter

### Secretary

Mr C Penn

### Charity number

525790

### Company number

85176

### Registered office

Church House  
5500 Daresbury Park  
Daresbury  
Warrington  
Cheshire  
WA4 4GE

### Auditor

Mitchell Charlesworth (Audit) Limited  
24 Nicholas Street  
Chester  
CH1 2AU

### Bankers

National Westminster Bank plc  
33 Eastgate Street  
Chester  
CH1 1LG

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# CHESTER DIOCESAN BOARD OF EDUCATION

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## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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The trustees are pleased to present their annual report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association of 1943 amended on 24 April 2017, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102)" (effective 1 January 2019).

#### Objectives and activities

The charity acts as the Education Authority for the Church of England in the Diocese of Chester, in accordance with The Diocesan Boards of Education Measure 2021. The objects of the charity are:

- to promote or assist in the promotion of education in the Diocese that is consistent with the faith and practice of the Church of England;
- to promote or assist in the promotion of religious education and religious worship in schools in the Diocese;
- to promote or assist in the promotion of church schools in the Diocese;
- to promote co-operation between itself and other persons concerned with education in the Diocese.

One of the principal activities is the administration of grant claims in respect of building and maintenance work carried out on school properties together with all other related matters which promote the efficiency of, or otherwise benefit, the schools in the Diocese. This administration has become a more central feature as the grant funding is paid directly to the DBE for distribution.

The company also acts as custodian trustee for a number of specific trusts (referred to as Specific Purpose Funds in the attached accounts).

The strategies employed to achieve the charity's objectives are to:

- Administer and advise on building work, particularly in aided schools in the Diocese;
- Advise and support governing boards in aspects of their role such as appointments, admissions and ethos;
- Support and promote quality religious education and worship in church schools in the Diocese;
- Support staff and governors through denominational inspection procedures liaising with the C of E centrally and offering training and advice;
- Supporting staff and governors through the Ofsted inspection process;
- Provide training opportunities for staff and governors on aspects relating to church schools;
- Provide pastoral and other support to schools experiencing difficulties;
- Provide pastoral support for church school leaders;
- Promote wellbeing and provide opportunities for professional development;
- Facilitate school collaboration and support;
- Offer opportunities for children and young people to come together with others from church schools;
- Advise and support schools converting to academy status;
- Work with other Diocesan Boards of Education in the DBE Services group to provide high quality services to schools;
- Work with Local Authorities, academy trustees, the DfE and Regional School Director to support education in church schools across the Diocese;
- Represent the Diocese on committees and groups involved in school work; and
- Advise and support the trustees of church educational endowments held wholly, or partly for, or in connection with, any church school.

## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2024*

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In order to track the success of these objectives, the DBE observes a number of performance indicators:

- The uptake of subscriptions to the Family of Schools membership;
- Increased engagement and sign-up by schools to DBE facilitated or endorsed CPD (Continuing Professional Development) training;
- Developed and strengthened engagement by school leadership in networks and individual contact with executive officers;
- Successful Ofsted and SIAMS inspections;
- Improved mental wellbeing of school leadership (notably headteachers);
- The engagement of outside bodies with the work of the Board; and clear links with the work of officers and the DBE vision.
- A greater alignment of the DBE's vision and strategy with the wider Diocesan vision and strategy.

#### **Performance**

The Board's vision is:

**Being deeply Christian and for the common good, our schools will be communities which are: Loving in relationships; Ambitious in aspirations; Bold in actions.**

'I have come that they may have life, and have it to the full.' (John 10:10)

DBE strategy and operational activities are influenced by this vision and are delivered across six key principles; relationships, outcomes, impact, resourcing, structures and trust.

## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2024*

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#### **Relationships**

The Board has continued to support and develop its relationships with a number of organisations, primarily Diocesan schools and has worked to strengthen these throughout the year through a number of activities.

A focus on headteacher and senior leadership wellbeing has been managed through a wellbeing programme for headteachers which was initially split into two cohorts, one for experienced headteachers and one for those in the early years of headship. Headteachers were encouraged to attend the programme and Chairs of governors to signpost their leaders to it. The programme ran through the academic year. In Spring and Summer 2024 this covered 2 cohorts and from Autumn 2024 the model changed to offer single reflective days for school leaders at all levels. Training for governors was offered throughout the year to ensure governors were aware of their duties with regards to wellbeing. Individual pastoral support was the most impactful work undertaken by executive officers as they supported leaders who needed additional individual support for a number of differing reasons.

DBE officers continued to attend school led clusters, upon invitation, inputting DBE information and supporting collaboration. Wider DBE briefings were planned into the CPD offer to engage schools across the Diocese. Termly surgeries for Chairs of Governors continued to be offered to support them in their role and ensure that they were aware of DBE policies and other statutory guidance.

For staff in schools a number of networks have provided support and helped develop relationships with staff beyond headteachers, for example RE subject leaders, deputy/assistant headteachers, and collective worship leaders. A rich programme of CPD has been on offer to support leaders, staff, clergy and governors across the Diocese. A bespoke support session with multi-academy trust CEOs and Headteachers on their role in the SIAMS process as academies was also held.

Support for the most vulnerable within the Diocese has continued to be a focus for the work of the Board through the Disadvantage, Diversity and SEND networks alongside the Board's involvement with external partners. These have continued to impact practical work in schools to support these groups and also the professionals as they develop their provision by sharing ideas and good practice. As part of the commitment to support Diversity, the Board commenced work on developing Racial Justice as a cross-workstream priority, which is to be built upon following the school leaders' launch event in November 2024.

The Board is involved in various partnership working both across the region and nationally including the Diocesan Directors of Education network, the Diocesan Governance Group (DGG) Diocesan Admission Group (DAG); RE/CW advisers, Northwest Co-ordinators of Governor Services (NWCOGS), and CEFEL. These have ensured the DBE is kept informed of regional and national developments and also ensured the DBE has a voice and influence in these groups.

Collaboration with other Diocesan Boards of Education in the northern province has been positive over the year through DBE services and the sharing of good practice and resources on governance, RE, Collective Worship, SIAMS, and other aspects of the Board's work. The very successful Christian Leadership course finished and started another cohort in September with eight candidates from Chester starting. A North-west Diocesan Racial Justice group was recently formed to share best practice across schools, acting on the 'From Lament to Action' guidance.

The Board continued to work with its nine Local Authorities providing support for maintained schools and academies with regards to Ofsted and data outcomes whilst maintaining its core purpose of supporting the distinctive nature of its church schools. A number of schools required closer collaboration with Diocesan Officers, working together to provide support with regards to leadership and school improvement. The Board also has representation on Local Authority Children and Young People Scrutiny Committees and Standing Advisory Councils for Religious Education (SACRE).

In order to support relationships between schools for children and pupils, the Board has offered training for school ethos groups, encouraged schools to undertake the Archbishops' Young Leaders Awards and supported school Vision ambassadors as well as bringing church school children together in the successful annual year six leavers' service. The Diocesan application to engage four schools to participate in the national pilot of the Flourish initiative was successful. This is to develop creative worshipping communities led in partnership with pupils and young people over the next two years. The Board supported this project through Executive Officer oversight whilst the project itself is managed by the Diocesan Outreach team.

## **CHESTER DIOCESAN BOARD OF EDUCATION**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2024***

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For staff in schools, a number of networks have provided support and helped develop relationships with staff beyond headteachers, for example, RE subject leaders, deputy/assistant headteachers, and collective worship leaders. A rich programme of CPD has been on offer to support leaders, staff, clergy and governors across the Diocese which has been well attended.

Support for the most vulnerable within the Diocese has continued to be a focus for the work of the Board through the Disadvantage group and SEND network alongside the Board's involvement with external partners, including the Church of England Foundation for Educational Leadership (CEFEL) in supporting local peer support networks on Trauma Informed Practice. These have continued to impact practical work in schools to support these groups and also support the professionals as they develop their provision by sharing ideas and good practice.

The Board is involved in various partnerships working both across the region and nationally, including the Diocesan Directors of Education network, the Diocesan Governance Group (DGG), Diocesan Admission Group (DAG), RE advisers, North West Co-ordinators of Governor Services (NWCOGS), and CEFEL. These have ensured the DBE is kept informed of regional and national developments and also ensured the DBE has a voice and influence in these groups.

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## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2024*

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#### **Outcomes**

In addition to Ofsted inspections, Anglican church schools undergo a denominational inspection under the auspices of the Statutory Inspection of Anglican and Methodist Schools (SIAMS) (Section 48 of the Education Act 2005).

The charity continued to support schools before and after denominational inspection and these provide great benefit in further developing the Christian foundation of the schools as well as offering a means of pastoral support to senior leaders. Schools due for inspection were invited for specific training in order to prepare them for inspection as well as providing general training through the CPD programme. Across 2024 twenty-six schools were inspected under the SIAMS schedule; only one school in exceptional circumstances received a J2 judgement which the Board was continuing to support. The remaining twenty-five schools were deemed to be living up to their foundation as Church schools and enabling pupils and adults to flourish.

Following the publication of the SIAMS annual report, the Board has encouraged schools to look in particular at the effectiveness of governor monitoring and evaluation of Church school distinctiveness, whilst continuing to develop opportunities for spiritual development, especially through the daily act of worship and ensure the focus on justice is central to their work around courageous advocacy. The aim was that by the end of the year more schools were able to articulate the language of spirituality and provide more opportunities for spiritual development for both children and adults. Schools should have also gained a greater understanding of courageous advocacy, in turn supporting children and young people to identify injustice and take action, thus impacting wider society. This work is ongoing with a number of schools taking the opportunity to host bespoke training on spirituality led by a Diocesan officer as well as attendance at a conference on this topic hosted by Liverpool Diocese. The Archbishop of York awards was regularly highlighted to schools and a number of schools have taken on the programme to support their courageous advocacy work.

From January to July, nineteen schools were inspected under the pre-existing OFSTED framework, with fifteen judged to be good or better and four graded as RI. From September onwards an adapted, interim framework was introduced by the DfE which removed headline grades. Under the new framework, nine schools were inspected with only one school receiving an outcome not judged good or better in all areas, requiring further support.

As of the end of 2024, ninety-eight schools were judged to be good or better under the Ofsted framework. Twenty-eight schools were inspected during 2024. Three schools retained outstanding status, one moved from good to outstanding, one moved from outstanding to good, twelve remained good, three moved from Requires Improvement (RI) to Good. five moved from Good to Requires Improvement, one good school will be re-inspected to see if they retain good and two Special Measures school moved to be graded good. A pattern emerged of schools improving from 'RI', having implemented robust curricula, as well as clearly focusing on impactful leadership. Schools that moved to 'RI' often had not moved as far or as quickly in these areas; those deemed Inadequate had not focused on impact of leadership or standards and sometimes had more serious areas for improvement, including safeguarding.

The close working relationship between the Board and Chester Diocesan Academies Trust (CDAT) continued to develop throughout the year. In the previous year the Board had expressed its strong preference for diocesan schools to join CDAT. This has had a positive impact on the growth of CDAT with the Trust now being nineteen schools strong and a number of schools waiting to join. Officers of the DBE have worked closely with officers of CDAT with both organisations working together to support schools across the Diocese, both in CDAT and LA maintained. The DBE also began work on the creation of a second Diocesan Academy Trust, Chester Diocesan Learning Trust, with seven schools as the foundation. The application was approved by the Regional Advisory Board in October and work is ongoing on consultation and conversion.

## **CHESTER DIOCESAN BOARD OF EDUCATION**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2024***

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#### **Impact**

In order to achieve the outcomes expected the Board must ensure it has the required impact.

The Family of Schools offer is the main source of financial engagement with schools, in addition to attendance at training and events. The Board encouraged all schools to join the Family of Schools and attend training and events by providing appropriate resources and support and ensuring a programme of training and events that supported schools' current priorities. The Board reviewed the offer before the start of the academic year and uplifted the charge slightly to cover costs, as well as charging for some additional aspects. A commitment was also made for each school to continue to receive a visit from a DBE officer as part of this offer. To ensure the sustainability of this work, the DBE has recruited the support of a number of trained school leaders to support the Executive Officers in delivery of this objective. It has enabled the Board to have contact with each one of its schools through the visit as well as helping identify wider and more individual school challenges to help inform future planning. It has also resulted in the ability to link schools based on need and examples of good practice. All Diocesan schools bought back into the Family of Schools offer for 2024-2025.

In addition to the CPD that is chargeable, the Board offered a wide variety of support that was not charged, including cluster groups, briefings, training for governors, support for voluntary aided schools with regards to capital work and general individual guidance and support. The Board publicises this support through various means including regular bulletins and social media. Schools have engaged well with these offers.

In order to encourage greater engagement and thus Board impact, the offer of meetings, briefings and training in a hybrid model of in-person and virtual allowed those from the extremes of the Diocese to attend without the need to travel. This has been well received with some schools preferring to take up the virtual offer and others preferring to attend in person; by offering both, the Board has been able to support a wider range of schools.

As highlighted in the SIAMS annual report, the headteacher has the greatest impact on the strength of a church school. Through the year the Board, as anticipated, was made aware of a number of recruitment opportunities to leadership positions. DBE Officers have supported the recruitment of strong church school leaders by guiding governing boards throughout the appointments process at both Headteacher and Deputy Headteacher level.

## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2024*

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#### Resourcing

Following an extensive financial review in 2021, new centralised systems were implemented, resulting in an efficient cloud based financial recording and reporting system which has had a positive impact on officer workload and thus productivity. As this work has developed and become embedded, processes have become more efficient as work moves wholly to the cloud-based system and DBE Officers become more familiar with the software. There has also been the opportunity to make the experience more efficient for external partners through the introduction of an updated event booking system and the ability to pay for training online. This has also enabled the production of quarterly management accounts to the Board, and an increased level of scrutiny and review of the company finances. The retirement of the School Assets Officer and resignation of the Buildings and Finance Officer before the end of the year has meant that these systems will need to be reviewed again in line with the new roles appointed.

Aided schools in the Diocese have continued to demonstrate their trust in the charity by having their Devolved Formula Capital (DFC) monies held centrally, enabling the Board to allow some schools to expend money which they will not receive until the following year.

Voluntary Aided schools must get DBE permission for capital work as well as fund 10% of the total grant-aided costs. In order to ensure transparency, the Devolved Formula Capital (DFC) and Schools Capital Allocation (SCA) monies were separated from DBE central funds and held in designated bank accounts. Some monies from CCLA investments were transferred to the general bank account to assist cash flow following this separation.

The SCA monies are paid directly to the DBE. The Board continues to ensure that projects are funded based on appropriate priorities of safeguarding and health and safety. A further focus has been achieving net zero carbon emissions by 2030. A working party has been created to look at strategies to achieve this and it is also being introduced as part of the decision-making process around capital projects.

Many schools benefited from building work and the support of staff and consultants from DBE Services Ltd.  
Projects with work over £100,000 included:

#### Completion of projects begun in 2023:

- Hartford CE High School New Build & Associated Works
- Hartford CE High School Mechanical Replacement Works - Phase 2
- Norton St Bertoline's Main Entrance Safeguarding Extension
- Sandbach Heath St John's Roofing Works
- Stockport St George's External Building Fabric Repairs

#### New projects in 2024:

- Bebington St Andrew's Phase 1 of Flat Roofs
- Burton Bishop Wilson Nursery Alterations
- Grappenhall St Wilfrid's Urgent Car park Works
- Hartford CE High School Mechanical Replacement Works - Phase 3
- Lower Peover WC Refurbishment
- Oxtot St Saviour's Mechanical Repairs & Refurbishment Works
- Sale, St Anne's Partial Re-wire & Lighting Upgrade & FRA Works
- Whitegate CE Replacement of temporary Double Classroom

With the Buildings and Finance Officer leaving at the end of the year, DBE services were appointed to oversee the Capital work for Chester DBE going forward, in a similar way that they do for other DBEs in the northwest.

Human resource is one of the main ways the Board hoped to achieve its objectives. By ensuring well trained and resourced school staff and governors the Board impacts outcomes for children within its schools. As identified earlier, good leadership recruitment is essential followed by induction and support. The Board's CPD programme is designed to develop leaders from the start of their career on to leadership. An extensive ECT programme, designed to run alongside the national training, has been developed to ensure teaching professionals understand the distinctiveness of church schools and the impact they have. Training and support for middle and senior leaders has continued to be provided alongside that for governors and RE and worship leads. The CPD offer remains a central focus for the Board and its impact.

## **CHESTER DIOCESAN BOARD OF EDUCATION**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2024***

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The recruitment of foundation governors remains a challenge not just for the Board but nationally. The Board still expects foundation governors to be regular worshippers but will employ an alternative framework of appointment where circumstances require it. The Board has continued to work with local parishes and national bodies to both encourage involvement and recruit to schools. The recruitment of Academy Directors as well as to local governing boards following varied Articles has added complexity to the situation.

The Board's central team of officers, supplemented by a small number of consultants, has continued to develop the Board's offer and responded to national and local circumstances to ensure Diocesan schools are equipped and supported in all situations. In order to fulfil the Board's commitment to the DBF measure, a new role was appointed from September, that of a Distinctiveness and Collective Worship Officer. Currently the Diocesan Director of Education is fulfilling an additional role as interim Diocesan Secretary on a part time basis. The Deputy Director has stepped up to fulfil the Director's role on a part-time, interim basis in this period, whilst also taking on the mantle of acting-CEO of the second diocesan trust. To increase capacity within the team of officers the Distinctiveness and SIAMS lead increased their working hours by an additional day on an interim basis. The additional need for capacity was also recognised by the creation of a Schools Advisor role which will commence in January 2025. The retirement of the School Assets Officer and resignation of the Buildings and Finance Officer at the end of the year has provided the DBE with both a challenge in covering their work but also an opportunity to rethink how these aspects of the DBE can be managed. In addition to the appointment of DBE Services for the capital work, the DBE's accountants, Mitchell Charlesworth, were approached to provide additional finance support until an appointment is made.

As Chester Diocesan Board of Education is an Incorporated Company which operates financially independently from Chester Diocesan Board of Finance, the DBE does not receive any income from local parish churches via the parish share scheme. The DBE is, therefore, responsible for sourcing its own income and, due to the financial strains on schools, relies heavily on income generated by investments, dividends and rental income from previous school sites. These income sources fund the majority of the DBE's day to day activities to further its aims and charitable objectives, with income from Family of Schools membership and attendance at training courses and conferences supplementing this income. These resources are managed carefully by the Board to ensure efficiencies whilst still investing for impact.

#### **Structures**

The Board of Education meets four times a year in addition to an AGM with detailed work being undertaken by two committees, Finance and Estates (F&E) and Distinctiveness, Standards and Governance (DSG).

The Board has held senior officers to account for the offer and impact of the Board on its schools, Trustees and wider communities. It has challenged practice and ensured that financial oversight is rigorous.

A number of working parties and sub-committees also support the work on academies, net-zero carbon and School Capital Allocations.

#### **Trust**

In order to achieve its aim regarding relationships, outcomes, impact, resourcing and structures, the Board must be trusted by all those linked to it. The Board has worked hard to ensure it is transparent, engaging and reflective and that it is both supportive and challenging to support the best outcomes for its schools.

Through its work the Board has continued to support its schools in being Loving in Relationships; Ambitious in Aspirations; and Bold in Actions.

## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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#### Reserves Policy

The charity is almost entirely dependent on the income from its investments to support its work. Consequently, investments are maintained, and the trustees would only consider expending capital in exceptional cases. Despite the continued volatility in national and world markets the reserves have remained fairly stable.

The Restricted Funds arise out of the sale of school properties which in past years came under various Educational Endowment Orders and were amalgamated into a uniform statutory trust in 1995 following the provisions of the Education Act 1993. The use of these funds is restricted to the following:

- a) funding the purchase, or erection of, improvement or enlargement of, relevant school premises in the area;
- b) funding maintenance costs of any relevant school in the area; or
- c) funding the costs of the administration of the trust and the costs of providing advice, guidance and resources in connection with any matter related to the management of, or education provided at any relevant school in the area.

The Unrestricted General Funds held are historic funds and may be used for the general purposes of the Board in achieving its charitable objectives.

Free unrestricted reserves at the end of 2024 were £1,951,577 (2023 - £1,851,724), Total restricted reserves were £10,908,122 (2023 - £11,010,013). A detailed breakdown of restricted reserves, along with notes of the restrictions on these funds can be found in note 20 of these accounts.

The Board holds free reserves - restricted and unrestricted - of £12,859,699 at the end of 2024 (2023 - £12,861,737) and £1,202,209 (2023 - £1,178,638) of Endowment funds. Of this, £11,125,586 (2023 - £10,847,323) is held in investments in order to provide some capital appreciation and a flow of investment income. Of the investments, £1,546,858 (2023 - £1,512,296) are unrestricted, equivalent to over two years of expenditure. While the Board has no intention of liquidating these investments, it could do so with little difficulty. As such the Board considers it has adequate reserves to enable it to respond to changing church education needs and fluctuations in the economic environment.

The boards policy is to hold a minimum of twenty four months unrestricted expenditure within its unrestricted reserves, and the boards reserves adequately cover this. Restricted funds in relation to the SCA projects are held in line with the SCA funding received and required expenditure on projects as authorised, the restricted funds held adequately cover the future expenditure on the SCA projects.

It should be noted that these levels of reserves are partly historic and partly received through Act of Parliament; they are not hoarded donations.

The Finance and Estates Committee of the Board will continue to review levels of reserves and make their findings known to the Board of Trustees.

#### Financial Review, Reserves and Going Concern

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Statement of Financial Activities shows a net deficit of £280,301 (2023 - £711,723 surplus) and investment gains of £301,834 (2023 - £913,194) together with a gain on revaluation of fixed assets of £23,571 (2023 - £nil) resulting in net movement in funds of £21,533 (2023 - £1,624,917).

The financial statements have been prepared on the going concern basis, as the trustees consider that the Board has sufficient reserves to continue operations.

## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2024*

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#### **Investment Policy and Outcome**

To determine where the charity should invest its financial assets, the DBE follows the national Church of England's Statement of Ethical Investment Policy, which states that taking account of environmental, social and governance (ESG) issues is an intrinsic part of being a good long-term investor, for both ethical and financial reasons.

To achieve this, the charity holds cash together with holdings in the Central Board of Finance (CBF) Church of England Investment Fund, the CBF Church of England Global Equity Income Fund, the CBF Church of England Property Fund, and the CBF Deposit Fund. The intention is to provide income together with capital appreciation to afford long term protection against inflation. The value of investments has fluctuated over the year but as always, the DBE's response to short-term investment fluctuations is to focus on the long-term viability of the investment portfolio of which it is confident. The Board has reviewed its investments and held discussions with CCLA to reassure itself that its monies are managed in an ethical and efficient way to ensure the long term viability of the Charity.

The CBF guarantee that investments are made in accordance with the ethical standards of the Church of England. The trustees will continue to regularly consider the performance of the shares to ensure that the return in terms of capital growth and income is appropriate to the long-term needs of the charity.

The Finance and Estates Committee will continue to keep investment policy and the investments themselves under review and keep the board of directors informed.

#### **Risk management**

The trustees have a risk management strategy which comprises:

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

Trustee indemnity insurance is in place.

The Board considers the main risks to be in the following areas:

- Risk to/Loss of Capital/Decrease in value of CCLA investments
- National or global events causes school capital projects to change in priority, overrun or overspend
- Changes in school funding reducing viability of small schools
- Rise in energy bills and other costs impact on schools budgets leaving less resource to support education and development
- Risk that DBE budget will be in deficit
- Changes to DBE staff that may leave the Board unable to fulfil all of its functions
- Libel/Adverse media coverage inc. due to high profile, national or global events.

Mitigation for these risks have been identified and continue to be monitored.

The Board, with local authorities, continues to support schools in facilitating discussion around school organisation and possible structures to manage school funds.

A key element in the management of financial risk is the work of the both committees considering the detailed risks and the Board understanding the high risks and the mitigations for them.

## **CHESTER DIOCESAN BOARD OF EDUCATION**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2024***

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#### **Remuneration of Key Management Personnel**

As DBE employees are joint employees with Chester Diocesan Board of Finance, the salaries of key management personnel, as per all DBE employees, is set according to the Chester Diocesan Board of Education pay scale as determined by the HR Committee and the Finance and Scrutiny Committee of the DBF. Any pay increases determined outside of the DBF committees are proposed by the DBE Board and taken to the DBF committees for approval.

#### **Supplier Payment Policy**

The Company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London, WC1A 1DU).

The company's current policy concerning payment of trade creditors is to:

- Settle the terms of payment with suppliers when agreeing the terms of each transaction;
- Ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contract and other legal obligations.

## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2024*

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#### Plans for Future Periods

**'Being deeply Christian and for the common good',**

The Board will support its schools to be communities which are: Loving in relationships; Ambitious in aspirations; Bold in actions in the following ways:

#### **Relationships**

The Board will continue to invest time into the relationships it has with various organisations particularly its schools, and as the academy system develops, the academy trusts in which its schools sits. It will work particularly closely with its Diocesan Trusts, CDAT and CDLT. It will also support other Trusts that may wish to grow or merge.

There will be a continued focus on wellbeing for school leaders through targeted wellbeing support, governor training and individual support. In a time when pressures on school leaders are so great, there is a need to support them through both practical and pastoral activities and the Board will prioritise this through the year. School leaders manage the wellbeing of school children/students, staff and communities and so by supporting the wellbeing of leaders this should have a positive impact on those they support.

Chairs of governors in turn are a source of support for school leaders and do this in a voluntary capacity. Termly Chair of governor networks will continue to be held to provide information, answer questions and support networking. The Board will continue to support schools and local parishes as they look to recruit governors and the Board plans to enhance its relationships with its academy trusts as DBE appointees/recommendations are recruited to all levels of governance in them.

Networks for senior leaders, clergy, chaplains, RE leaders and worship leads will continue to be supported by the Board. These will enable the Board to share information and understand the current needs of those involved in church schools. A rich programme of CPD will also be on offer to support leaders, staff and governors across the Diocese.

Support for the most vulnerable within the Diocese will continue to be a focus for the work of the Board through the Disadvantage, Diversity, SEND networks and newly developed Racial Justice group alongside the Board's involvement with external partners, such as Church of England Foundation for Educational Leadership (CEFEL).

As part of our focus on diversity and in response to the From Lament to Action report, racial justice will be a key commitment across workstreams and in recruitment, for the foreseeable future.

The Board will continue to work with a number of organisations and strategic partners, including the Department for Education and Ofsted to support its work and the work of others. Various partnership working is planned with CEFEL and officers will continue to be involved in a number of national and local networks.

Collaboration with other Diocesan Boards of Education in the northern province will continue through DBE Services and through the sharing of good practice and resources on governance, RE, Collective Worship, SIAMS, and other aspects of the Board's work. The very successful Christian Leadership course will run again through the year. The Board continues to support the carbon net zero plan for the Diocese through collaboration with the DBF's Environmental officer and DBE services with regards to Capital work.

As the education landscape evolves the Board will support schools seeking conversion to manage the route to academy status if they choose to do so. Officers will advise and support Governing Boards, liaise with academies and advise the Board on proposals.

In order to support relationships between schools for children and pupils, the Board will ensure its offer of resources and events includes opportunities for children and pupils.

## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2024*

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#### **Outcomes**

The Board will continue to support schools in understanding the SIAMS inspection process and has the aim that all the schools inspected through the year will be judged as 'Living up to its foundation as a church school'.

Working alongside Local Authority and academy colleagues, the Board will support schools with the aim that all schools receive at least the equivalent of a 'Good in all areas' judgement in their latest Ofsted inspection. The Board will provide guidance and support to schools that are due an Ofsted inspection; identify schools that may need additional support because of data or other aspects of concern and give additional support to schools that have not yet achieved a 'Good in all areas' Ofsted outcome. It will also support school leaders as they prepare for inspection, focusing on their wellbeing.

The Board will continue to signpost schools to appropriate resource and support, working in collaboration with LA and academy colleagues, in order to raise outcomes for all children and young people. The expectation would be that all diocesan schools have ambitious aspirations for all.

#### **Resourcing**

The Board now has an efficient, cloud-based financial recording and reporting system. This has been further developed to support efficiencies and the Board will continue to monitor its impact and develop further resources as necessary. This platform will also enable the smooth transition to an interim arrangement to cover the departure of key financial personnel within the team.

Most Voluntary Aided schools are now aware that the governors' contribution must be paid upfront and that the Board cannot fund deferred payments but it is not fully understood by all and so the Board will continue to ensure the message is repeated throughout the year.

The Board's work on achieving net zero carbon emissions by 2030 will continue to be a focus with a working party looking at ways to support schools in resourcing this decarbonisation work as well as working with DBE services on pilot projects. The decisions around SCA bids will also be influenced by this work.

The Board in fulfilling its responsibility to offer guidance on denominational RE that meets the Church of England Statement of Entitlement for RE, continues to deliver further training to ensure schools plan a curriculum that is contextually appropriate using the Questful syllabus, for VA schools, and engage with effective use of the assessment system. Work for 2025 in the area of religious education will ensure the delivery of the National Society for Education's resource for effective teaching of Global Christianity. Work to replace the current High School diocesan syllabus for RE, through a Farmington scholarship collaboration, is in the application stages, with the intention of a small, cross-diocesan working party created to fulfil this objective.

Human resource is one of the main ways the Board hopes to achieve its objectives. As identified earlier, good leadership recruitment is essential followed by induction and support. The Board's CPD programme will continue to support staff in schools at each stage of their career to ensure an experienced staff that understand and can support and develop the Christian foundation of their school.

The recruitment of foundation governors continues to be a challenge not just for the Board but nationally. The Board will continue to work with local parishes and national bodies to both encourage involvement and recruit to schools and academy trusts. It will offer an alternative option for one Board member of a VA (or previously VA) school to allow them to recruit more diversely.

The Board's central team of officers, supplemented by a small number of consultants, will continue to develop the Board's offer and will respond to national and local circumstances to ensure Diocesan schools are equipped and supported in all situations.

## **CHESTER DIOCESAN BOARD OF EDUCATION**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2024***

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#### **Impact**

In order to achieve the outcomes expected the Board must ensure it has the required impact.

The Family of Schools offer is the main source of financial engagement with schools, in addition to attendance at training and events. The Board will encourage all schools to join the Family of Schools and attend training and events by providing appropriate resource and support and ensuring a programme of training and events that supports schools' current priorities. This will be offered in a mixture of chargeable and non-chargeable events and also a hybrid of virtual and in person to encourage uptake.

Further work will be undertaken to develop online and recorded resources for schools that can be accessed at any time helping reach an even wider audience.

Through the year the Board expects there to be a number of recruitment opportunities in leadership positions. It will continue to support the recruitment of strong church school leaders by guiding governing boards throughout the process for both deputy and headteacher appointments.

#### **Structures**

The Board will continue to provide appropriate support and challenge to its executive officers as they seek to fulfil the terms of the DBE measure and objects of the charity. This will be achieved through the work of its two committees and working parties as well as through the meeting of the full Board.

The Board will measure itself against the Good Governance Code and regularly reflect on its policy and practices.

The Board will further develop its role in the academy system and give further thought to how it develops its relationships with schools and academy trusts as the number of schools converting to academies increases. It will continue to ensure that, where Diocesan schools are included, academy structures will ensure each church school is fully living up to its foundation. As the direction of the government shifts, the need for every school to consider academisation is less of a priority but the Board will continue to support schools that wish to take up this option due to local circumstances and context.

#### **Trust**

In order to achieve its aim regarding relationships, outcomes, impact, resourcing and structures, the Board must be trusted by all those linked to it. The Board will ensure it is transparent, engaging and reflective; both supportive and challenging to ensure the best outcomes for its schools.

The Board would hope to have all of its schools engaged with its work, at least at some level with a large number fully engaged across all aspects of its work.

## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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#### Structure and governance

Chester Diocesan Board of Education is a registered charity no. 525790, and a company limited by guarantee no. 85176.

#### Governing Document

The Chester Diocesan Board of Education is a company limited by guarantee registered in England and Wales and governed by its Memorandum and Articles of Association amended on 1 January 2023. It is registered as a charity with the Charity Commission. The Board comprises:

- (1) the **Bishop**;
- (2) at least one but not more than two members appointed by the Bishop ("Bishop appointed **Members**");
- (3) at least seven but not more than eight members elected by the **Diocesan Synod** who are worshipping members of the Church of England but need not themselves be members of the **Diocesan Synod** ("elected **Members**"), of whom: (a) at least three members shall be elected from each of the two archdeaconries of the **Diocese**, being people who work, worship or reside in the archdeaconry from which they are appointed, and
- (b) at least one member shall be a clerk in holy orders beneficed or licensed in the **Diocese**;
- (4) at least two but not more than four members co-opted by the **Board** who shall be persons with experience of church schools in the **Diocese** (co-opted **Members**).

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

Ven Dr M Gilbertson (Chair)

Rev Dr J Arnott

Revd L Bannon

(Retired 17 June 2024)

Professor P Bowden

(Retired 4 March 2024)

Rev J Bridgeman (Co-opted)

Rev C Corley (Co-opted)

Mrs M Cruxton

Mr P Gibbons (Co-opted)

Dr C Gordon

Mr D Hermitt

Mrs S Hudson

Mrs C Speed (Co-opted)

Dr D Walter

Ass Prof D Cumberland

Mr P I Bostock

Ms E M Hemmings

Mr I R Gould-Jones

## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2024*

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#### **Appointment of trustees**

As set out in the Articles of Association the Chair of the trustees is the Bishop of Chester except that, if they do not desire to be Chair, the members after consultation with the Bishop, shall appoint some other person (whether or not a member) to be Chair. The Ven Dr M R Gilbertson (Archdeacon of Chester) was appointed as Chair. As described in the Articles of Association, the members of the DBE are also the Trustees of the DBE.

When vacancies occur and at the end of the terms of office for Board members; the roles are advertised across the Diocese and applications invited. This is to support both the fulfilment of equality objectives and to encourage a wide range of backgrounds and experience on the Board.

All board members, trustees and committee members are voluntary roles; the DBE does not use volunteers beyond these roles.

The main Board is supported in undertaking more detailed scrutiny through two committees, Finance and Estates (F and E) and Distinctiveness, Standards and Governance (DSG). These are made up of members of the Board with additional co-opted members. Two working parties have also been established on academisation and Decarbonisation, made up of Board members and additional persons invited to attend because of their experience.

#### **Trustee induction and training**

New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. Trustees also meet key employees and are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

#### **Trustees' statement on public benefit**

Chester Diocesan Board of Education is a public benefit entity. The trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

In accordance with the company objectives as set out in the Diocesan Board of Education Measure 2021, the Board of Education exists:

- to promote or assist in the promotion of education in the Diocese that is consistent with the faith and practice of the Church of England;
- to promote or assist in the promotion of religious education and religious worship in schools in the Diocese;
- to promote or assist in the promotion of church schools in the Diocese;
- to promote co-operation between itself and other persons concerned with education in the Diocese.

The public benefit of our work is seen in the support and flourishing of church schools that provide education for all within a Christian ethos. The Board of Education also supports schools in developing links with their local communities to improve and unify these communities. Our support for schools also ensures the provision of buildings which can be used by parishes and outside bodies for the benefit of all.

## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2024*

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#### **Qualifying third party indemnity provisions**

##### **Charity Governance Code**

The Board follows the Charity Governance Code and continues to review best practice as it aims to continually improve. The Board manages effective governance of the charity in the following ways:

**Organisational Purpose** – The Board ensures its work is in line with its charitable objectives and also its vision of being deeply Christian and for the common good; and that its schools will be communities which are loving in relationships, ambitious in aspiration and bold in action. This vision continues to be developed and is used as a basis for the work of the Board and its officers. The wider diocesan vision is currently being implemented and will impact further development of the Board of Education vision.

**Leadership** – Two committees give a strong oversight of the work of the DBE, through detailed scrutiny and recommendations to the Board. Additional working parties help challenge and support executive officers as they support the development of DBE strategy in areas such as academisation and decarbonisation.

**Integrity** - The Bishop of Chester nominates the chair of the DBE to ensure the Board operates within the vision and values of the Diocese of Chester and the Church of England. The majority of the Board is appointed by Diocesan Synod to ensure the Board is independent in its decision making. A small number of members are co-opted based on the skills that they offer. Committees also have spaces for co-opted members which help bring a further perspective to its work. The Board is required to report back to the Diocesan Synod to share its progress in furthering its purposes.

**Decision Making, Risk and Control** - The risk register is regularly updated to ensure the Board is aware of, and managing its current risks. Each committee identifies risks and possible mitigation. These are then brought to the full Board. The Distinctiveness, Standards and Governance and Finance and Estates committees continue to support the Board in taking control of, and responsibility for, the decision-making process of the charity.

**Board Effectiveness** - Board directors bring a wide and diverse range of skills to The Board and continually monitor the work of the DBE and its executive officers; scrutinising operational activities through reporting processes and review of actions. Financial scrutiny and decision making is managed through clear financial policies and procedures.

**Diversity** - The Board of directors is appointed by the Diocesan Synod and as far as possible, members are nominated to include a wide range of knowledge, skills and perspectives. When vacancies occur, or at the end of the term for the Board, the roles are advertised across the Diocese in order to encourage this breadth. However, the DBE intends to take a more proactive approach to encourage applications for appointment from a more diverse group, in particular with regards to age, gender and ethnicity. The DBE is committed to widening its diversity as it moves forward.

**Openness and Accountability** - The charity is accountable to and makes regular reports to Diocesan Synod and various other Diocesan committees to ensure that the Board is transparent in how it operates.

#### **Organisation**

The Board of trustees administers the charity. The Board meets regularly together with the Secretary (the Diocesan Director of Education) who manages the day-to-day operations of the charity. The Board manages its business through its two committees, Finance and Estates and Distinctiveness, Standards and Governance. These are attended by members of the executive team. To facilitate effective operations, the Secretary has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and school related activities.

## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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#### Related parties

The charity has a close relationship with Chester Diocesan Board of Finance (a company limited by guarantee registered in England (no. 7826) and a registered charity (no. 248968)) which provides office accommodation and payroll.

The charity has a close relationship with Chester Diocesan Academies Trust (CDAT) (a company limited by guarantee registered in England (no. 8451787) and an exempt charity) which is established as a multi-academy trust in the Diocese.

The charity jointly owns DRF Services Ltd (a company limited by shares registered in England and Wales (no. 5531123) with Blackburn Diocesan Board of Education, Carlisle Diocesan Board of Finance, Liverpool Diocesan Board of Finance, Manchester Diocesan Board of Education and York Diocesan Board of Finance. This company undertakes support work across the six dioceses and gift-aids any profit back to the six Boards.

#### Funds held as custodian trustee

The charity acts as custodian trustee in respect of funds held on behalf of local trustees and such specific purpose funds are held in segregated accounts, separately accounted for, and do not appear in the financial statements. They are shown in note 24 to the accounts.

The company also acts as custodian trustee in respect of funds arising out of the sale of school properties where the funds are held pending the issue of an Order or other determination.

The Devolved Formula Capital for aided schools is held by the charity as part of these funds.

#### Statement of trustees' responsibilities

The trustees, who are also the directors of Chester Diocesan Board of Education for the purpose 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Auditor

In accordance with the company's articles, a resolution proposing that Mitchell Charlesworth (Audit) Limited be reappointed as auditor of the company will be put at a General Meeting.

## **CHESTER DIOCESAN BOARD OF EDUCATION**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2024***

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#### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Ven Dr M Gilbertson (Chair)  
**Chair**

27 June 2025

# CHESTER DIOCESAN BOARD OF EDUCATION

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF CHESTER DIOCESAN BOARD OF EDUCATION

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#### Opinion

We have audited the financial statements of Chester Diocesan Board of Education (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

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

We have nothing to report in this regard.

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

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

## **CHESTER DIOCESAN BOARD OF EDUCATION**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF CHESTER DIOCESAN BOARD OF EDUCATION**

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

##### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

##### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

## CHESTER DIOCESAN BOARD OF EDUCATION

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE MEMBERS OF CHESTER DIOCESAN BOARD OF EDUCATION

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##### **Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- the charitable company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the charity's Statement of Financial Activities, (ii) revenue recognition (iii) the overstatement of salary and other costs and the movements for the year. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, the Statement of Recommended Practice - 'Accounting and Reporting by Charities'.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the academy's ability to operate or to avoid a material penalty. This includes regulations concerning Data Protection.

##### **Audit response to risks identified**

As a result of performing the above, we identified income recognition, override of controls and adherence to laws and regulations as the key audit matters related to the potential risk of fraud.

## CHESTER DIOCESAN BOARD OF EDUCATION

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE MEMBERS OF CHESTER DIOCESAN BOARD OF EDUCATION

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Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and trustees concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

**Robert Hall (Senior Statutory Auditor)**  
for and on behalf of Mitchell Charlesworth (Audit) Limited

27 June 2025

**Accountants**  
**Statutory Auditor**

24 Nicholas Street  
Chester  
CH1 2AU

## CHESTER DIOCESAN BOARD OF EDUCATION

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Unrestricted funds	Endowment funds	Restricted funds	Total	Unrestricted funds	Endowment funds	Restricted funds	Total
	2024	2024	2024	2024	2023	2023	2023	2023
	£	£	£	£	£	£	£	£
<b>Income from:</b>								
Donations and legacies	16,769	-	1,843,577	1,860,346	94,190	-	1,924,280	2,018,470
Charitable activities	106,465	-	-	106,465	100,952	-	-	100,952
Income from investments	168,725	-	313,006	481,731	143,972	-	311,040	455,012
<b>Total income</b>	<b>291,959</b>	<b>-</b>	<b>2,156,583</b>	<b>2,448,542</b>	<b>339,114</b>	<b>-</b>	<b>2,235,320</b>	<b>2,574,434</b>
<b>Expenditure on:</b>								
Charitable activities	226,668	-	2,502,175	2,728,843	227,615	-	1,635,096	1,862,711
Net gains/(losses) on investments	34,562	23,571	243,701	301,834	130,680	-	782,514	913,194
<b>Net movement in funds</b>	<b>99,853</b>	<b>23,571</b>	<b>(101,891)</b>	<b>21,533</b>	<b>242,179</b>	<b>-</b>	<b>1,382,738</b>	<b>1,624,917</b>
Fund balances at 1 January 2024	1,851,724	1,178,638	11,010,013	14,040,375	1,609,545	1,178,638	9,627,275	12,415,458
<b>Fund balances at 31 December 2024</b>	<b>1,951,577</b>	<b>1,202,209</b>	<b>10,908,122</b>	<b>14,061,908</b>	<b>1,851,724</b>	<b>1,178,638</b>	<b>11,010,013</b>	<b>14,040,375</b>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

## CHESTER DIOCESAN BOARD OF EDUCATION

### BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024		2023	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	14		4,034		4,804
Investment property	15		1,202,209		1,178,638
Investments	16		11,125,586		10,847,323
			<u>12,331,829</u>		<u>12,030,765</u>
<b>Current assets</b>					
Debtors	17	148,900		94,208	
Cash at bank and in hand		3,014,027		3,317,406	
		<u>3,162,927</u>		<u>3,411,614</u>	
<b>Creditors: amounts falling due within one year</b>	18	(1,432,848)		(1,402,004)	
<b>Net current assets</b>			<u>1,730,079</u>		<u>2,009,610</u>
<b>Total assets less current liabilities</b>			<u>14,061,908</u>		<u>14,040,375</u>
<b>The funds of the charity</b>					
Endowment funds - Endowment funds	21		1,202,209		1,178,638
Restricted income funds	20		10,908,122		11,010,013
Unrestricted funds	22		1,951,577		1,851,724
			<u>14,061,908</u>		<u>14,040,375</u>

The financial statements were approved by the trustees on 27 June 2025

Ven Dr M Gilbertson (Chair)  
Chair

Company registration number 85176 (England and Wales)

## CHESTER DIOCESAN BOARD OF EDUCATION

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	26		(784,639)		154,930
<b>Investing activities</b>					
Purchase of tangible fixed assets		(471)		(2,904)	
Repayment of loans		-		85,401	
Proceeds from disposal of investments		-		216,749	
Investment income received		481,731		455,012	
<b>Net cash generated from investing activities</b>			481,260		754,258
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(303,379)		909,188
Cash and cash equivalents at beginning of year			3,317,406		2,408,218
<b>Cash and cash equivalents at end of year</b>			<u>3,014,027</u>		<u>3,317,406</u>

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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### 1 Accounting policies

#### Charity information

Chester Diocesan Board of Education is a private company limited by guarantee incorporated in England and Wales. The registered office is Church House, 5500 Daresbury Park, Daresbury, Warrington, Cheshire, WA4 4GE.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Charities Act 2011, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Gift aided distribution from DBE Services Ltd - the charity has an investment in DBE Services Ltd which provides services to church schools including inspections, teaching and curriculum support, administrative services, building work, equipment and construction support. The charity receives gift aided distributions on the profits. The distribution is recognised on receipt.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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### 1 Accounting policies

(Continued)

The charity operates a support package under the name "Chester Diocesan Family of Schools" referred to elsewhere in the annual report and accounts, and receives subscription income as a result which is recognised on an accruals basis in the accounts.

Conference income is derived from training events delivered to staff at Church of England Schools and is recognised on an accruals basis.

The charity receives dividends and interest on a range of investments, all holdings in Church of England funds operated by CCLA Investment Management Ltd which are recognised on receipt.

The charity also receives rental income from four former schools which is recognised on an accruals basis.

### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Charitable activity costs also include the cost of administering grant claims in respect of building and maintenance work carried out on school properties, the cost of administering grants payable and providing support to the other charitable activities of the company.

#### Grants

Grants payable included within charitable activities represent discretionary grants to Governors or Schools for financial assistance towards the cost of specific, approved school projects. Grants payable are included in the Statement of Financial Activities on the accruals basis, to the extent that conditions for payment have been met.

#### Allocation of support costs

As explained in the annual report, the charity supports the Church of England schools in the Diocese in a wide range of ways including assisting with building projects, supporting and training governors, and promoting religious education more widely. The allocation between activities fluctuates as necessary.

### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers and office equipment	25% Reducing Balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

## CHESTER DIOCESAN BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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**1 Accounting policies** (Continued)

**1.7 Investment property**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

Proceeds from the sale of former school properties are normally held by the charity as custodian trustee (in specific purpose funds) until a relevant Educational Endowment Order or determination is issued.

The financial statements up to 31st December 1996 did not include any value for former school properties held in the name of the charity which had not yet been sold, but these properties are classified as investment properties, and have been included in subsequent accounts.

**1.8 Fixed asset investments**

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

**1.9 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**1.10 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.11 Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### **1.12 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.13 Amounts due from school governors in respect of projects**

The charity receives funding on behalf of schools from the Department of Education for funding building works and other projects. The charity also makes payments to contractors on behalf of the schools. In the majority of cases the governors make a 10% contribution to the cost of the project; this often leaves an amount payable to the charity by the governors of the school. By concession, the charity allows school governors the time to pay their contribution, dependent on size and duration of the project and other factors. On occasions the governors of the school fund the whole cost of the project, leaving the full amount repayable to the charity.

#### **1.14 Funds held as custodian trustee**

The charity acts as custodian trustee in respect of funds held on behalf of local trustees and funds arising out of the sale of school properties where funds are held pending the issue of an Order or determination.

Funds held as custodian trustee do not belong to the charity and so are not a component of the charity's assets, income or expenditure in the reporting period.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**CHESTER DIOCESAN BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

**3 Donations and legacies**

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2024	2024	2024	2023	2023	2023
	£	£	£	£	£	£
Donations and gifts	16,769	-	16,769	94,190	-	94,190
VASCA income	-	1,843,577	1,843,577	-	1,924,280	1,924,280
	<u>16,769</u>	<u>1,843,577</u>	<u>1,860,346</u>	<u>94,190</u>	<u>1,924,280</u>	<u>2,018,470</u>
<b>Donations and gifts</b>						
Gift aided distribution from DBE Services Ltd	16,769	-	16,769	94,190	-	94,190
	<u>16,769</u>	<u>-</u>	<u>16,769</u>	<u>94,190</u>	<u>-</u>	<u>94,190</u>

**4 Income from charitable activities**

	2024 £	2023 £
Conference income	51,527	49,315
Chester Diocesan family of schools	53,698	48,907
Other income	1,240	2,730
	<u>106,465</u>	<u>100,952</u>
<b>Analysis by fund</b>		
Unrestricted funds	<u>106,465</u>	<u>100,952</u>

**CHESTER DIOCESAN BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

**5 Income from investments**

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2024	2024	2024	2023	2023	2023
	£	£	£	£	£	£
Dividends and interest	76,546	313,006	389,552	58,252	311,040	369,292
Rental income	92,179	-	92,179	85,720	-	85,720
	<u>168,725</u>	<u>313,006</u>	<u>481,731</u>	<u>143,972</u>	<u>311,040</u>	<u>455,012</u>

**6 Charitable activities**

	Charitable activities	Charitable activities
	2024	2023
	£	£
Depreciation and impairment	1,241	1,035
Property costs	27,743	26,769
Salaries and recharges	340,055	336,204
Educational support costs	38,871	49,725
Other expenses	8,233	9,653
Grants (see note 7)	1,250	1,740
VASCA capital expenditure	2,211,239	1,347,455
	<u>2,628,632</u>	<u>1,772,581</u>
Share of support costs (see note 8)	84,776	75,430
Share of governance costs (see note 8)	15,435	14,700
	<u>2,728,843</u>	<u>1,862,711</u>
<b>Analysis by fund</b>		
Unrestricted funds	226,668	227,615
Restricted funds	2,502,175	1,635,096
	<u>2,728,843</u>	<u>1,862,711</u>

**7 Grants payable**

Grants were made to the governors of other schools in the year of £1,250 (2023 - £1,740).

**CHESTER DIOCESAN BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

**8 Support costs allocated to activities**

	<b>Total 2024</b>	<b>Total 2023</b>
	<b>£</b>	<b>£</b>
Salaries and recharges	37,784	37,356
Legal and professional fees	18,069	5,262
Accountancy fees	14,444	21,971
Bank charges	524	463
Other costs	13,955	10,378
Governance	15,435	14,700
	<u>100,211</u>	<u>90,130</u>

<b>Governance costs comprise:</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Audit fees	15,435	14,700
	<u>15,435</u>	<u>14,700</u>

**9 Net movement in funds**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	15,435	14,700
Depreciation of owned tangible fixed assets	1,241	1,035
	<u>16,676</u>	<u>15,735</u>

**10 Trustees**

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2023 - Enil).

**11 Employees**

The average monthly number of employees during the year was:

	<b>2024</b>	<b>2023</b>
	<b>Number</b>	<b>Number</b>
Total	-	-
	<u>-</u>	<u>-</u>

## CHESTER DIOCESAN BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2024*

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#### 11 Employees

(Continued)

There were 8.33 (2023 - 7.33) full time equivalent employees under joint contracts of employment with Chester Diocesan Board of Finance. Their employment costs are borne by Chester Diocesan Board of Finance and recharged to Chester Diocesan Board of Education.

The trustees have handed much of the day to day management of the charity to a number of key management personnel including the Director of Education. The total cost of employee benefits (including employer's national insurance and employers pension contributions) relating to key management personnel amounted to £186,662 (2023 - £173,016). Of this amount £nil balance was borne by Chester Diocesan Board of Education. The remaining balance was borne by Chester Diocesan Board of Finance and recharged. Of these, the highest paid was Mr Christopher Penn who received £81,040 (2023 - £74,985) excluding employers national insurance, together with pension contributions of £12,008 (2023 - £11,248).

**CHESTER DIOCESAN BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**12 Gains and losses on investments**

	Unrestricted funds	Endowment funds	Restricted funds	Total	Unrestricted funds	Endowment funds	Restricted funds	Total
	2024	2024	2024	2024	2023	2023	2023	2023
	£	£	£	£	£	£	£	£
Gains/(losses) arising on:								
Revaluation of investments	34,562	-	243,701	278,263	130,680	-	782,514	913,194
Revaluation of investment properties	-	23,571	-	23,571	-	-	-	-
	<u>34,562</u>	<u>23,571</u>	<u>243,701</u>	<u>301,834</u>	<u>130,680</u>	<u>-</u>	<u>782,514</u>	<u>913,194</u>

## CHESTER DIOCESAN BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

#### 13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

#### 14 Tangible fixed assets

	Computers and office equipment
	£
<b>Cost</b>	
At 1 January 2024	6,340
Additions	471
	<hr/>
At 31 December 2024	6,811
	<hr/>
<b>Depreciation and impairment</b>	
At 1 January 2024	1,536
Depreciation charged in the year	1,241
	<hr/>
At 31 December 2024	2,777
	<hr/>
<b>Carrying amount</b>	
At 31 December 2024	4,034
	<hr/> <hr/>
At 31 December 2023	4,804
	<hr/> <hr/>

#### 15 Investment property

	2024
	£
<b>Fair value</b>	
At 1 January 2024	1,178,638
Net gains or losses through fair value adjustments	23,571
	<hr/>
At 31 December 2024	1,202,209
	<hr/> <hr/>

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31st December 2024 by Forge Property Consultants, an independent, professionally qualified surveyor. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties as at the year end date of 31 December 2024.

The properties were provided to the charity at no cost by order of the Secretary of State for Education. The values of the properties at the time of receipt are not known.

**CHESTER DIOCESAN BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

<b>15</b>	<b>Investment property</b>	<b>(Continued)</b>	
		<b>2024</b>	<b>2023</b>
		<b>£</b>	<b>£</b>
	Freehold	1,202,209	1,178,638
	Long leasehold	-	-
	Short leasehold	-	-
		<u>          </u>	<u>          </u>
<b>16</b>	<b>Fixed asset Investments</b>		
		<b>CCLA Investments</b>	<b>DBE Services Ltd</b>
			<b>Total</b>
		<b>£</b>	<b>£</b>
	<b>Cost or valuation</b>		
	At 1 January 2024	10,847,311	12
	Valuation changes	278,263	-
		<u>          </u>	<u>          </u>
	At 31 December 2024	11,125,574	12
		<u>          </u>	<u>          </u>
	<b>Carrying amount</b>		
	At 31 December 2024	11,125,574	12
		<u>          </u>	<u>          </u>
	At 31 December 2023	10,847,311	12
		<u>          </u>	<u>          </u>
		<u>          </u>	<u>          </u>
		<b>2024</b>	<b>2023</b>
		<b>£</b>	<b>£</b>
	Investments at fair value comprise:		
	CBF Investment Fund	9,383,542	8,378,418
	CBF Global Equity Income Fund	1,083,402	1,092,995
	CBF Property Fund	607,836	604,481
	COIF Charities Investment Fund	50,794	49,672
		<u>          </u>	<u>          </u>
		<u>11,125,574</u>	<u>10,150,866</u>
		<u>          </u>	<u>          </u>

**CHESTER DIOCESAN BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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<b>17 Debtors</b>	<b>2024</b>	<b>2023</b>
<b>Amounts falling due within one year:</b>	<b>£</b>	<b>£</b>
Trade debtors	61,702	57,503
Other debtors	80,412	33,944
Prepayments and accrued income	6,786	2,761
	<u>148,900</u>	<u>94,208</u>
	<u><u>148,900</u></u>	<u><u>94,208</u></u>

<b>18 Creditors: amounts falling due within one year</b>		<b>2024</b>	<b>2023</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Deferred income	<b>19</b>	39,488	43,662
Trade creditors		273,705	13,357
Other DoE and school creditors		43,819	147,987
Other creditors		931,960	1,098,118
Accruals		143,876	98,880
		<u>1,432,848</u>	<u>1,402,004</u>
		<u><u>1,432,848</u></u>	<u><u>1,402,004</u></u>

## CHESTER DIOCESAN BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

#### 19 Deferred income

	2024	2023
	£	£
Other deferred income	39,488	43,662
	<u>39,488</u>	<u>43,662</u>

Deferred income is included in the financial statements as follows:

	2024	2023
	£	£
Deferred income is included within:		
Current liabilities	39,488	43,662
	<u>39,488</u>	<u>43,662</u>
Movements in the year:		
Deferred income at 1 January 2024	43,662	44,733
Released from previous periods	(43,662)	(44,733)
Resources deferred in the year	39,488	43,662
	<u>39,488</u>	<u>43,662</u>
Deferred income at 31 December 2024	<u>39,488</u>	<u>43,662</u>

#### 20 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2024	Incoming resources	Resources expended	Gains and losses	At 31 December 2024
	£	£	£	£	£
SCA funds - allocated	586,777	1,843,577	(2,044,207)	-	386,147
SCA funds - unallocated	1,022,252	-	(167,032)	-	855,220
Investments	9,400,984	313,006	(290,936)	243,701	9,666,755
	<u>11,010,013</u>	<u>2,156,583</u>	<u>(2,502,175)</u>	<u>243,701</u>	<u>10,908,122</u>

## CHESTER DIOCESAN BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

20 Restricted funds	(Continued)				
Previous year:	At 1 January 2023	Incoming resources	Resources expended	Gains and losses	At 31 December 2023
	£	£	£	£	£
SCA funds - allocated	506,692	1,427,540	(1,347,455)	-	586,777
SCA funds - unallocated	525,512	496,740	-	-	1,022,252
Investments	8,595,071	311,040	(287,641)	782,514	9,400,984
	<u>9,627,275</u>	<u>2,235,320</u>	<u>1,635,096</u>	<u>782,514</u>	<u>11,010,013</u>

#### SCA funds

The charity assists voluntary aided schools with school building projects and the provision of IT equipment. The VASCA (Voluntary-Aided Schools Condition Allocation) system was introduced in April 2020 and superseded the LCVAP (Locally Coordinated Voluntary-Aided Programme). Until April 2020, the charity 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 LCVAP income and expenditure was not reflected in the Statement of Financial Activities as the charity had no control over the funds and the transactions were those of the school governors rather than the charity, which acted as agent. The change in funding from April 2020 gives the charity ultimate control over the application of the VASCA grants to specific schools. Therefore, the VASCA grant funding received is recognised in the SOFA along with the related expenditure.

#### Investment funds

Funds arising out of the sale of school properties were received in the past years under various Educational Endowment Orders and were amalgamated into a uniform statutory trust in 1995 following the provisions of the Education Act 1993. These funds are shown separately as trust funds in the financial statements and their use is restricted to the following: -

- funding for the purchase, or erection of, improvement or enlargement of, relevant school premises in the area,
- funding maintenance costs of any relevant school in the area,
- funding the costs of the administration of the trust and the costs of providing advice, guidance, and resources in connection with any matter related to the management of, or education provided at any relevant school in the area.

#### 21 Endowment funds -

These are endowment funds funds which are material to the charity's activities.

	At 1 January 2024	Gains and losses	At 31 December 2024
	£	£	£
Properties held	1,178,638	23,571	1,202,209
	<u>1,178,638</u>	<u>23,571</u>	<u>1,202,209</u>
Previous year:	At 1 January 2023	Gains and losses	At 31 December 2023
	£	£	£
Properties held	1,178,638	-	1,178,638
	<u>1,178,638</u>	<u>-</u>	<u>1,178,638</u>

## CHESTER DIOCESAN BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

#### 22 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024	Incoming resources	Resources expended	Gains and losses	At 31 December 2024
	£	£	£	£	£
General funds	1,851,724	291,959	(226,668)	34,562	1,951,577
	<u>1,851,724</u>	<u>291,959</u>	<u>(226,668)</u>	<u>34,562</u>	<u>1,951,577</u>
<b>Previous year:</b>	<b>At 1 January 2023</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Gains and losses</b>	<b>At 31 December 2023</b>
	£	£	£	£	£
General funds	1,609,545	339,114	(227,615)	130,680	1,851,724
	<u>1,609,545</u>	<u>339,114</u>	<u>(227,615)</u>	<u>130,680</u>	<u>1,851,724</u>

#### 23 Analysis of net assets between funds

	Unrestricted funds	Endowment funds	Restricted funds	Total
	2024	2024	2024	2024
	£	£	£	£
<b>At 31 December 2024:</b>				
Tangible assets	4,034	-	-	4,034
Investment properties	-	1,202,209	-	1,202,209
Investments	1,458,831	-	9,666,755	11,125,586
Current assets/(liabilities)	488,712	-	1,241,367	1,730,079
	<u>1,951,577</u>	<u>1,202,209</u>	<u>10,908,122</u>	<u>14,061,908</u>
	<u>1,951,577</u>	<u>1,202,209</u>	<u>10,908,122</u>	<u>14,061,908</u>
	Unrestricted funds	Endowment funds	Restricted funds	Total
	2023	2023	2023	2023
	£	£	£	£
<b>At 31 December 2023:</b>				
Tangible assets	4,804	-	-	4,804
Investment properties	-	1,178,638	-	1,178,638
Investments	1,512,309	-	9,335,014	10,847,323
Current assets/(liabilities)	334,611	-	1,674,999	2,009,610
	<u>1,851,724</u>	<u>1,178,638</u>	<u>11,010,013</u>	<u>14,040,375</u>
	<u>1,851,724</u>	<u>1,178,638</u>	<u>11,010,013</u>	<u>14,040,375</u>

**CHESTER DIOCESAN BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2024***

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**24 Capital commitments**

Capital commitments relating to VASCA projects at the year end was £1,506,417 (2023 - £1,392,632).

## CHESTER DIOCESAN BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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#### 25 Related party transactions

Chester Diocesan Board of Education acts as the education authority for the Church of England in the Diocese of Chester. The charity does not regard the schools in the Diocese to be classified as related parties.

Contribution re joint employment contracts and other recharges payable to The Chester Diocesan Board of Finance, an organisation in which there are a number of trustees on both boards totalled £377,839 (2023 - £373,677). The balance outstanding in creditors at the year end is £19,681 (2023 - £117).

The charity owns 16.67% of the ordinary share capital of DBE Services Ltd, an entity which commenced trading on 1st January 2006. The company undertakes support work across six northern dioceses. A distribution of £16,769 (2023 - £94,190) was received from DBE Services Ltd during the year.

#### **Chester Diocesan Academies Trust**

Some of the trustees of Chester Diocesan Board of Education are also trustees of Chester Diocesan Academies Trust. The trustees do not consider that there is overall control that would require this charity to be consolidated within these financial statements. During the year Chester Diocesan Academies Trust received a income of £2,925 (2023 - £5,427) from Chester Diocesan Board of Education, and paid over £8,107 (2023 - £2,875) for services received.

#### **Chester Diocesan Learning Trust**

Chester Diocesan Board of Education is supporting a new academy trust to be created, and has made available funds of £35,367 (2023 - £nil) as at 31st December 2024 to assist in the cashflow of the new trust, this balance is shown as a current asset on the balance sheet to be repaid once the trust is fully operational.

#### **Funds Held as Custodian Trustee**

The charity acts as custodian trustee in respect of funds held on behalf of local trustees and such specific purpose funds are shown separately from the financial statements, and total £215,436 (2023 - £78,555). The charity also acts as custodian trustee in respect of funds arising out of the sale of school properties where the funds are held pending the issue of an Order or other determination. The funds are held in separate accounts to ensure that sufficient custody and segregation from the charity's own assets.

#### **Woodchurch High School**

Total income receivable from Woodchurch High School, of which Revd L Bannon was employed and Dr D Cumberland was a director was £1,945 (2023 - £1,620).

#### **Bowdon C of E School**

Income receivable for the Family of Schools Subscription to Bowden C of E School, of which Mrs S Hudson was employed was £1,235 (2023 - £550). Income receivable in relation to conference income was £1,988 (2023 - £9,714).

#### **The Samara Trust**

The amount charged for the Family of Schools Subscription to The Samara Trust was £1,193 (2023 - £1,323), of which Mrs S Noakes was a trustee.

#### **The Bishops' Blue Coat C of E High School**

Income receivable for the Family of Schools Subscription to The Bishops' Blue Coat C of E High School was £1,620 (2023 - £300). Course and conference income of £120 (2023 - £2,070) was also received from the School, of which Mrs S Noakes was a trustee.

#### **Altrincham C of E Primary School**

Total income receivable from Altrincham C of E Primary school was £8,557 (2023 - £8,944), of which Mrs C Corley was a Governor. The amount incurred for services received was £0 (2023 - £715). At the year end £140 was due from Altrincham C of E Primary School (2023 - £240).

#### **St Chads C of E School**

Total income receivable from St Chads C of E School, of which Mrs C Speed was employed, was £485 (2023 - £560).

**CHESTER DIOCESAN BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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<b>26</b>	<b>Cash generated from operations</b>	<b>2024</b>	<b>2023</b>
		<b>£</b>	<b>£</b>
	Surplus for the year	21,533	1,624,917
	Adjustments for:		
	Investment income recognised in statement of financial activities	(481,731)	(455,012)
	Fair value gains and losses on investment properties	(23,571)	-
	Fair value gains and losses on investments	(278,263)	(913,194)
	Depreciation and impairment of tangible fixed assets	1,241	1,035
	Movements in working capital:		
	(Increase)/decrease in debtors	(54,692)	100,244
	Increase/(decrease) in creditors	35,018	(201,989)
	(Decrease) in deferred income	(4,174)	(1,071)
	<b>Cash (absorbed by)/generated from operations</b>	<u>(784,639)</u>	<u>154,930</u>

**27 Analysis of changes in net funds**

The charity had no material debt during the year.

## CHESTER DIOCESAN BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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#### 28 Sole Trusteeship of Exempt Charities - School Trusts

The below charities are exempt charities of which the Chester Diocesan Board of Education is sole trustee. In accordance with section 19.13 of the Charities SORP (FRS 102) the description and class of assets for all of the below are the school building and lands of the Schools. There is no trading through these exempt charities, their sole purpose is to hold the lands and buildings in the form of School Trusts: -

- Bidston Village Church of England Primary School Trust
- Bromborough Church of England Primary School Trust
- Chelford Church of England Primary School Trust
- Christ Church (Birkenhead) Church of England Primary School Trust
- Delamere Church of England Primary School Trust
- Frodsham, Five Crosses Church of England Primary School Trust
- Goostrey Church of England Primary School Trust
- Great Budworth Church of England Primary School Trust
- Guilden Sutton Church of England Primary School Trust
- Hoole, All Saints Church of England Primary School Trust
- Hoylake Holy Trinity Church of England Primary School Trust
- Huxley Church of England Primary School Trust
- Little Bollington Church of England Primary School Trust
- St John the Evangelist Church of England Primary School Trust
- Mollington St Oswald's Church of England Primary School Trust
- Norley Church of England Primary School Trust
- St Bertelina's Church of England Primary School Trust
- The Priory Parish Church of England Primary School Trust
- Saighton Church of England Primary School Trust
- St John's (Sandbach Heath) Church of England Primary School Trust
- Stockport St Thomas' Church of England Primary School Trust
- Tushingham-with-Grindley Church of England Primary School Trust
- Upton Heath Church of England Primary School Trust
- Wharton Church of England Primary School Trust
- Whitegate Church of England Primary School Trust
- Wincle Church of England Primary School Trust
- Woodcocks Well Church of England Primary School Trust
- Worleston St Oswald's Church of England Primary School Trust

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

**CHESTER DIOCESAN BOARD OF EDUCATION**

England & Wales - Charity number 525790

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# Accounts

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Charity registration number 525790

Company registration number 85176 (England and Wales)

**CHESTER DIOCESAN BOARD OF EDUCATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

# CHESTER DIOCESAN BOARD OF EDUCATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Members of the Board of Education

The Bishop's nominees: -

Ven Dr M Gilbertson  
Mr D Hermitt

Members elected by Diocesan Synod: -

Revd L Bannon  
Professor P Bowden  
Mrs M Cruxton  
Dr D Cumberland  
Dr C Gordon  
Mrs S C Hudson

### Trustees

Ven Dr M Gilbertson (Chair)  
Revd L Bannon  
Mrs M Cruxton  
Dr D Cumberland  
Mrs S Hudson  
Dr D Walter  
Dr C Gordon  
Mr P Gibbons (Co-opted) (Appointed 31 January 2023)  
Rev Dr J Arnott (Appointed 31 January 2023)  
Mr D Hermitt (Appointed 31 January 2023)  
Rev J Bridgeman (Co-opted) (Appointed 31 January 2023)  
Mrs C Speed (Co-opted) (Appointed 31 January 2023)  
Rev C Corley (Co-opted) (Appointed 31 January 2023)

### Secretary

Mr C Penn

### Charity number

525790

### Company number

85176

### Registered office

Church House  
5500 Daresbury Park  
Daresbury  
Warrington  
Cheshire  
WA4 4GE

### Auditor

Mitchell Charlesworth (Audit) Limited  
24 Nicholas Street  
Chester  
CH1 2AU

### Bankers

National Westminster Bank plc  
33 Eastgate Street  
Chester  
CH1 1LG

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# CHESTER DIOCESAN BOARD OF EDUCATION

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# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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The trustees are pleased to present their annual report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association of 1943 amended on 24 April 2017, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102)" (effective 1 January 2019).

#### Objectives and activities

The charity acts as the Education Authority for the Church of England in the Diocese of Chester, in accordance with The Diocesan Boards of Education Measure 2021. The objects of the charity are:

- to promote or assist in the promotion of education in the Diocese that is consistent with the faith and practice of the Church of England;
- to promote or assist in the promotion of religious education and religious worship in schools in the Diocese;
- to promote or assist in the promotion of church schools in the Diocese;
- to promote co-operation between itself and other persons concerned with education in the Diocese.

One of the principal activities is the administration of grant claims in respect of building and maintenance work carried out on school properties together with all other related matters which promote the efficiency of, or otherwise benefit, the schools in the Diocese. This administration has become a more central feature as the grant funding is paid directly to the DBE for distribution.

In addition, the charity has continued to provide assistance to Chester Diocesan Academies Trust (CDAT). It actively encourages schools considering academy status to join CDAT, it is developing its wider academy strategy which is to be launched in 2024.

The company also acts as custodian trustee for a number of specific trusts (referred to as Specific Purpose Funds in the attached accounts).

The strategies employed to achieve the charity's objectives are to:

- Administer and advise on building work, particularly in aided schools in the Diocese;
- Advise and support governing boards in aspects of their role such as appointments, admissions and ethos;
- Support and promote quality religious education and worship in church schools in the Diocese;
- Support staff and governors through denominational inspection procedures liaising with the C of E centrally and offering training and advice;
- Supporting staff and governors through the Ofsted inspection process;
- Provide training opportunities for staff and governors on aspects relating to church schools;
- Provide pastoral and other support to schools experiencing difficulties;
- Provide pastoral support for church school leaders;
- Promote wellbeing and provide opportunities for professional development;
- Facilitate school collaboration and support;
- Offer opportunities for children and young people to come together with others from church schools;
- Advise and support schools converting to academy status;
- Work with other Diocesan Boards of Education in the DBE Services group to provide high quality services to schools;
- Work with Local Authorities, academy trustees, the DfE and Regional School Director to support education in church schools across the Diocese;
- Represent the Diocese on committees and groups involved in school work; and
- Advise and support the trustees of church educational endowments held wholly, or partly for, or in connection with, any church school.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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In order to track the success of these objectives, the DBE observes a number of performance indicators:

- The uptake of subscriptions to the Family of Schools membership;
- Increased engagement and sign-up by schools to DBE facilitated or endorsed CPD (Continuing Professional Development) training;
- Developed and strengthened engagement by school leadership in networks and individual contact with executive officers;
- Successful Ofsted and SIAMS inspections;
- Improved mental wellbeing of school leadership (notably headteachers);
- The engagement of outside bodies with the work of the Board; and
- Clear links with the work of officers and the DBE vision.

#### **Performance**

The Board's vision is:

**Being deeply Christian and for the common good, our schools will be communities which are: Loving in relationships; Ambitious in aspirations; Bold in actions.**

DBE strategy and operational activities are influenced by this vision and are delivered across six key principles; relationships, outcomes, impact, resourcing, structures and trust.

#### **Relationships**

The Board has continued to support and develop its relationships with a number of organisations, primarily Diocesan schools, and has worked to strengthen these throughout the year through a number of activities.

A focus on headteacher and senior leadership wellbeing has been managed through a wellbeing programme for headteachers which is split into two cohorts, one for experienced headteachers and one for those in the early years of headship. Headteachers were encouraged to attend the programme and Chairs of governors to signpost their leaders to it. The programme runs throughout the academic year and so 2023 covered 4 cohorts. Training for governors was offered throughout the year to ensure governors were aware of their duties with regards to wellbeing. Individual pastoral support was the most impactful work undertaken by executive officers as they supported leaders who needed additional individual support for a number of differing reasons.

After reviewing the effectiveness and uptake of officer led headteacher cluster led meetings the decision was made to suspend these from September 2023. DBE officers continued to attend school led clusters inputting DBE information and supporting collaboration. Headteacher surgery and wider DBE briefings were planned into the CPD offer to engage schools across the Diocese.

Support for Chairs of governors had been identified as a priority in the previous year with a number of schools finding it a challenge to elect a Chair of their Board. Termly surgeries for Chairs continued to be offered to support them in their role and ensure that they were aware of DBE policies. These were well received, and some Chairs continue to meet separately in groups initially facilitated by the DBE, providing a supportive network.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### *FOR THE YEAR ENDED 31 DECEMBER 2023*

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For staff in schools, a number of networks have provided support and helped develop relationships with staff beyond headteachers, for example, RE subject leaders, deputy/assistant headteachers, and collective worship leaders. A rich programme of CPD has been on offer to support leaders, staff, clergy and governors across the Diocese which has been well attended.

Support for the most vulnerable within the Diocese has continued to be a focus for the work of the Board through the Disadvantage group and SEND network alongside the Board's involvement with external partners, including the Church of England Foundation for Educational Leadership (CEFEL) in supporting local peer support networks on Trauma Informed Practice. These have continued to impact practical work in schools to support these groups and also support the professionals as they develop their provision by sharing ideas and good practice.

The Board is involved in various partnerships working both across the region and nationally, including the Diocesan Directors of Education network, the Diocesan Governance Group (DGG), Diocesan Admission Group (DAG), RE advisers, North West Co-ordinators of Governor Services (NWCOGS), and CEFEL. These have ensured the DBE is kept informed of regional and national developments and also ensured the DBE has a voice and influence in these groups.

Collaboration with other Diocesan Boards of Education in the northern province has been positive over the year through DBE services and the sharing of good practice and resources on governance, RE, SIAMS, and other aspects of the Board's work. The very successful Christian Leadership course finished and started another cohort in September with eight candidates from Chester starting.

The Board continued to work with its nine Local Authorities providing support for maintained schools and academies with regards to Ofsted and data outcomes, whilst maintaining its core purpose of supporting the distinctive nature of its church schools. A number of schools required closer collaboration with Diocesan Officers working together to provide support with regards to leadership and school improvement. The Board also has representation on Local Authority Children and Young People Scrutiny Committees and Standing Advisory Councils for Religious Education (SACRE).

In order to support relationships between schools for children and pupils, the Board has offered training for school ethos groups, encouraged schools to undertake the Archbishops' Young Leaders Awards and supported school Vision ambassadors as well as bringing church school children together in the successful annual year six leavers' service.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### Outcomes

In addition to Ofsted inspections, Anglican church schools undergo a denominational inspection under the auspices of the Statutory Inspection of Anglican and Methodist Schools (SIAMS) (Section 48 of the Education Act 2005).

The charity continued to support schools before and after denominational inspection and these provide great benefit in further developing the Christian foundation of the schools as well as offering a means of pastoral support to senior leaders. Schools due for inspection were invited for specific training in order to prepare them for inspection as well as providing general training through the CPD programme. Between January and September, seven schools were inspected under the SIAMS schedule; six of these were judged to be good, one was judged to be excellent.

From September 2023 a new framework was implemented, this removed the gradings and replaced them with a detailed narrative of the strengths of the schools and areas of development followed by one of two phrases to summarise. These phrases are:

The inspection findings indicate that the school is living up to its foundation as a Church school, and is enabling pupils and adults to flourish.

Or

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.

From September six schools were inspected and all were summarised as living up to their foundation as Church schools, and enabling pupils and adults to flourish.

As of the end of 2023, 100 schools were judged to be good or better under the Ofsted framework. Forty eight schools were inspected during 2023, much higher than in previous years and reflective of Ofsted's desire to ensure that all schools are inspected post-pandemic at least once by July 2025. Three schools retained outstanding status, one moved from outstanding to good, twenty-nine remained good, five moved from Requires Improvement (RI) to Good. Seven moved from Good to Requires Improvement, two moved in to Special Measures from Requires Improvement and one Special Measures school was monitored and remained in Special Measures. A pattern emerged of schools improving from 'RI', having implemented robust curricula, as well as clearly focusing on impactful leadership. Schools that moved to 'RI' often had not moved as far or as quickly in these areas; those deemed Inadequate had not focused on impact of leadership or standards and sometimes had more serious areas for improvement, including safeguarding.

Following the publication of the SIAMS annual report, the Board has encouraged schools to look in particular at the need to develop opportunities for spiritual development and courageous advocacy. The aim was that by the end of the year more schools were able to articulate the language of spirituality and provide more opportunities for spiritual development for both children and adults. Schools should have also gained a greater understanding of courageous advocacy, in turn supporting children and young people to identify injustice and take action, thus impacting wider society. This work is ongoing with a number of schools taking the opportunity to host bespoke training on spirituality led by a Diocesan officer as well as attendance at a conference on this topic hosted by Liverpool Diocese. The Archbishop of York awards was regularly highlighted to schools and a number of schools have taken on the programme to support their courageous advocacy work.

The close working relationship between the Board and Chester Diocesan Academies Trust (CDAT) continued to develop throughout the year. In the previous year the Board had expressed its strong preference for diocesan schools to join CDAT. This has had a positive impact on the growth of CDAT with the Trust now being 14 schools strong and a number of schools waiting to join. Officers of the DBE have worked closely with officers of CDAT with both organisations working together to support schools across the Diocese, both in CDAT and LA maintained. The success of CDAT has meant that the DBE has had to review its academy strategy for the future and began work, in collaboration with CDAT, to look at the foundation of a second diocesan academy trust.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2023*

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### **Impact**

In order to achieve the outcomes expected, the Board must ensure it has the required impact.

The Family of Schools offer is the main source of financial engagement with schools, in addition to attendance at training and events. The Board encouraged all schools to join the Family of Schools and attend training and events by providing appropriate resources and support as well as ensuring a programme of training and events that supported schools' current priorities. The Board reviewed the offer before the start of the academic year and uplifted the charge slightly to cover costs, as well as charging for some additional aspects. A commitment was also made for each school to receive a visit from a DBE officer as part of this offer. Although time consuming, it has enabled the Board to have contact with each one of its schools through the visit as well as helping identify wider and more individual school challenges to help inform future planning. It has also resulted in the ability to link schools based on need and examples of good practice. To date one school did not buy back into the Family of Schools for financial reasons.

In addition to the CPD that is chargeable, the Board offered a wide variety of support that was not charged, including cluster groups, briefings, training for governors, support for voluntary aided schools with regards to capital work and general individual guidance and support. The Board publicises this support through various means including regular bulletins and social media. Schools have engaged well with these offers.

In order to encourage greater engagement and thus Board impact, the offer of meetings, briefing and training in a hybrid model of in-person and virtual allowed those from the extremes of the Diocese to attend without the need to travel. This has been well received with some schools preferring to take up the virtual offer and others preferring to attend in person; by offering both, the Board has been able to support a wider range of schools.

As highlighted in the SIAMS annual report, the headteacher has the greatest impact on the strength of a church school. Through the year the Board, as anticipated, was made aware of a number of recruitment opportunities to leadership positions. DBE Officers have supported the recruitment of strong church school leaders by guiding governing boards throughout the appointments process at both Headteacher and Deputy Headteacher level.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### Resourcing

Following an extensive financial review in 2021, new centralised systems were implemented, resulting in an efficient cloud based financial recording and reporting system which has had a positive impact on officer workload and thus productivity. As this work has developed and become embedded, processes have become more efficient as work moves wholly to the cloud-based system and DBE Officers become more familiar with the software. There has also been the opportunity to make the experience more efficient for external partners through the introduction of an updated event booking system and the ability to pay for training online. This has also enabled the production of quarterly management accounts to the Board, and an increased level of scrutiny and review of the company finances.

Aided schools in the Diocese have continued to demonstrate their trust in the charity by having their Devolved Formula Capital (DFC) monies held centrally, enabling the Board to allow some schools to expend money which they will not receive until the following year.

Voluntary Aided schools must get DBE permission for capital work as well as fund 10% of the total grant-aided costs. In order to ensure transparency, the Devolved Formula Capital (DFC) and Schools Capital Allocation (SCA) monies were separated from DBE central funds and held in designated bank accounts. Some monies from CCLA investments were transferred to the general bank account to assist cash flow following this separation. To further manage cash flow governors are now required to pay their contribution up front and are no longer able to defer payments. This has been fully communicated to schools but some schools have still made applications to defer. As the expectation becomes embedded, there is the hope that schools no longer make such requests and plan applications with the appropriate finances available.

The SCA monies are paid directly to the DBE. The Board continues to ensure that projects are funded based on appropriate priorities of safeguarding and health and safety. A further focus has been achieving net zero carbon emissions by 2030. A working party has been created to look at strategies to achieve this, with the plan for pilot projects to take place throughout the following year. This has taken longer to implement than originally planned and so is an objective that is to be rolled into future years.

Many schools benefited from building work and the support of staff and consultants from DBE Services Ltd.

Projects with work over £100,000 included:

Completion of projects begun in 2022:

- |                           |   |
|---------------------------|---|
| • Bridgemere              | Replacement of Flat Roof Covering and Ancillary works |
| • Crowton Christ Church   | Flat Roof Replacement Phase 1                         |
| • Hartford CE High School | Mechanical Replacement Works - Phase 1                |
| • Oxton St Saviour's      | Electrical upgrade & repair works                     |
| • Prestbury               | Flat Roof Replacement Works - Phase 3                 |
| • Sale, St Anne's         | Electrical Re-wire                                    |
| • St Berteline's CE       | Refurbishment of Toilet Areas (Phase 2)               |
| • Stretton St Matthew's   | Reroofing Phase 1                                     |

New projects in 2023:

- |                            |  |
|----------------------------|--|
| • Hartford CE High School  | New Build & Associated Works           |
| • Hartford CE High School  | Mechanical Replacement Works - Phase 2 |
| • Norton St Berteline's    | Main Entrance Safeguarding Extension   |
| • Sandbach Heath St John's | Roofing Works                          |
| • Stockport St George's    | External Building Fabric Repairs       |

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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Human resource is one of the main ways the Board hoped to achieve its objectives. By ensuring well trained and resourced school staff and governors the Board impacts outcomes for children within its schools. As identified earlier, good leadership recruitment is essential followed by induction and support. The Board's CPD programme is designed to develop leaders from the start of their career on to leadership. An extensive ECT programme, designed to run alongside the national training, has been developed to ensure teaching professionals understand the distinctiveness of church schools and the impact they have. Training and support for middle and senior leaders has continued to be provided alongside that for governors and RE leads. The CPD offer remains a central focus for the Board and its impact.

The recruitment of foundation governors remains a challenge not just for the Board but nationally. The Board still expects foundation governors to be regular worshippers but will employ an alternative framework of appointment where circumstances require it. The Board has continued to work with local parishes and national bodies to both encourage involvement and recruit to schools. The recruitment of Academy Directors as well as to local governing boards following varied Articles has added complexity to the situation.

The Board's central team of officers, supplemented by a small number of consultants, has continued to develop the Board's offer and responded to national and local circumstances to ensure Diocesan schools are equipped and supported in all situations. As the Board's academy strategy grows this will add a further workstream to the Board.

As Chester Diocesan Board of Education is an Incorporated Company which operates financially independently from Chester Diocesan Board of Finance, the DBE does not receive any income from local parish churches via the parish share scheme. The DBE is, therefore, responsible for sourcing its own income and, due to the financial strains on schools, relies heavily on income generated by investments, dividends and rental income from previous school sites. These income sources fund the majority of the DBE's day to day activities to further its aims and charitable objectives, with income from Family of Schools membership and attendance at training courses and conferences supplementing this income. These resources are managed carefully by the Board to ensure efficiencies whilst still investing for impact.

#### **Structures**

The Board of Education reconstituted on the 1<sup>st</sup> January 2023 following the 2021 DBE Measure. The two committees were renamed from Finance and General Purposes and Education Effectiveness to Finance and Estates (F&E) and Distinctiveness, Standards and Governance (DSG) to better reflect the various aspects of their work. Updated terms of reference were also adopted.

The Board regularly reflected on its policies and practices throughout the year and has updated some practice around SCA grant approval and Risk Management to further develop oversight.

The Board has held senior officers to account for the offer and impact of the Board on its schools, Trustees and wider communities. It has challenged practice and ensured that financial oversight is rigorous.

The Board has continued to consider its role in the academy system through the academy working party and discussion at the main Board. The publication of new model academy articles and a Memorandum of Understanding has necessitated a review of the Board's academy strategy which will impact school structures in the Diocese for the future. The academy strategy was carefully considered, initially by the Academy Working Party and then the Board with the purpose of ensuring each church school in the Diocese continues to fulfil its Trust deed through their governance structures. The Board also identified the need to develop an additional Diocesan Multi-Academy Trust (MAT) which will work alongside the current Diocesan MAT, Chester Diocesan Academies Trust (CDAT), to provide support for church schools as they move to academy status. This will be a major focus of the work of the Board for the following year as it supports its development and retains oversight of both CDAT and the second Diocesan MAT through its Members.

#### **Trust**

In order to achieve its aim regarding relationships, outcomes, impact, resourcing and structures, the Board must be trusted by all those linked to it. The Board has worked hard to ensure it is transparent, engaging and reflective and that it is both supportive and challenging to support the best outcomes for its schools.

Through its work the Board has continued to support its schools in being Loving in Relationships; Ambitious in Aspirations; and Bold in Actions.

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# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### Financial review

#### Reserves Policy

The charity is almost entirely dependent on the income from its investments to support its work. Consequently, investments are maintained, and the trustees would only consider expending capital in exceptional cases. Despite the continued volatility in national and world markets due to the pandemic and Brexit, the reserves have remained fairly stable.

The Restricted Funds arise out of the sale of school properties which in past years came under various Educational Endowment Orders and were amalgamated into a uniform statutory trust in 1995 following the provisions of the Education Act 1993. The use of these funds is restricted to the following:

- a) funding the purchase, or erection of, improvement or enlargement of, relevant school premises in the area;
- b) funding maintenance costs of any relevant school in the area;
- c) funding the costs of the administration of the trust and the costs of providing advice, guidance and resources in connection with any matter related to the management of, or education provided at any relevant school in the area.

The Unrestricted General Funds held are historic funds and may be used for the general purposes of the Board in achieving its charitable objectives.

Free unrestricted reserves at the end of 2023 were £1,851,724 (2022 - £1,609,545), Total restricted reserves were £11,010,013 (2022 - £9,627,275). A detailed breakdown of restricted reserves, along with notes of the restrictions on these funds can be found in note 19 of these accounts.

The Board holds free reserves - restricted and unrestricted - of £12,861,737 at the end of 2023 (2022 - £11,236,820) and £1,178,638 (2022 - £1,178,638) of Endowment funds. Of this, £10,847,323 (2022 - £10,150,878) is held in investments in order to provide some capital appreciation and a flow of investment income. Of the investments, £1,512,296 (2022 - £1,381,617) are unrestricted, equivalent to over two years of expenditure. While the Board has no intention of liquidating these investments, it could do so with little difficulty. As such the Board considers it has adequate reserves to enable it to respond to changing church education needs and fluctuations in the economic environment.

The boards policy is to hold a minimum of twenty four months unrestricted expenditure within its unrestricted reserves, and the boards reserves adequately cover this. Restricted funds in relation to the SCA projects are held in line with the SCA funding received and required expenditure on projects as authorised, the restricted funds held adequately cover the future expenditure on the SCA projects.

It should be noted that these levels of reserves are partly historic and partly received through Act of Parliament; they are not hoarded donations.

The Finance and Estates Committee of the Board will continue to review levels of reserves and make their findings known to the Board of Trustees.

#### Financial Review, Reserves and Going Concern

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Statement of Financial Activities shows net income of £711,723 (2022 - £79,058) and investment gains of £913,194 (2022 - £1,379,990 loss) together with a gain on revaluation of fixed assets of £nil (2022 - £318,228 loss) resulting in net movement in funds of £1,624,917 (2022 - £1,619,160 deficit).

The financial statements have been prepared on the going concern basis, as the trustees consider that the Board has sufficient reserves to continue operations.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### **Investment Policy and Outcome**

To determine where the charity should invest its financial assets, the DBE follows the national Church of England's Statement of Ethical Investment Policy, which states that taking account of environmental, social and governance (ESG) issues is an intrinsic part of being a good long-term investor, for both ethical and financial reasons.

To achieve this, the charity holds cash together with holdings in the Central Board of Finance (CBF) Church of England Investment Fund, the CBF Church of England Global Equity Income Fund, the CBF Church of England Property Fund, and the CBF Deposit Fund. The intention is to provide income together with capital appreciation to afford long term protection against inflation. The value, of investments has fluctuated over the year but as always, the DBE's response to short-term investment fluctuations is to focus on the long-term viability of the investment portfolio of which it is confident. The Board has reviewed its investments and held discussions with CCLA to reassure itself that its monies are managed in an ethical and efficient way to ensure the long term viability of the Charity.

The CBF guarantee that investments are made in accordance with the ethical standards of the Church of England. The trustees will continue to regularly consider the performance of the shares to ensure that the return in terms of capital growth and income is appropriate to the long-term needs of the charity.

The Finance and Estates Committee will continue to keep investment policy and the investments themselves under review and keep the board of directors informed.

### **Risk management**

The trustees have a risk management strategy which comprises:

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

Trustee indemnity insurance is in place.

The Board considers the main risks to be in the following areas:

- CDAT as the Diocesan Trust is unable to take all schools that are required to academise, leaving schools to join other Trusts that may not have a strong relationship with the DBE.
- Risk to/Loss of Capital/Decrease in value of CCLA investments.
- National or global events causes school capital projects to change in priority, overrun or overspend.
- Changes in school funding reducing viability of small schools.
- Rise in energy bills and other costs impact on schools budgets leaving less resource to support education and development.
- Risk that DBE budget will be in deficit.
- Libel/Adverse media coverage inc. due to high profile, national or global events.

Mitigation for these risks have been identified and continue to be monitored.

The Board, with local authorities, continues to support schools in facilitating discussion around school organisation and possible structures to manage school funds.

A key element in the management of financial risk is the work of the both committees considering the detailed risks and the Board understanding the high risks and the mitigations for them.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### **Remuneration of Key Management Personnel**

As DBE employees are joint employees with Chester Diocesan Board of Finance, the salaries of key management personnel, as per all DBE employees, is set according to the Chester Diocesan Board of Education pay scale as determined by the HR Committee and the Finance and Scrutiny Committee of the DBF. Any pay increases determined outside of the DBF committees are proposed by the DBE Board and taken to the DBF committees for approval.

### **Supplier Payment Policy**

The Company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London, WC1A 1DU).

The company's current policy concerning payment of trade creditors is to:

- Settle the terms of payment with suppliers when agreeing the terms of each transaction; and
- Ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contract and other legal obligations.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### Plans for the future

##### 'Being deeply Christian and for the common good',

The Board will support its schools to be communities which are: Loving in relationships; Ambitious in aspirations; Bold in actions in the following ways:

#### Relationships

The Board will continue to invest time into the relationships it has with various organisations, particularly its schools, and as the academy system develops, the academy trusts in which its schools sits. This will include the development of a second diocesan trust which will secure its relationships with the schools that will join it and the Board's current diocesan trust, CDAT.

There will be a continued focus on wellbeing for school leaders through the wellbeing programme, governor training and individual support. In a time when pressures on school leaders are so great, there is a need to support them through both practical and pastoral activities and the Board will prioritise this through the year. School leaders manage the wellbeing of school children/students, staff and communities and so by supporting the wellbeing of leaders this should have a positive impact on those they support.

Chairs of governors in turn are a source of support for school leaders and do this in a voluntary capacity. Termly Chair of governor networks will continue to be held to provide information, answer questions and support networking. The Board will continue to support schools and local parishes as they look to recruit governors and the Board plans to enhance its relationships with its academy trusts as DBE appointees/recommendations are recruited to all levels of governance in them.

Networks for senior leaders, clergy, RE leaders and worship leads will continue to be supported by the Board. These will enable the Board to share information and understand the current needs of those involved in church schools. A rich programme of CPD will also be on offer to support leaders, staff and governors across the Diocese.

Support for the most vulnerable within the Diocese will continue to be a focus for the work of the Board through the Disadvantage group and SEND networks alongside the Board's involvement with external partners, such as Church of England Foundation for Educational Leadership (CEFEL).

A particular focus in this and future years will be diversity. A network has been established to bring schools together to consider the understanding and definition of diversity and inclusion in the context of schools and to also raise the profile and integrate diversity and inclusions across all schools in the Diocese.

The Board will continue to work with a number of organisations and strategic partners, including the Department for Education and Ofsted to support its work and the work of others. Various partnership working is planned with CEFEL and officers will continue to be involved in a number of national and local networks.

Collaboration with other Diocesan Boards of Education in the northern province will continue through DBE Services and through the sharing of good practice and resources on governance, RE, SIAMS, and other aspects of the Board's work. The very successful Christian Leadership course will run again through the year. A further piece of collaborative work taking place is around decarbonisation projects to support the net zero plan for the Diocese. The Board will work with DBE Services to bulk buy energy efficient bulbs and solar panels for its schools as well as supporting other innovations.

As the education landscape evolves the Board will support schools in managing the route to academy status. Officers will advise and support Governing Boards, liaise with academies and advise the Board on proposals. The Board is also fully committed to supporting the Diocesan MAT, Chester Diocesan Academies Trust (CDAT) as it grows as well as the development of a second Diocesan Trust to bring further options for church schools.

In order to support relationships between schools for children and pupils, the Board will ensure its offer of resources and events includes opportunities for children and pupils.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### **Outcomes**

Following the change in the SIAMS inspection process the Board will continue to support schools in understanding the process and has the aim that all the schools inspected through the year will be judged as 'Living up to its foundation as a church school'.

The Board had identified the need for schools to develop their understanding and language around spiritual development in the previous year and SIAMS outcomes has indicated that this is a continued area of need. Training has taken place throughout the year both at Diocesan and individual school level and this support will continue to be offered throughout the year to ensure that more schools are able to articulate the language of spirituality and provide more opportunities for spiritual development for both children and adults.

Working alongside Local Authority and academy colleagues, the Board will support schools with the aim that all schools receive at least a 'Good' judgement in their latest Ofsted inspection. The Board will provide guidance and support to schools that are due an Ofsted inspection; identify schools that may need additional support because of data or other aspects of concern and give additional support to schools that have not yet achieved a 'Good' Ofsted outcome. It will also support school leaders as they prepare for inspection, focusing on their wellbeing.

The Board will continue to signpost schools to appropriate resource and support, working in collaboration with LA and academy colleagues, in order raise outcomes for all children and young people. The expectation would be all diocesan schools have ambitious aspirations for all.

### **Impact**

In order to achieve the outcomes expected the Board must ensure it has the required impact.

The Family of Schools offer is the main source of financial engagement with schools, in addition to attendance at training and events. The Board will encourage all schools to join the Family of Schools and attend training and events by providing appropriate resource and support and ensuring a programme of training and events that supports schools' current priorities. This will be offered in a mixture of chargeable and non-chargeable events and also a hybrid of virtual and in person to encourage uptake.

Further work will be undertaken to develop online and recorded resources for schools that can be accessed at any time helping reach an even wider audience.

Through the year the Board expects there to be a number of recruitment opportunities in leadership positions. It will continue to support the recruitment of strong church school leaders by guiding governing boards throughout the process for both deputy and headteacher appointments.

### **Resourcing**

In the previous year new centralised financial systems were implemented, resulting in an efficient cloud based financial recording and reporting system which has had a positive impact on officer workload and thus productivity. This has been further developed to support efficiencies and the Board will continue to monitor its impact and develop further resources as necessary.

Most Voluntary Aided schools are now aware that the governors' contribution must be paid upfront and that the Board cannot fund deferred payments but it is not fully understood by all and so the Board will continue to ensure the message is repeated throughout the year.

The Boards work on achieving net zero carbon emissions by 2030 will continue to be a focus with a working party looking at ways to support schools in resourcing this decarbonisation work as well as working with DBE services on pilot projects. The decisions around SCA bids will also be influenced by this work.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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The Board in fulfilling its responsibility to offer guidance on denominational RE that meets the Church of England Statement of Entitlement for RE, has engaged with the process of researching, piloting and launching Questful RE throughout 2023. This is specifically for Voluntary Aided (VA) and previous VA schools who are required to teach denominational RE. However, extensive work has ensured that this quality resource has been made accessible to VA and previous VA schools with bespoke guidance on how it meets each local SACRE expectations. Further training will be put in place for 2024 to ensure schools plan a curriculum that is contextually appropriate using this resource and engage with effective use of the assessment system.

Human resource is one of the main ways the Board hopes to achieve its objectives. As identified earlier, good leadership recruitment is essential followed by induction and support. The Board's CPD programme will continue to support staff in schools at each stage of their career to ensure an experienced staff that understand and can support and develop the Christian foundation of their school.

The recruitment of foundation governors continues to be a challenge not just for the Board but nationally. The Board will continue to work with local parishes and national bodies to both encourage involvement and recruit to schools and academy trusts.

The Board's central team of officers, supplemented by a small number of consultants, will continue to develop the Board's offer and will respond to national and local circumstances to ensure Diocesan schools are equipped and supported in all situations.

#### **Structures**

The Board will continue to provide appropriate support and challenge to its executive officers as they seek to fulfil the terms of the DBE measure and objects of the charity. This will be achieved through the work of its two committees and working parties as well as through the meeting of the full Board.

The Board will measure itself against the Good Governance Code and regularly reflect on its policy and practices.

The Board will further develop its role in the academy system and give further thought to how it develops its relationships with schools and academy trusts as the number of schools converting to academies increases. It will continue to ensure that, where Diocesan schools are included, academy structures will ensure each church school is fully living up to its foundation.

#### **Trust**

In order to achieve its aim regarding relationships, outcomes, impact, resourcing and structures, the Board must be trusted by all those linked to it. The Board will ensure it is transparent, engaging and reflective; both supportive and challenging to ensure the best outcomes for its schools.

The Board would hope to have all of its schools engaged with its work, at least at some level with a large number fully engaged across all aspects of its work.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### Structure and governance

Chester Diocesan Board of Education is a registered charity no. 525790, and a company limited by guarantee no. 85176.

### Governing Document

The Chester Diocesan Board of Education is a company limited by guarantee registered in England and Wales and governed by its Memorandum and Articles of Association amended on 1 January 2023. It is registered as a charity with the Charity Commission. The Board comprises:

(1) the **Bishop**;

(2) at least one but not more than two members appointed by the Bishop (“Bishop appointed **Members**”);

(3) at least seven but not more than eight members elected by the **Diocesan Synod** who are worshipping members of the Church of England but need not themselves be members of the **Diocesan Synod** (“elected **Members**”), of whom: (a) at least three members shall be elected from each of the two archdeaconries of the **Diocese**, being people who work, worship or reside in the archdeaconry from which they are appointed, and

(b) at least one member shall be a clerk in holy orders beneficed or licensed in the **Diocese**;

(4) at least two but not more than four members co-opted by the **Board** who shall be persons with experience of church schools in the **Diocese** (co-opted **Members**).

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

Ven Dr M Gilbertson (Chair)

Revd L Bannon

Professor P Bowden

(Resigned 4 March 2024)

Mrs M Cruxton

Dr D Cumberland

Mrs S Hudson

Dr D Walter

Dr C Gordon

Mr P Gibbons (Co-opted)

(Appointed 31 January 2023)

Rev Dr J Arnott

(Appointed 31 January 2023)

Mr D Hermitt

(Appointed 31 January 2023)

Rev J Bridgeman (Co-opted)

(Appointed 31 January 2023)

Mrs C Speed (Co-opted)

(Appointed 31 January 2023)

Rev C Corley (Co-opted)

(Appointed 31 January 2023)

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### **Appointment of trustees**

As set out in the Articles of Association, the Chair of the trustees is the Bishop of Chester except that, if they do not desire to be Chair, the members after consultation with the Bishop, shall appoint some other person (whether or not a member) to be Chair. The Ven Dr M R Gilbertson (Archdeacon of Chester) was appointed as Chair. As described in the Articles of Association, the members of the DBE are also the Trustees of the DBE.

When vacancies occur and at the end of the terms of office for Board members; the roles are advertised across the Diocese and applications invited. This is to support both the fulfilment of equality objectives and to encourage a wide range of backgrounds and experience on the Board.

All board members, trustees and committee members are voluntary roles; the DBE does not use volunteers beyond these roles.

The main Board is supported in undertaking more detailed scrutiny through two committees, Finance and Estates (F and E) and Distinctiveness, Standards and Governance (DSG). These are made up of members of the Board with additional co-opted members. Two working parties have also been established on academisation and Decarbonisation, made up of Board members and additional persons invited to attend because of their experience.

### **Trustee induction and training**

New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. Trustees also meet key employees and are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

### **Trustees' statement on public benefit**

Chester Diocesan Board of Education is a public benefit entity. The trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

In accordance with the company objectives as set out in the Diocesan Board of Education Measure 2021, the Board of Education exists:

- to promote or assist in the promotion of education in the Diocese that is consistent with the faith and practice of the Church of England;
- to promote or assist in the promotion of religious education and religious worship in schools in the Diocese;
- to promote or assist in the promotion of church schools in the Diocese; and
- to promote co-operation between itself and other persons concerned with education in the Diocese.

The public benefit of our work is seen in the support and flourishing of church schools that provide education for all within a Christian ethos. The Board of Education also supports schools in developing links with their local communities to improve and unify these communities. Our support for schools also ensures the provision of buildings which can be used by parishes and outside bodies for the benefit of all.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### **Qualifying third party indemnity provisions**

#### **Charity Governance Code**

The Board follows the Charity Governance Code and continues to review best practice as it aims to continually improve. The Board manages effective governance of the charity in the following ways:

**Organisational Purpose** – The Board ensures its work is in line with its charitable objectives and also its vision of being deeply Christian and for the common good; and that its schools will be communities which are loving in relationships, ambitious in aspiration and bold in action. This vision continues to be developed and is used as a basis for the work of the Board and its officers. The wider diocesan vision is currently being implemented and will impact further development of the Board of Education vision.

**Leadership** – Two committees give a strong oversight of the work of the DBE, through detailed scrutiny and recommendations to the Board. Additional working parties help challenge and support executive officers as they support the development of DBE strategy in areas such as academisation and decarbonisation.

**Integrity** - The Bishop of Chester nominates the chair of the DBE to ensure the Board operates within the vision and values of the Diocese of Chester and the Church of England. The majority of the Board is appointed by Diocesan Synod to ensure the Board is independent in its decision making. A small number of members are co-opted based on the skills that they offer. Committees also have spaces for co-opted members which help bring a further perspective to its work. The Board is required to report back to the Diocesan Synod to share its progress in furthering its purposes.

**Decision Making, Risk and Control** - The risk register is regularly updated to ensure the Board is aware of, and managing its current risks. Each committee identifies risks and possible mitigation. These are then brought to the full Board. The Distinctiveness, Standards and Governance and Finance and Estates committees continue to support the Board in taking control of, and responsibility for, the decision-making process of the charity.

**Board Effectiveness** - Board directors bring a wide and diverse range of skills to The Board and continually monitor the work of the DBE and its executive officers; scrutinising operational activities through reporting processes and review of actions. Financial scrutiny and decision making is managed through clear financial policies and procedures.

**Diversity** - The Board of directors is appointed by the Diocesan Synod and, as far as possible, members are nominated to include a wide range of knowledge, skills and perspectives. When vacancies occur, or at the end of the term for the Board, the roles are advertised across the Diocese in order to encourage this breadth. However, the DBE intends to take a more proactive approach to encourage applications for appointment from a more diverse group, in particular with regards to age, gender and ethnicity. The DBE is committed to widening its diversity as it moves forward.

**Openness and Accountability** - The charity is accountable to and makes regular reports to Diocesan Synod and various other Diocesan committees to ensure that the Board is transparent in how it operates.

### **Organisation**

The Board of trustees administers the charity. The Board meets regularly together with the Secretary (the Diocesan Director of Education) who manages the day to day operations of the charity. The Board manages its business through its two committees, Finance and Estates and Distinctiveness, Standards and Governance. These are attended by members of the executive team. To facilitate effective operations, the Secretary has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and school related activities.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### **Related parties**

The charity has a close relationship with Chester Diocesan Board of Finance (a company limited by guarantee registered in England (no. 7826) and a registered charity (no. 248968) which provides office accommodation and payroll.

The charity has a close relationship with Chester Diocesan Academies Trust (CDAT) (a company limited by guarantee registered in England (no. 8451787) and an exempt charity) which is established as a multi-academy trust in the Diocese.

The charity jointly owns DBE Services Ltd (a company limited by shares registered in England and Wales (no. 5531123) with Blackburn Diocesan Board of Education, Carlisle Diocesan Board of Finance, Liverpool Diocesan Board of Finance, Manchester Diocesan Board of Education and York Diocesan Board of Finance. This company undertakes support work across the six dioceses and gift-aids any profit back to the six Boards.

### **Funds held as custodian trustee**

The charity acts as custodian trustee in respect of funds held on behalf of local trustees and such specific purpose funds are held in segregated accounts, separately accounted for, and do not appear in the financial statements. They are shown in note 22 to the accounts.

The company also acts as custodian trustee in respect of funds arising out of the sale of school properties where the funds are held pending the issue of an Order or other determination.

The Devolved Formula Capital for aided schools is held by the charity as part of these funds.

### **Statement of trustees' responsibilities**

The trustees, who are also the directors of Chester Diocesan Board of Education for the purpose 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditor**

In accordance with the company's articles, a resolution proposing that Mitchell Charlesworth (Audit) Limited be reappointed as auditor of the company will be put at a General Meeting.

**CHESTER DIOCESAN BOARD OF EDUCATION**

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

*M. R. Gilbertson*

.....  
Ven Dr M Gilbertson (Chair)  
**Chair**

Date: 16/06/2024 .....

# CHESTER DIOCESAN BOARD OF EDUCATION

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF CHESTER DIOCESAN BOARD OF EDUCATION

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#### Opinion

We have audited the financial statements of Chester Diocesan Board of Education (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

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

We have nothing to report in this regard.

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

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

# CHESTER DIOCESAN BOARD OF EDUCATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF CHESTER DIOCESAN BOARD OF EDUCATION

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

# CHESTER DIOCESAN BOARD OF EDUCATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF CHESTER DIOCESAN BOARD OF EDUCATION

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#### **Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- the charitable company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the charity's Statement of Financial Activities, (ii) the charity's accounting policy for revenue recognition (iii) the overstatement of salary and other costs and the movements for the year. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, the Statement of Recommended Practice - 'Accounting and Reporting by Charities'.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the academy's ability to operate or to avoid a material penalty. This includes regulations concerning Data Protection.

#### **Audit response to risks identified**

As a result of performing the above, we identified income recognition, override of controls and adherence to laws and regulations as the key audit matters related to the potential risk of fraud.

# CHESTER DIOCESAN BOARD OF EDUCATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF CHESTER DIOCESAN BOARD OF EDUCATION

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Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and trustees concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.



**Robert Hall (Senior Statutory Auditor)**  
for and on behalf of Mitchell Charlesworth (Audit) Limited

17/06/2024  
.....

**Accountants**  
**Statutory Auditor**

24 Nicholas Street  
Chester  
CH1 2AU

# CHESTER DIOCESAN BOARD OF EDUCATION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds 2023	Endowment funds designated 2023	Restricted funds 2023	Total 2023	Unrestricted funds 2022	Endowment funds designated 2022	Restricted funds 2022	Total 2022
	Notes	£	£	£	£	£	£	£	£
<b>Income from:</b>									
Donations and legacies	3	94,190	-	1,924,280	2,018,470	33,498	-	1,921,554	1,955,052
Charitable activities	4	100,952	-	-	100,952	82,035	-	-	82,035
Income from investments	5	143,972	-	311,040	455,012	147,193	-	271,103	418,296
<b>Total income</b>		<b>339,114</b>	<b>-</b>	<b>2,235,320</b>	<b>2,574,434</b>	<b>262,726</b>	<b>-</b>	<b>2,192,657</b>	<b>2,455,383</b>
<b>Expenditure on:</b>									
Charitable activities	6	227,615	-	1,635,096	1,862,711	239,332	-	2,136,993	2,376,325
Net gains/(losses) on investments	11	130,680	-	782,514	913,194	(183,414)	(318,228)	(1,196,576)	(1,698,218)
<b>Net movement in funds</b>		<b>242,179</b>	<b>-</b>	<b>1,382,738</b>	<b>1,624,917</b>	<b>(160,020)</b>	<b>(318,228)</b>	<b>(1,140,912)</b>	<b>(1,619,160)</b>
Fund balances at 1 January 2023		1,609,545	1,178,638	9,627,275	12,415,458	1,769,565	1,496,866	10,768,187	14,034,618
<b>Fund balances at 31 December 2023</b>		<b>1,851,724</b>	<b>1,178,638</b>	<b>11,010,013</b>	<b>14,040,375</b>	<b>1,609,545</b>	<b>1,178,638</b>	<b>9,627,275</b>	<b>12,415,458</b>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# CHESTER DIOCESAN BOARD OF EDUCATION

## BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		4,804		2,935
Investment property	14		1,178,638		1,178,638
Investments	15		10,847,323		10,150,878
			<u>12,030,765</u>		<u>11,332,451</u>
<b>Current assets</b>					
Debtors	16	94,208		279,853	
Cash at bank and in hand		3,317,406		2,408,218	
		<u>3,411,614</u>		<u>2,688,071</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(1,402,004)</u>		<u>(1,605,064)</u>	
Net current assets			2,009,610		1,083,007
<b>Total assets less current liabilities</b>			<u>14,040,375</u>		<u>12,415,458</u>
<b>Income funds</b>					
Restricted funds	19		11,010,013		9,627,275
Endowment funds - designated			1,178,638		1,178,638
Unrestricted funds			1,851,724		1,609,545
			<u>14,040,375</u>		<u>12,415,458</u>

The financial statements were approved by the Trustees on 16/06/2024

*M. R. Gilbertson*

.....  
Ven Dr M Gilbertson (Chair)  
Trustee

Company registration number 85176

# CHESTER DIOCESAN BOARD OF EDUCATION

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

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	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	23		154,930		197,682
<b>Investing activities</b>					
Purchase of tangible fixed assets		(2,904)		(3,436)	
Repayment of investment loans and receivables		85,401		141,966	
Proceeds from disposal of investments		216,749		-	
Investment income received		455,012		418,296	
<b>Net cash generated from investing activities</b>			754,258		556,826
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			909,188		754,508
Cash and cash equivalents at beginning of year			2,408,218		1,653,710
<b>Cash and cash equivalents at end of year</b>			3,317,406		2,408,218

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# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies

##### Charity information

Chester Diocesan Board of Education is a private company limited by guarantee incorporated in England and Wales. The registered office is Church House, 5500 Daresbury Park, Daresbury, Warrington, Cheshire, WA4 4GE.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Charities Act 2011, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

##### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Gift aided distribution from DBE Services Ltd - the charity has an investment in DBE Services Ltd which provides services to church schools including inspections, teaching and curriculum support, administrative services, building work, equipment and construction support. The charity receives gift aided distributions on the profits. The distribution is recognised on receipt.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

(Continued)

The charity operates a support package under the name "Chester Diocesan Family of Schools" referred to elsewhere in the annual report and accounts, and receives subscription income as a result which is recognised on an accruals basis in the accounts.

Conference income is derived from training events delivered to staff at Church of England Schools and is recognised on an accruals basis.

The charity receives dividends and interest on a range of investments, all holdings in Church of England funds operated by CCLA Investment Management Ltd which are recognised on receipt.

The charity also receives rental income from four former schools which is recognised on an accruals basis.

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Charitable activity costs also include the cost of administering grant claims in respect of building and maintenance work carried out on school properties, the cost of administering grants payable and providing support to the other charitable activities of the company.

#### Grants

Grants payable included within charitable activities represent discretionary grants to Governors or Schools for financial assistance towards the cost of specific, approved school projects. Grants payable are included in the Statement of Financial Activities on the accruals basis, to the extent that conditions for payment have been met.

#### Allocation of support costs

As explained in the annual report, the charity supports the Church of England schools in the Diocese in a wide range of ways including assisting with building projects, supporting and training governors, and promoting religious education more widely. The allocation between activities fluctuates as necessary.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers and office equipment	25% Reducing Balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies (Continued)

#### 1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

Proceeds from the sale of former school properties are normally held by the charity as custodian trustee (in specific purpose funds) until a relevant Educational Endowment Order or determination is issued.

The financial statements up to 31st December 1996 did not include any value for former school properties held in the name of the charity which had not yet been sold, but these properties are classified as investment properties, and have been included in subsequent accounts.

#### 1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

#### 1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### **1.12 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.13 Amounts due from school governors in respect of projects**

The charity receives funding on behalf of schools from the Department of Education for funding building works and other projects. The charity also makes payments to contractors on behalf of the schools. In the majority of cases the governors make a 10% contribution to the cost of the project; this often leaves an amount payable to the charity by the governors of the school. By concession, the charity allows school governors the time to pay their contribution, dependent on size and duration of the project and other factors. On occasions the governors of the school fund the whole cost of the project, leaving the full amount repayable to the charity.

#### **1.14 Funds held as custodian trustee**

The charity acts as custodian trustee in respect of funds held on behalf of local trustees and funds arising out of the sale of school properties where funds are held pending the issue of an Order or determination.

Funds held as custodian trustee do not belong to the charity and so are not a component of the charities assets, income or expenditure in the reporting period.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and gifts	94,190	-	94,190	33,498	-	33,498
VASCA income	-	1,924,280	1,924,280	-	1,921,554	1,921,554
	<u>94,190</u>	<u>1,924,280</u>	<u>2,018,470</u>	<u>33,498</u>	<u>1,921,554</u>	<u>1,955,052</u>
<b>Donations and gifts</b>						
Gift aided distribution from DBE Services Ltd	94,190	-	94,190	-	-	-
Other	-	-	-	33,498	-	33,498
	<u>94,190</u>	<u>-</u>	<u>94,190</u>	<u>33,498</u>	<u>-</u>	<u>33,498</u>

### 4 Charitable activities

	2023	2022
	£	£
Conference income	49,315	38,252
Chester Diocesan family of schools	48,907	43,708
Other income	2,730	75
	<u>100,952</u>	<u>82,035</u>

### 5 Income from investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Dividends and interest	58,252	311,040	369,292	60,530	271,103	331,633
Rental income	85,720	-	85,720	86,663	-	86,663
	<u>143,972</u>	<u>311,040</u>	<u>455,012</u>	<u>147,193</u>	<u>271,103</u>	<u>418,296</u>

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 6 Charitable activities

	Charitable activities	Charitable activities
	2023	2022
	£	£
Depreciation and impairment	1,035	501
Property costs	26,769	(5,791)
Salaries and recharges	336,204	331,479
Educational support costs	49,725	69,150
Other expenses	9,653	9,926
Grants (see note 7)	1,740	1,165
VASCA capital expenditure	1,347,455	1,853,395
	<u>1,772,581</u>	<u>2,259,825</u>
Grant funding of activities (see note 7)	-	25,000
Share of support costs (see note 8)	75,430	79,620
Share of governance costs (see note 8)	14,700	11,880
	<u>1,862,711</u>	<u>2,376,325</u>
<b>Analysis by fund</b>		
Unrestricted funds	227,615	239,332
Restricted funds	1,635,096	2,136,993
	<u>1,862,711</u>	<u>2,376,325</u>

### 7 Grants payable

In 2023 a grant of £nil (2022 - £25,000) was made to CDAT (Chester Diocesan Academies Trust). CDAT works with the charity and provides the Church of England Schools in the Dioceses with the opportunity to join a multi academy trust that supports their specifically Christian ethos. Eleven schools were part of CDAT at 31st December 2023.

In addition to this further grants were made to the governors of other schools in the year of £1,740 (2022 - £1,165).

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 8 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Salaries and recharges	37,356	-	37,356	36,831	-	36,831
Legal and professional fees	5,262	-	5,262	10,619	-	10,619
Accountancy fees	21,971	-	21,971	20,424	-	20,424
Bank charges	463	-	463	406	-	406
Other costs	10,378	-	10,378	11,340	-	11,340
Audit fees	-	14,700	14,700	-	11,880	11,880
	<u>75,430</u>	<u>14,700</u>	<u>90,130</u>	<u>79,620</u>	<u>11,880</u>	<u>91,500</u>
Analysed between						
Charitable activities	<u>75,430</u>	<u>14,700</u>	<u>90,130</u>	<u>79,620</u>	<u>11,880</u>	<u>91,500</u>

Governance costs includes payments to the auditors of £14,700 (2022 - £11,880) for audit fees. The Chester Diocesan Board of Education is not VAT registered, audit fees are shown including VAT.

### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2022 - £nil).

### 10 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Total	-	-

There were 7.33 (2022 - 7.75) full time equivalent employees under joint contracts of employment with Chester Diocesan Board of Finance. Their employment costs are borne by Chester Diocesan Board of Finance and recharged to Chester Diocesan Board of Education.

The trustees have handed much of the day to day management of the charity to a number of key management personnel including the Director of Education. The total cost of employee benefits (including employer's national insurance and employers pension contributions) relating to key management personnel amounted to £173,016 (2022 - £167,230). Of this amount £nil balance was borne by Chester Diocesan Board of Education. The remaining balance was borne by Chester Diocesan Board of Finance and recharged. Of these, the highest paid was Mr Christopher Penn who received £74,985 (2022 - £71,059) excluding employers national insurance, together with pension contributions of £11,248 (2022 - £10,658).

**CHESTER DIOCESAN BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**11 Net gains/(losses) on investments**

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Endowment funds designated	Restricted funds	Total
	2023	2023	2023	2022	2022	2022	2022
	£	£	£	£	£	£	£
Revaluation of investments	130,680	782,514	913,194	(183,414)	-	(1,196,576)	(1,379,990)
Revaluation of investment properties	-	-	-	-	(318,228)	-	(318,228)
	<u>130,680</u>	<u>782,514</u>	<u>913,194</u>	<u>(183,414)</u>	<u>(318,228)</u>	<u>(1,196,576)</u>	<u>(1,698,218)</u>

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

#### 13 Tangible fixed assets

	Computers and office equipment £
<b>Cost</b>	
At 1 January 2023	3,436
Additions	2,904
	<hr/>
At 31 December 2023	6,340
	<hr/>
<b>Depreciation and impairment</b>	
At 1 January 2023	501
Depreciation charged in the year	1,035
	<hr/>
At 31 December 2023	1,536
	<hr/>
<b>Carrying amount</b>	
At 31 December 2023	4,804
	<hr/> <hr/>
At 31 December 2022	2,935
	<hr/> <hr/>

#### 14 Investment property

	2023 £
<b>Fair value</b>	
At 1 January 2023 and 31 December 2023	1,178,638
	<hr/> <hr/>

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31st December 2023 by Cassidy & Ashton, an independent, professionally qualified surveyor. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties as at the year end date of 31 December 2023.

The properties were provided to the charity at no cost by order of the Secretary of State for Education. The values of the properties at the time of receipt are not known.



# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 16 Debtors

	<b>2023</b>	<b>2022</b>
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	57,503	103,254
Other debtors	33,944	137,735
Prepayments and accrued income	2,761	2,765
	<u>94,208</u>	<u>243,754</u>

	<b>2023</b>	<b>2022</b>
	£	£
<b>Amounts falling due after more than one year:</b>		
Trade debtors	-	36,099
	<u>-</u>	<u>36,099</u>
<b>Total debtors</b>	<u>94,208</u>	<u>279,853</u>

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

	<b>Notes</b>	<b>2023</b>	<b>2022</b>
		£	£
Deferred income	<b>18</b>	43,662	44,733
Trade creditors		13,357	18,542
Other DoE and school creditors		147,987	99,587
Other creditors		1,098,118	1,373,962
Accruals		98,880	68,240
		<u>1,402,004</u>	<u>1,605,064</u>

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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18 Deferred income

	2023	2022
	£	£
Other deferred income	43,662	44,733
	<u>43,662</u>	<u>44,733</u>

Deferred income is included in the financial statements as follows:

	2023	2022
	£	£
Deferred income is included within:		
Current liabilities	43,662	44,733
	<u>43,662</u>	<u>44,733</u>
Movements in the year:		
Deferred income at 1 January 2023	44,733	32,254
Released from previous periods	(44,733)	(32,254)
Resources deferred in the year	43,662	44,733
	<u>43,662</u>	<u>44,733</u>
Deferred income at 31 December 2023	<u>43,662</u>	<u>44,733</u>

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				Balance at 31 December 2023
	Balance at 1 January 2022	Incoming resources	Resources expended	Revaluations, gains and losses	Balance at 1 January 2023	Incoming resources	Resources expended	Revaluations, gains and losses	
	£	£	£	£	£	£	£	£	£
SCA funds - allocated	506,772	1,853,315	(1,853,395)	-	506,692	1,427,540	(1,347,455)	-	586,777
SCA funds - unallocated	457,273	68,239	-	-	525,512	496,740	-	-	1,022,252
Investments	9,804,142	271,104	(283,598)	(1,196,577)	8,595,071	311,040	(287,641)	782,514	9,400,984
	<u>10,768,187</u>	<u>2,192,658</u>	<u>(2,136,993)</u>	<u>(1,196,577)</u>	<u>9,627,275</u>	<u>2,235,320</u>	<u>(1,635,096)</u>	<u>782,514</u>	<u>11,010,013</u>

#### SCA funds

The charity assists voluntary aided schools with school building projects and the provision of IT equipment. The VASCA (Voluntary-Aided Schools Condition Allocation) system was introduced in April 2020 and superseded the LCVAP (Locally Coordinated Voluntary-Aided Programme). Until April 2020, the charity 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 LCVAP income and expenditure was not reflected in the Statement of Financial Activities as the charity had no control over the funds and the transactions were those of the school governors rather than the charity, which acted as agent. The change in funding from April 2020 gives the charity ultimate control over the application of the VASCA grants to specific schools. Therefore, the VASCA grant funding received is recognised in the SOFA along with the related expenditure.

#### Investment funds

Funds arising out of the sale of school properties were received in the past years under various Educational Endowment Orders and were amalgamated into a uniform statutory trust in 1995 following the provisions of the Education Act 1993. These funds are shown separately as trust funds in the financial statements and their use is restricted to the following: -

- funding for the purchase, or erection of, improvement or enlargement of, relevant school premises in the area,
- funding maintenance costs of any relevant school in the area,
- funding the costs of the administration of the trust and the costs of providing advice, guidance, and resources in connection with any matter related to the management of, or education provided at any relevant school in the area.

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 20 Analysis of net assets between funds

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 December 2023 are represented by:								
Tangible assets	4,804	-	-	4,804	2,935	-	-	2,935
Investment properties	-	1,178,638	-	1,178,638	-	1,178,638	-	1,178,638
Investments	1,512,309	-	9,335,014	10,847,323	1,381,617	-	8,769,261	10,150,878
Current assets/(liabilities)	334,611	-	1,674,999	2,009,610	224,993	-	858,014	1,083,007
	<u>1,851,724</u>	<u>1,178,638</u>	<u>11,010,013</u>	<u>14,040,375</u>	<u>1,609,545</u>	<u>1,178,638</u>	<u>9,627,275</u>	<u>12,415,458</u>

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 21 Capital commitments

Capital commitments relating to VASCA projects at the year end was £1,392,632 (2022 - £436,429).

#### 22 Related party transactions

Chester Diocesan Board of Education acts as the education authority for the Church of England in the Diocese of Chester.

Contribution re joint employment contracts and other recharges payable to The Chester Diocesan Board of Finance, an organisation in which there are a number of trustees on both boards totalled £373,677 (2022 - £368,309). The balance outstanding in creditors at the year end is £117 (2022 - £nil).

The charity owns 16.67% of the ordinary share capital of DBE Services Ltd, an entity which commenced trading on 1st January 2006. The company undertakes support work across six northern dioceses. A distribution of £1,550 (2022 - £33,498) was received from DBE Services Ltd during the year.

The charity does not regard the schools in the Diocese to be classified as related parties.

##### **Chester Diocesan Academies Trust**

Some of the trustees of Chester Diocesan Board of Education are also trustees of Chester Diocesan Academies Trust. The trustees do not consider that there is overall control that would require this charity to be consolidated within these financial statements. During the year Chester Diocesan Academies Trust received a income of £5,427 (2022 - £25,000) from Chester Diocesan Board of Education. and paid over £2,875 (2022 - £nil) for services received.

##### **Funds Held as Custodian Trustee**

The charity acts as custodian trustee in respect of funds held on behalf of local trustees and such specific purpose funds are shown separately from the financial statements, and total £78,555 (2022 - £153,526). The charity also acts as custodian trustee in respect of funds arising out of the sale of school properties where the funds are held pending the issue of an Order or other determination. The funds are held in separate accounts to ensure that sufficient custody and segregation from the charity's own assets.

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 22 Related party transactions (Continued)

##### Woodchurch High School

The amount charged for the Family of Schools Subscription to Woodchurch High School, of which Revd L Bannon was employed, was £1,620 (2022 - £1,370).

##### Bowdon C of E School

The amount charged for the Family of Schools Subscription to Bowden C of E School, of which Mrs S Hudson was employed was £550. The amount charged in relation to Head Teachers conference income was £nil (2022 - £150). And the amount charged in relation to general conference income was £9,714 (2022 - £1,120). At the year end £nil (2022 - £580) remained as due to the Diocese.

##### The Samara Trust

The amount charged for the Family of Schools Subscription to The Samara Trust was £1,323 (2022 - £1,125), of which Mrs S Noakes was a Trustee.

##### The Bishops' Blue Coat C of E High School

The amount charged for the Family of Schools Subscription to The Bishops' Blue Coat C of E High School was £300 (2022 - £1,100). And course income of £2,070 (2022 - £330) was also received from the School, of which Mrs S Noakes is a Trustee.

##### Altrincham C of E Primary School

The amount charged in relation to general conference income was £8,944 (2022 - £nil) to Altrincham C of E Primary school, of which Mrs C Corley was a Governor. £715 was also paid over (2022 - £nil) for services received.

##### St Chads C of E School

The amount charged for the Family of Schools Subscription to St Chads C of E School, of which Mrs C Speed was employed, was £560.

23 Cash generated from operations	2023	2022
	£	£
Surplus/(deficit) for the year	1,624,917	(1,619,159)
Adjustments for:		
Investment income recognised in statement of financial activities	(455,012)	(418,296)
Fair value gains and losses on investment properties	-	318,228
Fair value gains and losses on investments	(913,194)	1,379,990
Depreciation and impairment of tangible fixed assets	1,035	501
Movements in working capital:		
Decrease/(increase) in debtors	100,244	(82,566)
(Decrease)/increase in creditors	(201,989)	606,505
(Decrease)/increase in deferred income	(1,071)	12,479
<b>Cash generated from operations</b>	<b>154,930</b>	<b>197,682</b>

#### 24 Analysis of changes in net funds

The charity had no debt during the year.

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 25 Sole Trusteeship of Exempt Charities - School Trusts

The below charities are exempt charities of which the Chester Diocesan Board of Education is sole trustee. In accordance with section 19.13 of the Charities SORP (FRS 102) the description and class of assets for all of the below are the school building and lands of the Schools. There is no trading through these exempt charities, their sole purpose is to hold the lands and buildings in the form of School Trusts: -

- Bidston Village Church of England Primary School Trust
- Bromborough Church of England Primary School Trust
- Chelford Church of England Primary School Trust
- Christ Church (Birkenhead) Church of England Primary School Trust
- Delamere Church of England Primary School Trust
- Frodsham, Five Crosses Church of England Primary School Trust
- Goostrey Church of England Primary School Trust
- Great Budworth Church of England Primary School Trust
- Guilden Sutton Church of England Primary School Trust
- Hoole, All Saints Church of England Primary School Trust
- Hoylake Holy Trinity Church of England Primary School Trust
- Huxley Church of England Primary School Trust
- Little Bollington Church of England Primary School Trust
- St John the Evangelist Church of England Primary School Trust
- Mollington St Oswald's Church of England Primary School Trust
- Norley Church of England Primary School Trust
- St Berteline's Church of England Primary School Trust
- The Priory Parish Church of England Primary School Trust
- Saighton Church of England Primary School Trust
- St John's (Sandbach Heath) Church of England Primary School Trust
- Stockport St Thomas' Church of England Primary School Trust
- Tushingam-with-Grindley Church of England Primary School Trust
- Upton Heath Church of England Primary School Trust
- Wharton Church of England Primary School Trust
- Whitegate Church of England Primary School Trust
- Wincle Church of England Primary School Trust
- Woodcocks Well Church of England Primary School Trust
- Worleston St Oswald's Church of England Primary School Trust

**CHESTER DIOCESAN BOARD OF EDUCATION**

England & Wales - Charity number 525790

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# Accounts

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Charity registration number 525790

Company registration number 85176 (England and Wales)

**CHESTER DIOCESAN BOARD OF EDUCATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# CHESTER DIOCESAN BOARD OF EDUCATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Members of the Board of Education

The Bishop's nominees: -

Ven Dr M Gilbertson  
Mr D Hermitt

Members elected by Diocesan Synod: -

Revd L Bannon  
Professor P Bowden  
Mrs M Cruyton  
Dr D Cumberland  
Dr C Gordon  
Mrs S C Hudson

### Trustees

Ven Dr M Gilbertson (Chair)  
Revd L Bannon  
Professor P Bowden  
Mrs M Cruyton  
Dr D Cumberland  
Mrs S Hudson  
Dr D Walter  
Dr C Gordon  
Mr P Gibbons (Co-opted) (Appointed 31 January 2023)  
Rev Dr J Arnott (Appointed 31 January 2023)  
Mr D Hermitt (Appointed 31 January 2023)  
Rev J Bridgeman (Co-opted) (Appointed 31 January 2023)  
Mrs C Speed (Co-opted) (Appointed 31 January 2023)  
Rev C Corley (Co-opted) (Appointed 31 January 2023)

### Secretary

Mr C Penn

### Charity number

525790

### Company number

85176

### Registered office

Church House  
5500 Daresbury Park  
Daresbury  
Warrington  
Cheshire  
WA4 4GE

### Auditor

Mitchell Charlesworth (Audit) Limited  
24 Nicholas Street  
Chester  
CH1 2AU

### Bankers

National Westminster Bank plc  
33 Eastgate Street  
Chester  
CH1 1LG

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# CHESTER DIOCESAN BOARD OF EDUCATION

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## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

*FOR THE YEAR ENDED 31 DECEMBER 2022*

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The trustees are pleased to present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association of 1943 amended on 24 April 2017, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102)" (effective 1 January 2019).

#### **Objectives and activities**

The charity acts as the Education Authority for the Church of England in the Diocese of Chester, in accordance with The Diocesan Boards of Education Measures 2021. The objects of the charity are:

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

One of the principal activities is the administration of grant claims in respect of building and maintenance work carried out on school properties together with all other related matters which promote the efficiency of, or otherwise benefit, the schools in the Diocese. This administration has become a more central feature as the grant funding is now paid directly to the DBE for distribution rather than co-ordinated by the Local Authority as in previous years.

In addition, the charity has continued to provide assistance to Chester Diocesan Academies Trust (CDAT). It actively encourages schools considering academy status to join CDAT.

The company also acts as custodian trustee for a number of specific trusts (referred to as Specific Purpose Funds in the attached accounts).

The strategies employed to achieve the charity's objectives are to:

- Administer and advise on building work, particularly in aided schools in the Diocese;
- Advise and support governing boards in aspects of their role such as appointments, admissions and ethos;
- Support and promote quality religious education and worship in church schools in the Diocese;
- Arrange for and support staff and governors through denominational inspection procedures;
- Provide training opportunities for staff and governors;
- Provide pastoral and other support to schools experiencing difficulties;
- Provide pastoral support for church school leaders;
- Promote wellbeing and provide opportunities for professional development;
- Facilitate school collaboration and support;
- Offer opportunities for children and young people to come together with others from church schools;
- Advise and support schools converting to academy status;
- Work with other Diocesan Boards of Education in the DBE Services group to provide high quality services to schools;
- Work with Local Authorities, academy trustees, the D<sup>E</sup> and Regional Schools Commissioners to support education in church schools across the Diocese;
- Represent the Diocese on committees and groups involved in school work;
- Advise and support the trustees of church educational endowment held wholly or partly for or in connection with any church school.

## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2022*

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In order to track the success of these objectives, the DBE observes a number of performance indicators:

- The uptake of subscriptions to the Family of Schools membership;
- Increased engagement and sign-up by schools to DBE facilitated or endorsed CPD training;
- Developed and strengthened engagement by school leadership in regional/local cluster groups and networks;
- Successful Ofsted and SIAMS inspections;
- Improved mental wellbeing of school leadership (notably headteachers);
- The engagement of outside bodies with the work of the Board.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

#### **Achievements, performance and public benefit**

After the disruption of COVID-19 in previous years this was the first year where a full programme of CPD and support was offered.

The 'Chester Diocesan Family of Schools' membership and support package continues to be well subscribed.

An increased programme of courses for senior leaders, teachers and governors have continued to be successful and maintains the profile of the charity.

Following the success of virtual training and meetings in previous years a hybrid approach was used. This has continued during this year and it is envisioned that this will continue in the future. There are also plans for the development of pre-recorded resources around a number of topics.

The annual senior leader conference took place in the autumn term and was well attended. The theme for the conference was another strand of the Church of England's vision for education, educating for community and living well together. Two external key note speakers, including the CEO of the Church of England's Education Office and input from Diocesan schools were very well received by those that attended.

For the first time since 2019, the annual Year 6 leavers' services took place in Chester Cathedral. These were very well attended and resulted in the need to hold an additional service to the two that were planned. An increased number of children were involved in leading the service with input from two Diocesan high schools.

In addition to Ofsted inspections, Anglican church schools undergo a denominational inspection under the auspices of the Statutory Inspection of Anglican and Methodist Schools (SIAMS) (Section 48 of the Education Act 2005).

The charity continued to support schools before and after denominational inspections. These provide great benefit in further developing the Christian foundation of the schools as well as offering a means of pastoral support to senior leaders. Schools due for inspection were invited for specific training in order to prepare them for the inspection. For a number of reasons the number of SIAMS that took place during the year was small. One school appealed and was reinspected. Seven schools were inspected under the SIAMS schedule; six of these were judged to be good, one was judged to be excellent, as previously stated, one school was inspected twice and judged to be excellent on second inspection.

## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2022

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As of the end of 2022, one hundred and two schools were judged to be good or better under the Ofsted framework. Twenty-two schools were inspected during 2022, twenty retained their 'good' status; one school was judged 'requires improvement'; and one school placed into Special Measures.

The charity is being increasingly called upon to assist schools as they consider academy status. This has increase further following the publication of the White Paper which expressed a desire for every school to be part of a Multi-Academy Trust (MAT) by 2030. The charity works closely with CDAT and other trusts in the Diocese and supports schools as they look at the most appropriate action to take in this regard. The DBF has made a decision to actively encourage schools that are considering academy status to consider joining CDAT with further parameters for schools that wish to pursue an alternative. A statement highlighting the parameters was sent to all schools and academies.

The charity has supported governors in several senior appointments in church schools. They have also supported several schools that have experienced difficulties during the year.

Aided schools in the Diocese have continued to demonstrate their trust in the charity by having their Devolved Formula Capital (DFC) monies held centrally, enabling the Board to allow some schools to expend money which they will not receive until the following year.

Many schools benefited from building work and the support of staff and consultants from DBE Services Ltd.

Projects with work over £100,000 included:

Completion of projects begun in 2021:

- Bebington St Andrew's Internal Alterations to Nursery & Year 5/6 Classrooms
- Hartford CE High School Gym Mezzanene & Windows
- Marton & District Re-roofing Phase 1
- Norton St Berteline's Refurbishment of Toilet Areas (Phase 1)
- Runcorn All Saints Flat Roof Replacement Works - Phase 4
- Thurstaston Dawpool Renewal of Pitched Roof Coverings

New projects in 2022:

- Bridgemere Replacement of Flat Roof Covering and Ancillary works
- Crowton Christ Church Flat Roof Replacement Phase 1
- Hartford CE High School Mechanical Replacement Works - Phase 1
- Oxtton St Saviour's Electrical upgrade & repair works
- Prestbury Flat Roof Replacement Works - Phase 3
- Sale, St Anne's Electrical Re-wire
- St Berteline's CE Refurbishment of Toilet Areas (Phase 2)
- Stretton St Matthew's Reroofing Phase 1

Capital Funding for these projects is received by the charity for distribution to voluntary aided schools. An application process is in place in order for schools to apply for the funding through their building consultants, supporting schools in clearly identifying priorities. Using a specialist to support the process, officers identify a list of projects to be funded in priority order based on its criteria which is then scrutinised and approved by a subcommittee of the Board.

As Chester Diocesan Board of Education is an Incorporated Company which operates financially independently from Chester Diocesan Board of Finance. The DBE does not receive any income from local parish churches via the parish share scheme. The DBE is therefore responsible for sourcing its own income. Due to the financial strains on schools, relies heavily on income generated by investments, dividends and rental income from previous school sites. These income sources fund the majority of the DBE's day to day activities to further our aims and charitable objectives, with income from Family of Schools membership and attendance of training courses and conferences supplementing this income.

As a charity, Chester Diocesan Board of Education does not seek to make a profit year on year and aims to balance income and expenditure to ensure long-term finance viability. The balancing of income & expenditure with the pursuit of growing support for our Church of England Schools within the Diocese as detailed above, forms the basis of the criteria and measure of success within any given accounting or reporting period.

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## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Reserves Policy

The charity is almost entirely dependent on the income from its investments to support its work. Consequently, investments are maintained, and the trustees would only consider expending capital in exceptional cases. Despite the volatility in national and world markets due to the pandemic and Brexit, the reserves have remained fairly stable.

The Restricted Funds arise out of the sale of school properties which in past years came under various Educational Endowment Orders and were amalgamated into a uniform statutory trust in 1995 following the provisions of the Education Act 1993. The use of these funds is restricted to the following:

- a) funding the purchase or erection of, improvement or enlargement of, relevant school premises in the area;
- b) funding maintenance costs of any relevant school in the area;
- c) funding the costs of the administration of the trust and the costs of providing advice, guidance and resources in connection with any matter related to the management of or education provided at any relevant school in the area.

The Unrestricted General Funds held are historic funds and may be used for the general purposes of the Board in achieving its charitable objectives.

Free unrestricted reserves at the end of 2022 were £1,609,545 (2021 £1,769,565). Total restricted reserves were £9,602,899 (2021 £10,768,186). A detailed breakdown of restricted reserves, along with notes of the restrictions on these funds can be found in note 18 of these accounts.

The Board holds free reserves - restricted and unrestricted - of £11,212,444 at the end of 2022 (2021 - £12,537,751). Of this, £10,150,878 (2021 - £11,530,868) is held in investments in order to provide some capital appreciation and a flow of investment income. Of the investments, £1,381,617 (2021 - £1,565,043) are unrestricted, equivalent to over two years of expenditure. While the Board has no intention of liquidating these investments, it could do so with little difficulty. As such the Board considers it has adequate reserves to enable it to respond to changing church education needs and fluctuations in the economic environment.

It should be noted that these levels of reserves are partly historic and partly received through Act of Parliament; they are not hoarded donations.

The Finance and General Purposes Committee of the Board will continue to review levels of reserves and make their findings known to the Board of Directors.

#### Financial Review, Reserves and Going Concern

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Statement of Financial Activities shows net income of £31,288 (2021 - £2,964) and investment losses of £1,379,990 (2021 - gain of £1,466,297) together with a loss on revaluation of fixed assets of £318,228 (2021 - gain of £469,090) resulting in a net reduction movement in funds of £1,643,536 (2021 - increase of £1,938,351).

The financial statements have been prepared on the going concern basis, as the trustees consider that the Board has sufficient reserves to continue operations.

## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2022*

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#### **Investment Policy and Outcome**

To determine where the charity should invest its financial assets, the DBE follows the national Church of England's Statement of Ethical Investment Policy. This states that taking account of environmental, social and governance (ESG) issues is an intrinsic part of being a good long-term investor for both ethical and financial reasons.

To achieve this, working with CCLA a charity fund manager, the charity holds cash together with holdings in the Central Board of Finance (CBF) Church of England Investment Fund, the CBF Church of England Global Equity Income Fund, the CBF Church of England Property Fund, and the CBF deposit fund. The intention is to provide income together with capital appreciation to afford long term protection against inflation. The value of investments dropped significantly in the early part of 2022 in line with global markets and inflations. This impacted the DBE's return of investments and income. Although this is yet to fully recover, CCLA are confident that market will stabilise and recover over the next 18 to 24 months. As always, the DBE's response to short-term investment fluctuations is to focus on the long-term viability of the investment portfolio.

The CBF guarantee that investments are made in accordance with the ethical standards of the Church of England. The trustees will continue to regularly consider the performance of the shares to ensure that the return in terms of capital growth and income is appropriate to the long-term needs of the charity.

The Finance and General Purposes Committee will continue to keep investment policy and the investments themselves under review and keep the board of directors informed.

#### **Risk management**

The trustees have a risk management strategy which comprises:

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

Trustee indemnity insurance is in place.

The Board considers the main risks to be in the following areas:

- CDAT as the Diocesan Trust is unable to take all schools that are required to academise leaving schools to join other Trusts that may not have as strong a relationship with the DBE
- Risk to/Loss of Capital;
- Decrease in value of CCLA investments;
- National or global events causes school capital projects to overrun and overspend leaving the DBE covering the shortfall in the first instance;
- Current market for building materials impacts the costs for projects and runs possibility of projects running over budgets;
- Changes in school funding reducing viability of small schools;
- Rise in energy bills and other costs impact on schools budgets leaving less resource to support education and development;
- Risk that DBE budget will be in deficit.

Mitigation for these risks have been identified and continue to be monitored.

The Board, with local authorities, continues to support schools in facilitating discussion around school organisation and possible structures to manage school funds.

A key element in the management of financial risk is the work of the Finance and General Purposes Committee, which keeps the risk management strategy under review.

## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2022*

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#### Plans for future periods

The Board's vision is:

**Being deeply Christian and for the common good, our schools will be communities which are: Loving in relationships; Ambitious in aspirations; Bold in actions.**

The strategy has three main threads (as mentioned above) that run through all aspects of it and are delivered across five key principles; relationships, outcomes, impact, resourcing, structures. The Board aims to fulfil this vision over the next few years in the following ways:

#### Relationships

The Board continues to support and develop its relationships with a number of organisations, primarily Diocesan schools and will look to strengthen these relationships over the following year.

The focus on headteacher and senior leadership wellbeing will continue through a wellbeing programme, training for governors and individual pastoral support. The importance of headteacher work life balance is emphasised throughout. Headteacher cluster groups are designed to bring headteachers together to share good practice and provide support for one another as well as advice from the DBE and will continue throughout the year.

Support for Chairs of governors is also identified as a priority with a number of schools finding it a challenge to elect a Chair of their Board. Termly briefings for Heads, Chairs and Incumbents will give an opportunity for a clarity of message for all; half-termly Chair surgeries will provide opportunities for learning as well as peer support. In addition new smaller Chair support networks will be provided for those Chairs that wish to participate.

For staff in schools a number of networks will provide support and develop relationships with staff beyond headteachers for example RE subject leaders, deputy/assistant headteachers, and collective worship leaders. A rich programme of CPD will be on offer to support leaders, staff and governors across the Diocese.

Clergy networks will provide an opportunity to share national and diocesan updates and encourage clergy to share ideas and feed into the work of the officers of the Board.

Support for the most vulnerable within the Diocese will continue to be a focus for the work of the Board through the Disadvantage group and SEND network alongside the Board's involvement with external partners, including Manchester University as part of the 'Local Matters' project and the Church of England Foundation for Educational Leadership (CEFEL) in supporting local peer support networks on SEND and Trauma Informed Practice.

The Board will continue to work with a number of organisations to support its work and the work of others. Various partnership working is planned with CEFEL and officers are involved in a number of national and local networks, including the Diocesan Directors of Education network, the Diocesan Governance Group (DGG), Diocesan Admission Group (DAG) and North West Co-ordinators of Governor Services (NWCOGS).

Collaboration with other Diocesan Boards of Education in the northern province will continue through DBE services and through the sharing of good practice and resources on governance, RE, SIAMS, and other aspects of the Board's work. The very successful Christian Leadership course will run again through the year.

Similarly the Board will work with its nine Local Authorities to provide support for maintained schools and academies with regards to Ofsted and data outcomes whilst maintaining its core purpose of supporting the distinctive nature of its church schools.

As the education landscape evolves the Board will support schools in managing the route to academy status. Officers will advise and support Governing Boards, liaise with academies and advise the Board on proposals. The Board is also fully committed to supporting the Diocesan MAT, Chester Diocesan Academies Trust (CDAT) as it grows.

## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2022*

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In order to support relationships between schools for children and pupils, the Board will develop its offer of resources to support the development and impact of ethos groups in schools, support for the Archbishops' Young Leaders Awards and Vision ambassadors as well as bringing church school children together in the annual year six leavers' service.

#### **Outcomes**

During 2023 the SIAMS framework has changed with regards to the judgements schools are given. For the first two terms the grading system from 'Inadequate' to 'Excellent' will be in place. From September 2023 schools will be given one of two judgements; either the school is living up to its foundation as a church school (judgement 1) or it is not (judgement 2). In order to gain a 'Good' judgement under the first half of the year or 'judgment 1', there is a very high expectation on church schools to have a context driven theologically rooted Christian vision. The Board will support all of its schools to achieve at least 'Good' in the first two terms, with some schools judged 'Excellent'. Following September the Board will support all the schools inspected to be judged as 'Living up to its foundation as a church school'.

Following the publication of the SIAMS annual report, the Board is looking to highlight to schools the particular need to develop opportunities for spiritual development and courageous advocacy. The aim is that by the end of the year more schools are able to articulate the language of spirituality and provide more opportunities for spiritual development for both children and adults. Schools should also gain a greater understanding of courageous advocacy, in turn supporting children and young people to identify injustice and take action, thus impacting wider society.

Working alongside Local Authority and academy colleagues, the Board will support schools with the aim that all schools receive at least a 'Good' judgement in their latest Ofsted inspection. The Board will provide guidance and support to schools that are due an Ofsted inspection; identify schools that may need additional support because of data or other aspects of concern and give additional support to schools that have not yet achieved a 'Good' Ofsted outcome.

Similarly the Board will signpost schools to appropriate resource and support, working in collaboration with Local Authority and academy colleagues, in order to raise outcomes for all children and young people. The expectation would be all Diocesan schools have ambitious aspirations for all.

#### **Impact**

In order to achieve the outcomes expected the Board must ensure it has the required impact.

The Family of Schools offer is the main source of financial engagement with schools, in addition to attendance at training and events. The Board will encourage all schools to join the Family of Schools and attend training and events by providing appropriate resource and support and ensuring a programme of training and events that supports schools' current priorities. The Board is aware that there are other draws on school budgets and so will review and reflect on its offer and its impact as the year progresses and amend as necessary.

In addition to the CPD that is chargeable, the Board offers a wide variety of support that is not charged including cluster groups, briefings, training for governors, support for voluntary aided schools with regards to capital work and general individual guidance and support. The Board publicises this support through various means including regular bulletins and social media. As this is further developed through the year, the Board aims to encourage even greater engagement from schools and those associated with them.

In order to encourage greater engagement and thus Board impact, the offer of meetings, briefing and training will be offered in a hybrid model of in-person and virtual, allowing those from the extremes of the Diocese to attend without the need to travel. Further work will be undertaken to develop online and recorded resources for schools that can be accessed at any time.

As highlighted in the SIAMS annual report, the headteacher has the greatest impact on the strength of a church school. Through the year the Board expects there to be a number of recruitment opportunities in leadership positions. It will continue to support the recruitment of strong church school leaders by guiding governing boards throughout the process.

#### **Resourcing**

Following an extensive financial review in 2021, new centralised systems were implemented, resulting in an efficient cloud based financial recording and reporting system which has had a positive impact on officer workload and thus productivity. As this system impacts the Board's wider work, for example the implementation of online payments for training, the efficiencies made will allow the Board to do more to support schools.

## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2022*

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Voluntary Aided schools must get DBE permission for capital work as well as fund 10% of the total costs. In order to ensure transparency, the Devolved Formula Capital (DFC) and Schools Capital Allocation (SCA) monies are to be separated from DBE central funds and held in designated bank accounts. In order to support cash flow, governors will be required to pay the 10% contribution up front and will not be able to defer payments. This will ensure the Board's central finances are used to support its charitable objectives fully and not fund individual schools.

The SCA monies are paid directly to the DBE. The Board will continue to ensure that projects are funded based on appropriate priorities of safeguarding and health and safety. A further focus will be achieving net zero carbon emissions by 2030. A working party has been created to look at strategies to achieve this with pilot projects taking place throughout the year. This focus will start to be included in decisions around the spending of SCA in this year.

Human resources is one of the main ways the Board hopes to achieve its objectives. By ensuring well trained and resourced school staff and governors the Board is impacting outcomes for children within its schools. As identified earlier, good leadership recruitment is essential followed by induction and support. The Board's CPD programme is designed to develop leaders from the start of their career. An extensive ECT programme, designed to run alongside the national training, is planned to develop professionals that understand the distinctiveness of church schools and the impact they have. Training and support for middle and senior leaders will continue to be provided alongside that for governors and RE leads.

The recruitment of foundation governors continues to be a challenge not just for the Board but nationally. The Board still expects foundation governors to be regular worshippers but will employ an alternative framework of appointment where circumstances require it. The Board will continue to work with local parishes and national bodies to both encourage involvement and recruit to schools.

The Board's central team of officers, supplemented by a small number of consultants, will continue to develop the Board's offer and will respond to national and local circumstances to ensure Diocesan schools are equipped and supported in all situations.

#### **Structures**

The Board of Education was reconstituted on the 1st January 2023. The new Board will reflect on its objectives and structure itself in response, although it is expected that the current committee structure will continue. The Board will consider its responsibilities with regards to equality legislation and take action to ensure a wider representation of membership to bring alternative perspectives to its work whilst fulfilling the terms of the Measure. This is both at committee and Board level.

The Board will measure itself against the Good Governance Code and regularly reflect on its policy and practices.

The Board then holds its officers to account for the offer and impact of the Board on its schools, Trustees and wider communities. This will continue to be developed.

The Board will also need to consider its role in the academy system and how it supports and challenges governance of Multi-Academy Trust (MATs) that have church schools and how it will support the effective governance of CDAT. This work will be ongoing.

#### **Trust**

In order to achieve its aim regarding relationships, outcomes, impact, resourcing and structures, the Board must be trusted by all those linked to it. The Board will ensure it is transparent, engaging and reflective; both supportive and challenging to ensure the best outcomes for its schools.

The Board hopes to have all of its schools engaged with its work, at least at some level with a large number fully engaged across all aspects of its work.

## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Structure, Governance and Management

Chester Diocesan Board of Education is a registered charity no 525790, and a company limited by guarantee no 85176.

#### Governing Document

The Chester Diocesan Board of Education is a company limited by guarantee registered in England and Wales and governed by its Memorandum and Articles of Association of 1943 amended on 24 April 2017. It is registered as a charity with the Charity Commission. The Board comprises:

- a) the Bishop or the Bishop's nominee;
- b) one person nominated by the Bishop;
- c) seven members appointed by the Synod who are worshipping members of the Church of England but need not themselves be members of the Synod ("the appointed members"), of whom
  - (i) at least three members shall be appointed from each of the two archdeaconries of the Diocese, being persons who work, worship or reside in the archdeaconry from which they are appointed, and
  - (ii) at least one member shall be a Clerk in Holy Orders beneficed or licensed in the Diocese.
- d) two members co-opted by the Board who shall be persons with experience of church schools in the Diocese

A new Diocesan Board of Education Measure was published in 2021. An updated scheme was agreed by Diocesan Synod and has received approval by the Archbishops Council. The scheme has been implemented on 1st January 2023.

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

Ven Dr M Gilbertson (Chair)	
Revd L Bannon	
Professor P Bowden	
Mrs M Cruxton	
Dr D Cumberland	
Mrs S Hudson	
Rev S Morris	(Resigned 31 December 2022)
Canon E Renshaw MBE	(Resigned 31 December 2022)
Dr D Walter	
Revd J Piper	(Resigned 31 December 2022)
Dr C Gordon	
Mr P Gibbons (Co-opted)	(Appointed 31 January 2023)
Rev Dr J Arnott	(Appointed 31 January 2023)
Mr D Hermit	(Appointed 31 January 2023)
Rev J Bridgeman (Co-opted)	(Appointed 31 January 2023)
Mrs C Speed (Co-opted)	(Appointed 31 January 2023)
Rev C Corley (Co-opted)	(Appointed 31 January 2023)

## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2022*

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#### **Appointment of trustees**

As set out in the Articles of Association, the Chair of the trustees is the Bishop of Chester except that, if they do not desire to be Chair, the members after consultation with the Bishop shall appoint some other person (whether or not a member) to be Chair. The Ven Dr M R Gilbertson (Archdeacon of Chester) was appointed as Chair. As described in the Articles of Association, the members of the DBE are also the Trustees of the DBE.

When vacancies occur and at the end of the terms of office for Board members the roles are advertised across the Diocese and applications invited. This is to support both the fulfilment of equality objectives and to encourage a wide range of backgrounds and experience on the Board.

All board members, trustees and committee members are voluntary roles; the DBE does not use volunteers beyond these roles.

#### **Trustee induction and training**

New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. Trustees also meet key employees and are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

#### **Trustees' statement on public benefit**

Chester Diocesan Board of Education is a public benefit entity. The trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

In accordance with the company objectives as set out in the Diocesan Board of Education Measure 2021 the Board of Education exists:

- to promote or assist in the promotion of education in the Diocese that is consistent with the faith and practice of the Church of England;
- to promote or assist in the promotion of religious education and religious worship in schools in the Diocese;
- to promote or assist in the promotion of church schools in the Diocese;
- to promote co-operation between itself and other persons concerned with education in the Diocese.

The public benefit of our work is seen in the support and flourishing of church schools that provide education for all within a Christian ethos. The Board of Education also supports schools in developing links with their local communities to improve and unify these communities. Our support for schools also ensures the provision of buildings which can be used by parishes and outside bodies for the benefit of all.

## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2022*

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#### **Charity Governance Code**

The Board welcomed the introduction of the Charity Governance Code in 2017 and continues to review best practice as it aims to improve. The Board has made several steps forward in improving its governance and effectiveness as follows: -

**Organisational Purpose** – The Board continues to ensure its work is in line with its charitable objectives and also its vision of being deeply Christian and for the common good; and that its schools will be communities which are loving in relationships, ambitious in aspiration and bold in action. This vision continues to be developed and will be used as a basis for the work of the Board and its officers.

**Leadership** – The two committees give a strong oversight of the work of the DBE, through detailed scrutiny and recommendations to the Board. An academy working party was established to consider the DBE's strategy towards academy development and other working parties are in development including one focusing on supporting schools to become net carbon zero.

**Integrity** - The Bishop of Chester nominates the chair of the DBE to ensure the Board operates within the values of the Diocese of Chester and the Church of England. The majority of the Board is appointed by the Diocesan Synod to ensure that that the Board can be independent in its decision making. Members are also co-opted based on the skills that they offer. Committees also have spaces for co-opted members which help bring a further perspective to its work. The Board is required to report back to the Diocesan Synod to share its progress in furthering its purposes.

**Decision Making, Risk and Control** - The risk register is regularly updated to ensure the Board is aware of and managing its current risks. Each committee identifies risks and possible mitigation. These are then brought to the full Board. The Education Effectiveness and Finance and General Purposes committees continue to support the Board of directors in taking control of and responsibility for the decision-making process of the charity.

**Board Effectiveness** - The Board of directors brings a wide and diverse range of skills to the Board. This is further supported by additional co-options to the two committees.

**Diversity** - The Board of directors is appointed by the Diocesan Synod and as far as possible. Members are nominated to include a wide range of knowledge, skills and perspectives. When vacancies occur, or at the end of the term for the Board, the roles are advertised across the Diocese in order to encourage this breadth.

However, the DBE intends to take a more proactive approach to encourage applications for appointment from a more inclusive group, in particular with regards to age, gender and ethnicity. The DBE is committed to widening its diversity as it moves forward.

**Openness and Accountability** - The charity is accountable to and makes regular reports to Diocesan Synod and various other Diocesan committees to ensure that the Board is transparent in how it operates.

#### **Organisation**

The Board of trustees administers the charity. The Board meets regularly together with the Secretary who manages the day to day operations of the charity. The Board manages its business through two committees, Education Effectiveness and Finance and General Purposes. These are attended by members of the executive team. To facilitate effective operations, the Secretary has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and school related activities

## CHESTER DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2022*

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#### **Related parties**

The charity has a close relationship with Chester Diocesan Board of Finance (a company limited by guarantee registered in England (no. 7826) and a registered charity (no. 248968)) which provides office accommodation and payroll.

The charity has a close relationship with Chester Diocesan Academies Trust (CDAT) (a company limited by guarantee registered in England (no. 8451787) and an exempt charity) which is established as a multi-academy trust in the Diocese.

The charity jointly owns DBF Services Ltd (a company limited by shares registered in England and Wales (no. 5531123) with Blackburn Diocesan Board of Education, Carlisle Diocesan Board of Finance, Liverpool Diocesan Board of Finance, Manchester Diocesan Board of Education and York Diocesan Board of Finance. This company undertakes support work across the six dioceses and gift-aids any profit back to the six Boards.

#### **Remuneration of Key Management Personnel**

As DBE employees are joint employees with Chester Diocesan Board of Finance, the salaries of key management personnel, as per all DBE employees, is set according to the Chester Diocesan Board of Education pay scale as determined by the HR Committee and the Finance and Scrutiny Committee of the DBF. Any pay increases determined outside of the DBF committees are proposed by the DBE Board and taken to the DBF committees for approval.

#### **Supplier payment policy**

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to 3 day's (2021 - 29 day's) purchases, based on the average daily amount invoiced by suppliers during the year.

#### **Funds held as custodian trustee**

The charity acts as custodian trustee in respect of funds held on behalf of local trustees and such specific purpose funds are held in segregated accounts, separately accounted for, and do not appear in the financial statements. They are shown in note 21 to the accounts.

The company also acts as custodian trustee in respect of funds arising out of the sale of school properties where the funds are held pending the issue of an Order or other determination.

The Devolved Formula Capital for aided schools is held by the charity as part of these funds.

## **CHESTER DIOCESAN BOARD OF EDUCATION**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **Statement of trustees' responsibilities**

The trustees, who are also the directors of Chester Diocesan Board of Education for the purpose 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Auditor**

In accordance with the company's articles, a resolution proposing that Mitchell Charlesworth (Audit) Limited be reappointed as auditor of the company will be put at a General Meeting.

#### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Ven Dr M Gilbertson (Chair)

**Chair**

13 June 2023

# CHESTER DIOCESAN BOARD OF EDUCATION

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF CHESTER DIOCESAN BOARD OF EDUCATION

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#### Opinion

We have audited the financial statements of Chester Diocesan Board of Education (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

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

We have nothing to report in this regard.

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

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

## **CHESTER DIOCESAN BOARD OF EDUCATION**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF CHESTER DIOCESAN BOARD OF EDUCATION**

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

##### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

##### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

## CHESTER DIOCESAN BOARD OF EDUCATION

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE MEMBERS OF CHESTER DIOCESAN BOARD OF EDUCATION

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##### **Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- the charitable company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the charity's Statement of Financial Activities, (ii) the charity's accounting policy for revenue recognition (iii) the overstatement of salary and other costs and the movements for the year. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, the Statement of Recommended Practice - 'Accounting and Reporting by Charities'.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the academy's ability to operate or to avoid a material penalty. This includes regulations concerning Data Protection.

##### **Audit response to risks identified**

As a result of performing the above, we identified income recognition, override of controls and adherence to laws and regulations as the key audit matters related to the potential risk of fraud.

## CHESTER DIOCESAN BOARD OF EDUCATION

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE MEMBERS OF CHESTER DIOCESAN BOARD OF EDUCATION

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Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and trustees concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

**Robert Hall (Senior Statutory Auditor)**  
for and on behalf of **Mitchell Charlesworth (Audit) Limited**

26 June 2023

**Accountants**  
**Statutory Auditor**

24 Nicholas Street  
Chester  
CH1 2AU

## CHESTER DIOCESAN BOARD OF EDUCATION

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Unrestricted funds		Endowment funds		Restricted funds		Total		Unrestricted funds		Endowment funds		Restricted funds		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Income from:</b>																
Donations and legacies	33,498	-	1,921,554	1,955,052	48,215	-	1,773,583	1,821,798	82,035	-	266,931	389,644	262,726	-	2,192,657	2,455,383
Charitable activities	82,035	-	-	82,035	82,264	-	-	82,264	147,193	-	271,103	418,296	-	-	-	-
Income from investments	147,193	-	271,103	418,296	122,713	-	266,931	389,644	-	-	-	-	-	-	-	-
<b>Total income</b>	<b>262,726</b>	<b>-</b>	<b>2,192,657</b>	<b>2,455,383</b>	<b>253,192</b>	<b>-</b>	<b>2,040,514</b>	<b>2,293,706</b>	<b>239,332</b>	<b>-</b>	<b>2,136,993</b>	<b>2,376,325</b>	<b>303,069</b>	<b>-</b>	<b>1,987,673</b>	<b>2,290,742</b>
<b>Expenditure on:</b>																
Charitable activities	239,332	-	2,136,993	2,376,325	303,069	-	1,987,673	2,290,742	-	-	-	-	-	-	-	-
Net gains/(losses) on investments	(183,414)	(318,228)	(1,196,576)	(1,698,218)	196,741	469,090	1,269,556	1,935,387	-	-	-	-	-	-	-	-
<b>Net movement in funds</b>	<b>(160,020)</b>	<b>(318,228)</b>	<b>(1,140,912)</b>	<b>(1,619,160)</b>	<b>146,864</b>	<b>469,090</b>	<b>1,322,397</b>	<b>1,938,351</b>	<b>1,769,565</b>	<b>1,436,866</b>	<b>10,768,187</b>	<b>14,034,618</b>	<b>9,445,789</b>	<b>12,096,266</b>	<b>1,609,545</b>	<b>1,178,638</b>
Fund balances at 1 January 2022	1,769,565	1,496,866	10,768,187	14,034,618	1,622,701	1,027,776	9,445,789	12,096,266	1,509,545	1,178,638	9,627,275	12,415,458	1,769,565	1,436,866	10,768,186	14,034,617
<b>Fund balances at 31 December 2022</b>	<b>1,609,545</b>	<b>1,178,638</b>	<b>9,627,275</b>	<b>12,415,458</b>	<b>1,769,565</b>	<b>1,436,866</b>	<b>10,768,186</b>	<b>14,034,617</b>	<b>1,609,545</b>	<b>1,178,638</b>	<b>9,627,275</b>	<b>12,415,458</b>	<b>1,769,565</b>	<b>1,436,866</b>	<b>10,768,186</b>	<b>14,034,617</b>

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

All income and expenditure derive from continuing activities.

**CHESTER DIOCESAN BOARD OF EDUCATION**

**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)  
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# CHESTER DIOCESAN BOARD OF EDUCATION

## BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		2,935		-
Investment properties	13		1,178,638		1,496,866
Investments	14		10,150,878		11,530,868
			<u>11,332,451</u>		<u>13,027,734</u>
<b>Current assets</b>					
Debtors	15	279,853		339,253	
Cash at bank and In hand		2,408,218		1,653,710	
		<u>2,688,071</u>		<u>1,992,963</u>	
<b>Creditors: amounts falling due within one year</b>					
	16	(1,605,064)		(986,080)	
Net current assets			<u>1,083,007</u>		<u>1,006,883</u>
<b>Total assets less current liabilities</b>			<u>12,415,458</u>		<u>14,034,617</u>
<b>Income funds</b>					
Restricted funds	18		9,627,275		10,768,186
Endowment funds - designated			1,178,638		1,496,866
Unrestricted funds			1,609,545		1,769,565
			<u>12,415,458</u>		<u>14,034,617</u>

The financial statements were approved by the Trustees on 13 June 2023

Ven Dr M Gilbertson (Chair)  
**Trustee**

**Company registration number 85176**

## CHESTER DIOCESAN BOARD OF EDUCATION

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

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	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	22		197,682		(316,624)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(3,436)		-	
Repayment of investment loans and receivables		141,966		19,734	
Investment income received		418,296		389,644	
<b>Net cash generated from investing activities</b>			556,826		409,378
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			754,508		92,754
Cash and cash equivalents at beginning of year			1,653,710		1,560,956
<b>Cash and cash equivalents at end of year</b>			<u>2,408,218</u>		<u>1,653,710</u>

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

#### Charity information

Chester Diocesan Board of Education is a private company limited by guarantee incorporated in England and Wales. The registered office is Church House, 5500 Daresbury Park, Daresbury, Warrington, Cheshire, WA4 4GE.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Charities Act 2011, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Gift aided distribution from DBE Services Ltd - the charity has an investment in DBE Services Ltd which provides services to church schools including inspections, teaching and curriculum support, administrative services, building work, equipment and construction support. The charity receives gift aided distributions on the profits. The distribution is recognised on receipt.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

The charity operates a support package under the name "Chester Diocesan Family of Schools" referred to elsewhere in the annual report and accounts, and receives subscription income as a result which is recognised on an accruals basis in the accounts.

Conference income is derived from training events delivered to staff at Church of England Schools and is recognised on an accruals basis.

The charity receives dividends and interest on a range of investments, all holdings in Church of England funds operated by CCLA Investment Management Ltd which are recognised on receipt.

The charity also receives rental income from four former schools which is recognised on an accruals basis.

### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Charitable activity costs also include the cost of administering grant claims in respect of building and maintenance work carried out on school properties, the cost of administering grants payable and providing support to the other charitable activities of the company.

#### Grants

Grants payable included within charitable activities represent discretionary grants to Governors or Schools for financial assistance towards the cost of specific, approved school projects. Grants payable are included in the Statement of Financial Activities on the accruals basis, to the extent that conditions for payment have been met.

#### Allocation of support costs

As explained in the annual report, the charity supports the Church of England schools in the Diocese in a wide range of ways including assisting with building projects, supporting and training governors, and promoting religious education more widely. The allocation between activities fluctuates as necessary.

### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers and office equipment	25% Reducing Balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

## CHESTER DIOCESAN BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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**1 Accounting policies** (Continued)

**1.7 Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

Proceeds from the sale of former school properties are normally held by the charity as custodian trustee (in specific purpose funds) until a relevant Educational Endowment Order or determination is issued.

The financial statements up to 31st December 1996 did not include any value for former school properties held in the name of the charity which had not yet been sold, but these properties are classified as investment properties, and have been included in subsequent accounts.

**1.8 Fixed asset investments**

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

**1.9 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**1.10 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.11 Financial Instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

### 1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 1.13 Amounts due from school governors in respect of projects

The charity receives funding on behalf of schools from the Department of Education for funding building works and other projects. The charity also makes payments to contractors on behalf of the schools. In the majority of cases the governors make a 10% contribution to the cost of the project; this often leaves an amount payable to the charity by the governors of the school. By concession, the charity allows school governors the time to pay their contribution, dependent on size and duration of the project and other factors. On occasions the governors of the school fund the whole cost of the project, leaving the full amount repayable to the charity.

### 1.14 Funds held as custodian trustee

The charity acts as custodian trustee in respect of funds held on behalf of local trustees and funds arising out of the sale of school properties where funds are held pending the issue of an Order or determination.

Funds held as custodian trustee do not belong to the charity and so are not a component of the charity's assets, income or expenditure in the reporting period.

## 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## CHESTER DIOCESAN BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Donations and gifts	33,498	-	33,498	48,215	-	48,215
VASCA income	-	1,921,554	1,921,554	-	1,773,583	1,773,583
	<u>33,498</u>	<u>1,921,554</u>	<u>1,955,052</u>	<u>48,215</u>	<u>1,773,583</u>	<u>1,821,798</u>
<b>Donations and gifts</b>						
Gift aided distribution from DBE Services Ltd	33,498	-	33,498	48,215	-	48,215
	<u>33,498</u>	<u>-</u>	<u>33,498</u>	<u>48,215</u>	<u>-</u>	<u>48,215</u>

#### 4 Charitable activities

	2022	2021
	£	£
Conference income	38,252	34,699
Chester Diocesan family of schools	43,708	45,845
Other income	75	1,720
	<u>82,035</u>	<u>82,264</u>

#### 5 Income from Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Dividends and interest	60,530	271,103	331,633	40,126	266,931	307,057
Rental income	86,663	-	86,663	82,587	-	82,587
	<u>147,193</u>	<u>271,103</u>	<u>418,296</u>	<u>122,713</u>	<u>266,931</u>	<u>389,644</u>

## CHESTER DIOCESAN BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 6 Charitable activities

	Charitable activities	Charitable activities
	2022	2021
	£	£
Depreciation and impairment	501	-
Property costs	(5,791)	42,392
Salaries and recharges	331,479	312,254
Educational support costs	69,150	30,395
Other expenses	9,926	12,864
Grants (see note 7)	1,165	2,730
VASCA capital expenditure	1,853,395	1,720,742
	<u>2,259,825</u>	<u>2,121,377</u>
Grant funding of activities (see note 7)	25,000	75,000
Share of support costs (see note 8)	79,620	81,165
Share of governance costs (see note 8)	11,880	13,200
	<u>2,376,325</u>	<u>2,290,742</u>
<b>Analysis by fund</b>		
Unrestricted funds	239,332	303,069
Restricted funds	2,136,993	1,987,673
	<u>2,376,325</u>	<u>2,290,742</u>

#### 7 Grants payable

In 2022 a grant of £25,000 (2021 - £75,000) was made to CDAT (Chester Diocesan Academies Trust). CDAT works with the charity and provides the Church of England Schools in the Dioceses with the opportunity to join a multi academy trust that supports their specifically Christian ethos. Eleven schools were part of CDAT at 31st December 2022.

In addition to this further grants were made to the governors of other schools in the year of £1,165 (2021 - £2,730).

## CHESTER DIOCESAN BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Support costs	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Salaries and recharges	36,831	-	36,831	34,695	-	34,695
Legal and professional fees	10,619	-	10,619	10,415	-	10,415
Accountancy fees	20,424	-	20,424	20,144	-	20,144
Bank charges	406	-	406	468	-	468
Other costs	11,340	-	11,340	15,443	-	15,443
Audit fees	-	11,880	11,880	-	13,200	13,200
	<u>79,620</u>	<u>11,880</u>	<u>91,500</u>	<u>81,165</u>	<u>13,200</u>	<u>94,365</u>
Analysed between						
Charitable activities	<u>79,620</u>	<u>11,880</u>	<u>91,500</u>	<u>81,165</u>	<u>13,200</u>	<u>94,365</u>

Governance costs includes payments to the auditors of £11,880 (2021 - £13,200) for audit fees. The Chester Diocesan Board of Education is not VAT registered, audit fees are shown including VAT.

#### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. (2021 - £nil).

#### 10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Total	-	-

There were 7.75 (2021 - 7.2) full time equivalent employees under joint contracts of employment with Chester Diocesan Board of Finance. Their employment costs are borne by Chester Diocesan Board of Finance and recharged to Chester Diocesan Board of Education.

The trustees have handed much of the day to day management of the charity to a number of key management personnel including the Director of Education. The total cost of employee benefits (including employer's national insurance and employers pension contributions) relating to key management personnel amounted to £167,230 (2021 - £157,760). Of this amount £nil balance was borne by Chester Diocesan Board of Education. The remaining balance was borne by Chester Diocesan Board of Finance and recharged. Of these, the highest paid was Mr Christopher Penn who received £71,059 (2021 - £69,566) excluding employers national insurance, together with pension contributions of £10,658 (2021 - £10,450).

**CHESTER DIOCESAN BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**11 Net gains/(losses) on Investments**

	Unrestricted funds designated 2022	Endowment funds 2022	Restricted funds 2022	Total 2022	Unrestricted funds designated 2021	Endowment funds 2021	Restricted funds 2021	Total 2021
Revaluation of investments	(183,414)	-	(1,196,576)	(1,379,990)	196,741	-	1,269,556	1,466,297
Revaluation of investment properties	-	(318,228)	-	(318,228)	-	469,090	-	469,090
	<u>(183,414)</u>	<u>(318,228)</u>	<u>(1,196,576)</u>	<u>(1,698,218)</u>	<u>196,741</u>	<u>469,090</u>	<u>1,269,556</u>	<u>1,935,387</u>

**CHESTER DIOCESAN BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

<b>12</b>	<b>Tangible fixed assets</b>	<b>Computers and office equipment</b>
		<b>£</b>
	<b>Cost</b>	
	Additions	3,436
	At 31 December 2022	<u>3,436</u>
	<b>Depreciation and impairment</b>	
	Depreciation charged in the year	501
	At 31 December 2022	<u>501</u>
	<b>Carrying amount</b>	
	At 31 December 2022	<u><u>2,935</u></u>

<b>13</b>	<b>Investment property</b>	<b>2022</b>
		<b>£</b>
	<b>Fair value</b>	
	At 1 January 2022	1,496,866
	Net gains or losses through fair value adjustments	(318,228)
	At 31 December 2022	<u><u>1,178,638</u></u>

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31st December 2022 by Cassidy & Ashton, an independent, professionally qualified surveyor. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties as at the year end date of 31 December 2022.

The properties were provided to the charity at no cost by order of the Secretary of State for Education. The values of the properties at the time of receipt are not known.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Freehold	1,496,866	1,496,866
Long leasehold	-	-
Short leasehold	-	-
	<u><u>          </u></u>	<u><u>          </u></u>

**CHESTER DIOCESAN BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**14 Fixed asset investments**

	CCLA InvestmentsDBE Services Ltd		Total
	£	£	£
<b>Cost or valuation</b>			
At 1 January 2022	11,530,856	12	11,530,868
Valuation changes	(1,374,002)	-	(1,374,002)
At 31 December 2022	10,156,854	12	10,156,866
<b>Carrying amount</b>			
At 31 December 2022	10,156,854	12	10,156,866
At 31 December 2021	11,530,856	12	11,530,868

	2022	2021
	£	£
Investments at fair value comprise:		
CBF Investment Fund	8,378,418	9,490,677
CBF Global Equity Income Fund	1,092,995	1,270,464
CBF Property Fund	634,036	718,311
COIF Charities Investment Fund	45,417	51,404
	10,150,866	11,530,856

**15 Debtors**

	2022	2021
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	103,254	15,589
Other debtors	137,735	252,981
Prepayments and accrued income	2,765	1,360
	243,754	269,930

**CHESTER DIOCESAN BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

15 Debtors		(Continued)	
		2022	2021
		£	£
<b>Amounts falling due after more than one year:</b>			
Trade debtors		36,099	-
Other debtors		-	69,323
		<u>36,099</u>	<u>69,323</u>
		<u><u>36,099</u></u>	<u><u>69,323</u></u>
<b>Total debtors</b>		<u><u>279,853</u></u>	<u><u>339,253</u></u>
16 Creditors: amounts falling due within one year		2022	2021
		£	£
		Notes	
Deferred income	17	44,733	32,254
Trade creditors		18,542	44,622
Other DoE and school creditors		99,587	105,651
Other creditors		1,373,962	698,102
Accruals		68,240	105,451
		<u>1,605,064</u>	<u>986,080</u>
		<u><u>1,605,064</u></u>	<u><u>986,080</u></u>
17 Deferred income		2022	2021
		£	£
Other deferred income		44,733	32,254
		<u>44,733</u>	<u>32,254</u>
		<u><u>44,733</u></u>	<u><u>32,254</u></u>
Deferred income is included in the financial statements as follows:			
		2022	2021
		£	£
Deferred income is included within:			
Current liabilities		44,733	32,254
		<u>44,733</u>	<u>32,254</u>
		<u><u>44,733</u></u>	<u><u>32,254</u></u>

**CHESTER DIOCESAN BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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17	Deferred income	(Continued)	
	Movements in the year:		
	Deferred income at 1 January 2022	32,254	23,595
	Released from previous periods	(32,254)	(23,595)
	Resources deferred in the year	44,733	32,254
		<u>          </u>	<u>          </u>
	Deferred income at 31 December 2022	44,733	32,254
		<u>          </u>	<u>          </u>

## CHESTER DIOCESAN BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

#### 18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds			
	Balance at 1 January 2021	Resources expended	Revaluations, gains and losses	Balance at 1 January 2022	Resources expended	Revaluations, gains and losses	Balance at 31 December 2022	
	as restated	as restated	as restated	as restated	as restated	as restated	as restated	
	£	£	£	£	£	£	£	
SCA funds - allocated	337,984	1,727,847	(1,720,742)	345,089	1,921,554	(1,697,433)	569,210	
SCA funds - unallocated	411,536	45,736	-	457,273	-	(192,832)	264,441	
Investments	8,696,269	266,931	(266,931)	9,665,825	271,103	(271,103)	8,769,248	
<b>DIFFERENCE TO ANALYSE</b>	-	-	-	-	-	-	24,376	
	9,445,789	2,040,514	(1,987,673)	1,269,556	10,768,187	(2,161,368)	9,627,275	

#### SCA funds

The charity assists voluntary aided schools with school building projects and the provision of IT equipment. The VASCA (Voluntary-Aided Schools Condition Allocation) system was introduced in April 2020 and superseded the LCVAP (Locally Coordinated Voluntary-Aided Programme). Until April 2020, the charity 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 LCVAP income and expenditure was not reflected in the Statement of Financial Activities as the charity had no control over the funds and the transactions were those of the school governors rather than the charity, which acted as agent. The change in funding from April 2020 gives the charity ultimate control over the application of the VASCA grants to specific schools. Therefore, the VASCA grant funding received is recognised in the SOFA along with the related expenditure.

## CHESTER DIOCESAN BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 18 Restricted funds

(continued)

##### Investment funds

Funds arising out of the sale of school properties were received in the past years under various Educational Endowment Orders and were amalgamated into a uniform statutory trust in 1995 following the provisions of the Education Act 1993. These funds are shown separately as trust funds in the financial statements and their use is restricted to the following: -

- funding for the purchase, or erection of, improvement or enlargement of, relevant school premises in the area,
- funding maintenance costs of any relevant school in the area,
- funding the costs of the administration of the trust and the costs of providing advice, guidance, and resources in connection with any matter related to the management of, or education provided at any relevant school in the area.

#### 19 Analysis of net assets between funds

	Unrestricted funds		Designated funds		Restricted funds		Total		Unrestricted funds		Designated funds		Restricted funds		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Fund balances at 31 December 2022 are represented by:																
Tangible assets	2,935	-	-	-	2,935	-	-	-	-	-	-	-	-	-	-	-
Investment properties	(318,228)	1,496,866	1,496,866	-	1,178,638	1,496,866	-	1,496,866	-	-	1,496,866	-	9,959,415	11,530,868	1,496,866	11,530,868
Investments	(134,833)	-	10,285,711	10,150,878	10,150,878	1,571,453	-	9,959,415	1,571,453	-	-	-	808,771	1,006,883	1,006,883	1,006,883
Current assets/(liabilities)	1,773,256	-	(690,249)	1,083,007	1,083,007	198,112	198,112	808,771	198,112	198,112	-	-	808,771	1,006,883	1,006,883	1,006,883
	1,323,130	1,496,866	9,595,462	12,415,458	12,415,458	1,769,565	1,769,565	10,768,186	1,769,565	1,769,565	1,496,866	10,768,186	14,034,617	14,034,617	14,034,617	14,034,617

## CHESTER DIOCESAN BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 20 Capital commitments

Capital commitments relating to VASCA projects at the yearend was £436,429 (2021 - £345,093).

#### 21 Related party transactions

Chester Diocesan Board of Education acts as the education authority for the Church of England in the Diocese of Chester.

Contribution re joint employment contracts and other recharges payable to The Chester Diocesan Board of Finance, an organisation in which there are a number of trustees on both boards totalled £368,309 (2021 - £346,949).

The charity owns 16.67% of the ordinary share capital of DBE Services Ltd, an entity which commenced trading on 1st January 2006. The company undertakes support work across six northern dioceses. A distribution of £33,498 (2021 - £48,215) was received from DBE Services Ltd during the year.

The charity does not regard the schools in the Diocese to be classified as related parties.

##### **Chester Diocesan Academies Trust**

Some of the trustees of Chester Diocesan Board of Education are also trustees of Chester Diocesan Academies Trust. The trustees do not consider that there is overall control that would require this charity to be consolidated within these financial statements. During the year Chester Diocesan Academies Trust received a grant of £25,000 (2021 - £75,000) from Chester Diocesan Board of Education.

##### **Funds Held as Custodian Trustee**

The charity acts as custodian trustee in respect of funds held on behalf of local trustees and such specific purpose funds are shown separately from the financial statements, and total £153,526 (2021 - £121,103). The charity also acts as custodian trustee in respect of funds arising out of the sale of school properties where the funds are held pending the issue of an Order or other determination. The funds are held in separate accounts to ensure that sufficient custody and segregation from the charity's own assets.

##### **Woodchurch High School**

The amount charged for the Family of Schools Subscription to Woodchurch High School, of which Revd L Bannon was employed, was £1,370 (2021 - £950).

##### **Bowdon C of E School**

The amount charged for the Family of Schools Subscription to Bowdon C of E School, of which Mrs S Hudson was employed was £550. The amount charged in relation to Head Teachers conference income was £150. And the amount charged in relation to general conference income was £1,120. At the year end £580 remained as due to the Diocese.

During the year £36,051 DFC funding income was received on behalf of the school, £31,862 was spent on School projects from the DFC funding held and £56,764 of DFC funding was held at the end of the year on behalf of Bowdon C of E School.

##### **The Samara Trust**

The amount charged for the Family of Schools Subscription to The Samara Trust was £1,125, of which Mrs S Noakes was a Trustee.

##### **The Bishops' Blue Coat C of E High School**

The amount charged for the Family of Schools Subscription to The Bishops' Blue Coat C of E High School was £1,100. And course income of £330 was also received from the School, of which Mrs S Noakes is a Trustee.

## CHESTER DIOCESAN BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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<b>22</b>	<b>Cash generated from operations</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	(Deficit)/surplus for the year	(1,619,159)	1,938,352
	Adjustments for:		
	Investment income recognised in statement of financial activities	(418,296)	(389,644)
	Fair value gains and losses on investment properties	318,228	(469,090)
	Fair value gains and losses on investments	1,379,990	(1,466,297)
	Depreciation and impairment of tangible fixed assets	501	-
	Movements in working capital:		
	(Increase)/decrease in debtors	(82,566)	110,696
	Increase/(decrease) in creditors	606,505	(49,300)
	Increase in deferred income	12,479	8,659
	<b>Cash generated from/(absorbed by) operations</b>	<u>197,682</u>	<u>(316,624)</u>
<b>23</b>	<b>Analysis of changes in net funds</b>		
	The charity had no debt during the year.		

## CHESTER DIOCESAN BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2022*

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#### **24 Sole Trusteeship of Exempt Charities - School Trusts**

The below charities are exempt charities of which the Chester Diocesan Board of Education is sole trustee. In accordance with section 19.13 of the Charities SORP (FRS 102) the description and class of assets for all of the below are the school building and lands of the Schools. There is no trading through these exempt charities, their sole purpose is to hold the lands and buildings in the form of School Trusts: -

- Bidston Village Church of England Primary School Trust
- Bromborough Church of England Primary School Trust
- Chelford Church of England Primary School Trust
- Christ Church (Birkenhead) Church of England Primary School Trust
- Delamere Church of England Primary School Trust
- Frodsham, Five Crosses Church of England Primary School Trust
- Goostrey Church of England Primary School Trust
- Great Budworth Church of England Primary School Trust
- Guilden Sutton Church of England Primary School Trust
- Hoole, All Saints Church of England Primary School Trust
- Hoylake Holy Trinity Church of England Primary School Trust
- Huxley Church of England Primary School Trust
- Little Bollington Church of England Primary School Trust
- St John the Evangelist Church of England Primary School Trust
- Mollington St Oswald's Church of England Primary School Trust
- Norley Church of England Primary School Trust
- St Bertelina's Church of England Primary School Trust
- The Priory Parish Church of England Primary School Trust
- Saughton Church of England Primary School Trust
- St John's (Sandbach Heath) Church of England Primary School Trust
- Stockport St Thomas' Church of England Primary School Trust
- Tushingham-with-Grindley Church of England Primary School Trust
- Upton Heath Church of England Primary School Trust
- Wharton Church of England Primary School Trust
- Whitegate Church of England Primary School Trust
- Wincle Church of England Primary School Trust
- Woodcocks Well Church of England Primary School Trust
- Worleston St Oswald's Church of England Primary School Trust

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

**CHESTER DIOCESAN BOARD OF EDUCATION**

England & Wales - Charity number 525790

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# Accounts

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**Charity Registration No. 525790**

**Company Registration No. 85176 (England and Wales)**

**CHESTER DIOCESAN BOARD OF EDUCATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



# CHESTER DIOCESAN BOARD OF EDUCATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Members of the Board of Education

The Bishop's nominees: -

Ven Dr M R Gilbertson  
Revd J Piper

Members elected by Diocesan Synod: -

Revd L Bannon  
Professor P Bowden  
Mrs M Cruxton  
Dr D Cumberland  
Dr C Gordon  
Mrs S C Hudson  
Canon E Renshaw MBE

### Trustees

Ven Dr M R Gilbertson  
Revd L Bannon  
Professor P Bowden  
Mrs M Cruxton  
Dr D Cumberland  
Mrs S Hudson  
Revd S Morris (co-opted)  
Canon E Renshaw MBE  
Dr D Walter (co-opted)  
Revd J Piper  
Dr C Gordon

### Secretary

Mr C Penn

### Charity number

525790

### Company number

85176

### Registered office

Church House  
5500 Daresbury Park  
Daresbury  
Warrington  
Cheshire  
WA4 4GE

### Auditor

Mitchell Charlesworth LLP  
24 Nicholas Street  
Chester  
CH1 2AU

### Bankers

National Westminster Bank plc  
33 Eastgate Street  
Chester  
CH1 1LG

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# CHESTER DIOCESAN BOARD OF EDUCATION

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# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The trustees are pleased to present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association of 1943 amended on 24 April 2017, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

#### **Coronavirus (COVID-19)**

In common with other companies and charities across England, the Diocesan Board of Education's work has been impacted by the advent of the coronavirus pandemic and its continued effect. Despite a change in working practices as Church House was closed, the Board of Education and its officers continued to work and support its schools throughout this period. Staff returned to the office and into schools during the year but maintained a watchful eye on the situation and ensured that any events and school visits were undertaken in such a way as to minimise risk.

Oversight by the Board continued through remote meetings during the periods of lockdown with increased oversight of possible risks to the company through additional meetings focused purely on this aspect. The Finance and General Purposes Committee considered the possible impact on DBE income for the following year and have maintained a close scrutiny on reports from CCLA to inform their decision making.

The two main income streams for the Board, CCLA investments and the Family of Schools subscription were not adversely affected by the pandemic as schools continued to receive support and so subscribed to the Family of Schools and CCLA investments, after an initial dip, continued to bring positive returns. The lasting impact of this on investment is still to be realised and the Board continues to monitor it closely.

#### **Brexit**

The DBE receives income and meets its commitments in sterling, and as such is not excessively exposed to first order risks such as currency fluctuation arising from the United Kingdom's departure from the European Union. It may be more exposed to second order effects such as consequent changes in the level of economic activity in the United Kingdom. The DBE's work is in support of institutions that are publicly funded and, as education remains a central priority for government, it is envisioned that schools will continue to be funded to at least current levels, thus suggesting that they would be able to continue to subscribe to the Family of Schools and also take up DBE training. In addition, the DBE receives investment income from a variety of funds held with CCLA Investment Management Ltd, which are not reliant on domestic business or European links which may be directly impacted by Brexit.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Objectives and activities

The charity acts as the Education Authority for the Church of England in the Diocese of Chester, in accordance with The Diocesan Boards of Education Measures 1991 and 2021. The objects of the charity are:

#### 1991

- to promote education consistent with the faith and practice of the Church of England in the Diocese;
- to promote religious education and religious worship in schools in the Diocese;
- to promote church schools in the Diocese;
- to advise the governors of Church schools in the Diocese;
- to advise the trustees of church educational endowments in the Diocese

#### 2021

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

One of the principal activities is the administration of grant claims in respect of building and maintenance work carried out on school properties together with all other related matters which promote the efficiency of or otherwise benefit the schools in the Diocese. This administration has become a more central feature as the grant funding is now paid directly to the DBE for distribution rather than co-ordinated by the Local Authority as in previous years.

In addition, the charity has continued to provide assistance to Chester Diocesan Academies Trust (CDAT). It has recently made the decision to actively encourage schools considering academy status to join CDAT.

The company also acts as custodian trustee for a number of specific trusts (referred to as Specific Purpose Funds in the attached accounts).

The strategies employed to achieve the charity's objectives are to:

- Administer and advise on building work, particularly in aided schools in the Diocese;
- Advise and support governing boards in aspects of their role such as appointments, admissions and ethos;
- Support and promote quality religious education and worship in church schools in the Diocese;
- Arrange for and support staff and governors through denominational inspection procedures;
- Provide training opportunities for staff and governors;
- Provide pastoral and other support to schools experiencing difficulties;
- Provide pastoral support for church school leaders
- Facilitate school collaboration and support:
- Advise and support schools converting to academy status;
- Work with other Diocesan Boards of Education in the DBE Services group to provide high quality services to schools;
- Work with Local Authorities, academy trustees, the DfE and Regional Schools Commissioners to support education in church schools across the diocese;
- Represent the Diocese on committees and groups involved in school work;
- Advise and support the trustees of church educational endowment held wholly or partly for or in connection with any church school.

In order to track the success of these objectives, the DBE observes a number of performance indicators:

- The uptake of subscriptions to the Family of Schools membership.
- Increased engagement and sign-up by schools to DBE facilitated or endorsed CPD training.
- Developed and strengthened engagement by school leadership in regional/local cluster groups and networks.
- Successful Ofsted and SIAMS inspections.
- Improved mental wellbeing of school leadership (notably headteachers).

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

#### **Achievements, Performance and Public Benefit**

In addition to Ofsted inspections, Anglican church schools undergo a denominational inspection under the auspices of the Statutory Inspection of Anglican and Methodist Schools (SIAMS) (Section 48 of the Education Act 2005).

The charity continued to support schools before and after denominational inspections and these provide great benefit in further developing the Christian foundation of the schools as well as offering a means of pastoral support to senior leaders. Schools due for inspection were invited for specific training in order to prepare them for the inspection. From 17th March 2020 SIAMS inspections, along with Ofsted inspections, were suspended and this continued through 2021 resuming only in the autumn term of 2021. No SIAMS inspections of Chester DBE schools took place in 2021. A small number of Ofsted inspections took place with some schools still awaiting the final published reports at the end of 2021.

As of the end of 2021, 101 schools were judged to be good or better under the Ofsted framework. 72 Schools were judged good or better under the SIAMS schedule.

The charity is being increasingly called upon to assist schools as they consider academy status. A growing number of schools are now considering the move to academy status. The charity works closely with CDAT and other trusts in the Diocese and supports schools as they look at the most appropriate action to take in this regard. The DBE has recently made a decision to actively encourage schools that are considering academy status to consider joining CDAT.

The charity has supported governors in several senior appointments in church schools. They have also supported several schools that have experienced difficulties during the year. Successful training courses, some in conjunction with DBE Services Ltd, have been run to support the development of staff from early careers teachers to current and possible church school leaders.

The 'Chester Diocesan Family of Schools' membership and support package continues to be well subscribed.

An increased programme of courses for senior leaders, teachers and governors have continued to be successful and maintain the profile of the charity. At the start of the year with Church House closed, training took place remotely. Many of these sessions were well attended. Schools were also supported through cluster meetings and regular individual contact by Officers. Chairs of Governors were offered online meetings which were well supported. A small number of face to face training events returned in the autumn term, as did officer visits to schools. The larger numbers of governors attending online training in 2020 resulted in a planned programme of face to face and online training for governors.

The annual senior leader conference took place in the autumn term and was well attended. The theme for the conference was another strand of the Church of England's vision for education, educating for dignity and respect. Two external key note speakers and input from Diocesan schools were very well received by those that attended.

The annual Year 6 leavers' services could not take place in person as planned. With contributions from a number of schools, a 'virtual' year six leavers service was filmed and premiered so that schools could sit and share it at the same time but within their own schools. Following the launch, it was made available for schools who could not watch at the time.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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Aided schools in the Diocese have continued to demonstrate their trust in the charity by having their Devolved Formula Capital (DFC) monies held centrally, enabling the Board to allow some schools to expend money which they will not receive until the following year.

Many schools benefited from building work and the support of staff and consultants from DBE Services Ltd.

Projects with work over £100,000 included:

Completion of projects begun in 2020:

- Chester Blue Coat - New Modular Nursery
- Hartford CE High School - Phase 3 Re-Roofing Changing Rooms
- Marton & District CE - New Boilers
- Oxton St Saviour's CE Primary - Kitchen Refurbishment & H&S Improvements
- Oxton St Saviour's CE Primary - Reroofing - Phase 4
- Prestbury CE Primary - Condition Replacement of the boilers and associated plant
- Sandbach Heath St John's - Extension Phase 2
- Stockport St George's - Demolition of Air Raid Shelter & Improvements to KS1 Outdoor Play Area
- Wincle - Septic Tank

New projects in 2021:

- Bebington St Andrew's CE Primary - Internal Alterations Phase 1
- Crowton Christ Church - Flat Roof Replacement Phase 1
- Hartford CE High School - Creation of Gym Mezzanine
- Marton & District CE Primary - Re-roofing Phase 1
- Mottram CE Primary - Re-Roofing Works
- Norton St Berteline's CE Primary - Refurbishment of Toilet Areas
- Runcorn All Saints CE Primary - Flat Roof Replacement Works - Phase 4
- Thurstaston Dawpool CE Primary - Renewal of Pitched Roof Coverings
- Sale, St Mary's - Playground Resurfacing

Capital Funding for these projects is received by the charity for distribution to voluntary aided schools. An application process is in place in order for schools to apply for the funding through their building consultants, supporting schools in clearly identifying priorities. Using a specialist to support the process, officers identify a list of projects to be funded in priority order based on its criteria which is then scrutinised and approved by a subcommittee of the Board.

As Chester Diocesan Board of Education is an Incorporated Company which operates financially independently from Chester Diocesan Board of Finance, the DBE does not receive any income from local parish churches via the parish share scheme. The DBE is, therefore, responsible for sourcing its own income and, due to the financial strains on schools, relies heavily on income generated by investments, dividends and rental income from previous school sites. These income sources fund the majority of the DBE's day to day activities to further our aims and charitable objectives, with income from Family of Schools membership and attendance of training courses and conferences supplementing this income.

As a charity, Chester Diocesan Board of Education does not seek to make a profit year on year and aims to balance income and expenditure to ensure long-term finance viability. The balancing of income & expenditure with the pursuit of growing support for our Church of England Schools within the Diocese, as detailed above, forms the basis of the criteria and measure of success within any given accounting or reporting period.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### Reserves Policy

The charity is almost entirely dependent on the income from its investments to support its work. Consequently, investments are maintained, and the trustees would only consider expending capital in exceptional cases. Despite the volatility in national and world markets due to the pandemic and Brexit, the reserves have remained fairly stable.

The Restricted Funds arise out of the sale of school properties which in past years came under various Educational Endowment Orders and were amalgamated into a uniform statutory trust in 1995 following the provisions of the Education Act 1993. The use of these funds is restricted to the following:

- a) funding the purchase, or erection of, improvement or enlargement of, relevant school premises in the area;
- b) funding maintenance costs of any relevant school in the area;
- c) funding the costs of the administration of the trust and the costs of providing advice, guidance and resources in connection with any matter related to the management of, or education provided at any relevant school in the area.

The Unrestricted General Funds held are historic funds and may be used for the general purposes of the Board in achieving its charitable objectives.

Free unrestricted reserves at the end of 2021 were £1,769,565 (2020 £1,622,701). Total restricted reserves were £10,768,186 (2020 £9,445,789). A detailed breakdown of restricted reserves, along with notes of the restrictions on these funds can be found in note 17 of these accounts.

The Board holds free reserves - restricted and unrestricted - of £12,537,751 at the end of 2021. Of this, £11,530,868 is held in investments in order to provide some capital appreciation and a flow of investment income. Of the investments, £1,565,043 are unrestricted, equivalent to over two years of expenditure. While the Board has no intention of liquidating these investments, it could do so with little difficulty. As such the Board considers it has adequate reserves to enable it to respond to changing church education needs and fluctuations in the economic environment.

It should be noted that these levels of reserves are partly historic and partly received through Act of Parliament; they are not hoarded donations.

The Finance and General Purposes Committee of the Board will continue to review levels of reserves and make their findings known to the Board of Directors.

### Financial Review, Reserves and Going Concern

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Statement of Financial Activities shows net income of £2,964 and investment gains of £1,466,297 together with a gain on revaluation of fixed assets of £469,090 resulting in net movement in funds of £1,938,351.

The financial statements have been prepared on the going concern basis, as the trustees consider that the Board has sufficient reserves to continue operations.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### Investment Policy and Outcome

To determine where the charity should invest its financial assets, the DBE follows the national Church of England's Statement of Ethical Investment Policy, which states that taking account of environmental, social and governance (ESG) issues is an intrinsic part of being a good long-term investor, for both ethical and financial reasons.

To achieve this, the charity holds cash together with holdings in the Central Board of Finance (CBF) Church of England Investment Fund, the CBF Church of England Global Equity Income Fund, the CBF Church of England Property Fund, and the CBF deposit fund. The intention is to provide income together with capital appreciation to afford long term protection against inflation. Although the income from investments dropped earlier in the year due to COVID-19, the markets invested in recovered quickly and so investment income for 2021 was comparable to the previous year. The CBF guarantee that investments are made in accordance with the ethical standards of the Church of England. The trustees will continue to regularly consider the performance of the shares to ensure that the return in terms of capital growth and income is appropriate to the long-term needs of the charity.

The Finance and General Purposes Committee will continue to keep investment policy and the investments themselves under review and keep the board of directors informed.

### Risk management

The trustees have a risk management strategy which comprises:

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

Trustee indemnity insurance is in place.

The Board considers the main risks to be in the following areas

- Changes in school funding reducing the viability of schools, particularly those with very small pupil numbers.
- The unknown impact on income due to Covid and Brexit
- Loss of key DBE personnel through leaving/retirement
- Adverse media coverage because of actions/situations in diocesan schools

Mitigation for these risks have been identified and the loss of key personnel is likely to be a lower risk in the following year as the current executive team has been increased in number and are relatively recent appointments.

The Board, with local authorities, continues to support schools in facilitating discussion around school organisation and possible structures to manage school funds.

A key element in the management of financial risk is the work of the Finance and General Purposes Committee with the risk committee, which keeps the risk management strategy under review.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Plans for future periods

The Board has been working on developing a vision and strategic plan for the way in which it will serve and support Diocesan church schools in the coming years. This is expected to be shared more widely with schools in 2022. The overarching vision statement is;

**Being deeply Christian and for the common good, our schools will be communities which are: Loving in relationships; Ambitious in aspirations; Bold in actions.**

The strategy has three main threads (listed above) that run through all aspects of it and are delivered across six key principles; relationships, outcomes, impact, resourcing, structures and trust.

A focus for the Board's work already planned for the year is headteacher and senior leader wellbeing. Already a stressful and sometimes lonely job, the role of a headteacher has never been so difficult. The publication of a handbook designed to support headteachers in managing their own wellbeing, but also governors in fulfilling their duty in managing the wellbeing of their senior leaders, was published and distributed to schools. Training for governors is now also in place. This is alongside the regular contact by officers with headteachers, cluster meetings and the headteacher wellbeing programme is planned to provide a wide range of support for leaders. Chairs of governors are pivotal in the role of a school and especially regarding the wellbeing of staff. The DBE is committed to supporting Chairs of governors as they, in turn, support senior leaders. An increased level of support has been given by regular Chair surgeries and the facilitation of Chair support groups. Requested by a number of Chairs these are small groups of three or four Chairs that oversee schools in similar circumstances. They are designed to provide a confidential group that gives both practical but also pastoral support. These will be developed and regularly offered and updated as new Chairs are elected. The DBE has also facilitated Chair mentors for some new or struggling Chairs.

There has been an increase in schools asking for advice and support with regards to possible academisation and, in particular, looking at the possibility of joining Chester Diocesan Academies Trust (CDAT). Officers have worked with the CEO of CDAT to speak to leaders and governors about CDAT and its offer. The DBE has re-iterated its support for CDAT and is encouraging schools to consider joining the Trust.

A working party that was initially set up to consider the academy strategy for the diocese completed its work and supported the DBE in suggesting to schools that its preferred option for schools considering academy status was CDAT, although it would consider each case individually to ensure any move was appropriate for both the school and CDAT.

The development of school improvement work will continue through the Diocesan school effectiveness officer. Schools in the diocese will be able to access school improvement partners and training on aspects related to general school improvement through DBE services to which schools are signposted. The distinctive nature of church schools will be developed and supported through the increased training offer on these aspects offered through the Family of Schools.

There was a national change in the organisation and planning of the denominational inspection framework SIAMS for 2021. The administration and coordination of inspections is undertaken by a national team rather than through individual dioceses as was the case previously. This means that the DBE has a role in supporting schools in this area of work rather than undertaking its administration. Further support through a 'Keeping on Track' team will continue with some headteachers encouraged to train as SIAMS inspectors.

The Board will continue to work with officers and departments of the Board of Finance on the Growing Faith Adventure. A number of activities are planned for the year in order to support this project.

A major piece of work for the year was a review of the financial procedures and practices of the Charity. This was undertaken by Mitchell Charlesworth following a tender process. The report made a number of suggestions including, new software, a move to accrual accounting and the development of a more automated way of working. The implementation of this will be an important piece of work for 2022.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### Structure, governance and management

Chester Diocesan Board of Education is a registered charity no 525790, and a company limited by guarantee no 85176.

### Governing Document

The Chester Diocesan Board of Education is a company limited by guarantee registered in England and Wales and governed by its Memorandum and Articles of Association of 1943 amended on 24 April 2017.

It is registered as a charity with the Charity Commission. The Board comprises:

- a) the Bishop or the Bishop's nominee;
- b) one person nominated by the Bishop;
- c) seven members appointed by the Synod who are worshipping members of the Church of England but need not themselves be members of the Synod ("the appointed members"), of whom:
  - (i) at least three members shall be appointed from each of the two archdeaconries of the diocese, being persons who work, worship or reside in the archdeaconry from which they are appointed, and (ii) at least one member shall be a Clerk in Holy Orders benefited or licensed in the Diocese.
- d) two members co-opted by the Board who shall be persons with experience of church schools in the Diocese.

A new Diocesan Board of Education Measure was published during the year. As Chester DBE was already a company limited by guarantee this has not resulted in any major change to the Board. An updated scheme was agreed by Diocesan Synod and has received approval by the Archbishops Council. The scheme will be implemented on 1st January 2023.

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

Ven Dr M R Gilbertson  
Revd L Bannon  
Professor P Bowden  
Mrs M Cruyton  
Dr D Cumberland  
Mrs S Hudson  
Revd S Morris (co-opted)  
Canon E Renshaw MBE  
Dr D Walter (co-opted)  
Revd J Piper  
Dr C Gordon

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### **Appointment of trustees**

As set out in the current Articles of Association the Chair of the trustees is the Bishop of Chester except that, if they do not desire to be Chair, the members after consultation with the Bishop, shall appoint some other person (whether or not a member) to be Chair. The Ven Dr M R Gilbertson (Archdeacon of Chester) was appointed as Chair. As described in the Articles of Association, the members of the DBE are also the Trustees of the DBE.

All board members, trustees and committee members are voluntary roles; the DBE does not use volunteers beyond these roles.

### **Trustee induction and training**

New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. Trustees also meet key employees and are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

### **Trustees' statement on public benefit**

Chester Diocesan Board of Education is a public benefit entity. The trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

### **Remuneration of Key Management Personnel**

As DBE employees are joint employees with Chester Diocesan Board of Finance, the salaries of key management personnel, as per all DBE employees, is set according to the Chester Diocesan Board of Education pay scale as determined by the HR Committee and the Finance and Scrutiny Committee of the DBF. Any pay increases determined outside of the DBF committees are proposed by the DBE Board and taken to the DBF committees for approval.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Charity Governance Code**

The Board welcomed the introduction of the Charity Governance Code in 2017 and continues to review best practice as it aims to improve. The Board has made several steps forward in improving its governance and effectiveness as follows: -

**Organisational Purpose** – The Board continues to ensure its work is in line with its charitable objectives and also its vision of being deeply Christian and for the common good; and that its schools will be communities which are loving in relationships, ambitious in aspiration and bold in action. This vision continues to be developed and will be used as a basis for the work of the Board and its officers.

**Leadership** – The two committees continue to give a strong oversight of the work of the DBE, through detailed scrutiny and recommendations to the Board. An academy working party was established to consider the DBE's strategy towards academy development and other working parties are planned.

**Integrity** - The Bishop of Chester nominates the chair of the DBE to ensure the Board operates within the values of the Diocese of Chester and the Church of England. The rest of Board is appointed by the Diocesan Synod to ensure that that the Board can be independent in its decision making. The Board is also required to report back to the Diocesan Synod to share its progress in furthering its purposes.

**Decision Making, Risk and Control** - The risk register is regularly updated to ensure the Board is aware of and managing its current risks. A risk committee, consisting of Chairs of the Committees and Executive Officers ensures that the process identifies risks and possible mitigations through each committee, draws these together and highlights any particular areas to the full Board. The Education Effectiveness and Finance and General Purposes committees continue to support the Board of directors in taking control of and responsibility for the decision-making process of the charity.

**Board Effectiveness** - The Board of directors brings a wide and diverse range of skills to the Board. This is further supported by additional co-options to the two committees.

**Diversity** - The Board of directors is appointed by the Diocesan Synod and as far as possible, members are nominated to include a wide range of knowledge, skills and perspectives. However, the DBE intends to take a more proactive approach to encourage applications for appointment from a more inclusive group, in particular with regards to age, gender and ethnicity. The DBE is committed to widening its diversity as it moves forward.

**Openness and Accountability** - The charity is accountable to and makes regular reports to Diocesan Synod and various other Diocesan committees to ensure that the Board is transparent in how it operates.

### **Organisation**

The Board of trustees administers the charity. The Board meets regularly together with the Secretary who manages the day to day operations of the charity. The Board manages its business through two committees, Education Effectiveness and Finance and General Purposes. These are attended by members of the executive team. To facilitate effective operations, the Secretary has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and school related activities.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### Related parties

The charity has a close relationship with Chester Diocesan Board of Finance (a company limited by guarantee registered in England (no. 7826) and a registered charity (no. 248968) which funds the work with children and young people and provides office accommodation.

The charity has a close relationship with Chester Diocesan Academies Trust (CDAT) (a company limited by guarantee registered in England (no. 8451787) and an exempt charity) which is established as a multi-academy trust in the Diocese.

The charity jointly owns DBE Services Ltd (a company limited by shares registered in England and Wales (no. 5531123) with Blackburn Diocesan Board of Education, Carlisle Diocesan Board of Finance, Liverpool Diocesan Board of Finance, Manchester Diocesan Board of Education and York Diocesan Board of Finance. This company undertakes support work across the six dioceses and gift-aids any profit back to the six Boards.

### Supplier payment policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to 29 day's purchases, based on the average daily amount invoiced by suppliers during the year.

### Funds held as custodian trustee

The charity acts as custodian trustee in respect of funds held on behalf of local trustees and such specific purpose funds are held in segregated accounts, separately accounted for, and do not appear in the financial statements. They are shown in note 20 to the accounts.

The company also acts as custodian trustee in respect of funds arising out of the sale of school properties where the funds are held pending the issue of an Order or other determination.

The Devolved Formula Capital for aided schools is held by the charity as part of these funds.

# CHESTER DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### Statement of trustees' responsibilities

The trustees, who are also the directors of Chester Diocesan Board of Education for the purpose 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditor

Mitchell Charlesworth LLP were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

### Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Ven Dr M R Gilbertson

Chair

Date: 25 May 2022

# CHESTER DIOCESAN BOARD OF EDUCATION

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF CHESTER DIOCESAN BOARD OF EDUCATION

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#### Opinion

We have audited the financial statements of Chester Diocesan Board of Education (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

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

We have nothing to report in this regard.

# CHESTER DIOCESAN BOARD OF EDUCATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF CHESTER DIOCESAN BOARD OF EDUCATION

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

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

## CHESTER DIOCESAN BOARD OF EDUCATION

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE TRUSTEES OF CHESTER DIOCESAN BOARD OF EDUCATION

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##### **Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- the charitable company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the charity's Statement of Financial Activities, (ii) the charity's accounting policy for revenue recognition (iii) the overstatement of salary and other costs and the movements for the year. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, the Statement of Recommended Practice - 'Accounting and Reporting by Charities'.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the academy's ability to operate or to avoid a material penalty. This includes regulations concerning Data Protection.

##### **Audit response to risks identified**

As a result of performing the above, we identified income recognition, override of controls and adherence to laws and regulations as the key audit matters related to the potential risk of fraud.

# CHESTER DIOCESAN BOARD OF EDUCATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF CHESTER DIOCESAN BOARD OF EDUCATION

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Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and trustees concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Robert Hall (Senior Statutory Auditor)**  
for and on behalf of Mitchell Charlesworth LLP

**Chartered Accountants**  
**Statutory Auditor**

24 Nicholas Street  
Chester  
CH1 2AU

## CHESTER DIOCESAN BOARD OF EDUCATION

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds	Endowment funds designated	Restricted funds	Total	Unrestricted funds as restated	Endowment funds designated as restated	Restricted funds as restated	Total as restated
		2021	2021	2021	2021	2020	2020	2020	2020
		£	£	£	£	£	£	£	£
<b>Income from:</b>									
Donations and legacies	3	48,215	-	1,773,583	1,821,798	37,930	-	1,980,927	2,018,857
Charitable activities	4	82,264	-	-	82,264	97,107	-	-	97,107
Income from investments	5	122,713	-	266,931	389,644	106,401	-	260,655	367,056
<b>Total income</b>		<b>253,192</b>	<b>-</b>	<b>2,040,514</b>	<b>2,293,706</b>	<b>241,438</b>	<b>-</b>	<b>2,241,582</b>	<b>2,483,020</b>
<b>Expenditure on:</b>									
Charitable activities	6	303,069	-	1,987,673	2,290,742	176,740	-	1,492,062	1,668,802
Net gains/(losses) on investments	11	196,741	469,090	1,269,556	1,935,387	67,122	18,076	455,087	540,285
<b>Net movement in funds</b>		<b>146,864</b>	<b>469,090</b>	<b>1,322,397</b>	<b>1,938,351</b>	<b>131,820</b>	<b>18,076</b>	<b>1,204,607</b>	<b>1,354,503</b>
Fund balances at 1 January 2021		1,622,701	1,027,776	9,445,789	12,096,266	1,490,880	1,009,700	8,241,182	10,741,762
<b>Fund balances at 31 December 2021</b>		<b>1,769,565</b>	<b>1,496,866</b>	<b>10,768,186</b>	<b>14,034,617</b>	<b>1,622,700</b>	<b>1,027,776</b>	<b>9,445,789</b>	<b>12,096,265</b>

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

All income and expenditure derive from continuing activities.



# CHESTER DIOCESAN BOARD OF EDUCATION

## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021		2020 as restated	
		£	£	£	£
<b>Fixed assets</b>					
Investment properties	12		1,496,866		1,027,776
Investments	13		11,530,868		10,064,571
			<u>13,027,734</u>		<u>11,092,347</u>
<b>Current assets</b>					
Debtors	14	339,253		469,683	
Cash at bank and in hand		1,653,710		1,560,956	
		<u>1,992,963</u>		<u>2,030,639</u>	
<b>Creditors: amounts falling due within one year</b>	15	(986,080)		(1,026,721)	
Net current assets			<u>1,006,883</u>		<u>1,003,918</u>
<b>Total assets less current liabilities</b>			<u>14,034,617</u>		<u>12,096,265</u>
<b>Income funds</b>					
Restricted funds	17		10,768,186		9,445,789
Endowment funds - designated			1,496,866		1,027,776
Unrestricted funds			1,769,565		1,622,700
			<u>14,034,617</u>		<u>12,096,265</u>

The financial statements were approved by the Trustees on 25 May 2022

M.R.C. Gilbertson

Ven Dr M R Gilbertson  
Chair

Company Registration No. 85176

# CHESTER DIOCESAN BOARD OF EDUCATION

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	21		(316,624)		23,540
<b>Investing activities</b>					
Repayment of investment loans and receivables		19,734		(72,216)	
Investment income received		389,644		367,056	
<b>Net cash generated from investing activities</b>			409,378		294,840
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			92,754		318,380
Cash and cash equivalents at beginning of year			1,560,956		1,242,576
<b>Cash and cash equivalents at end of year</b>			1,653,710		1,560,956

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

##### Charity information

Chester Diocesan Board of Education is a private company limited by guarantee incorporated in England and Wales. The registered office is Church House, 5500 Daresbury Park, Daresbury, Warrington, Cheshire, WA4 4GE.

##### 1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

##### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Gift aided distribution from DBE Services Ltd - the charity has an investment in DBE Services Ltd which provides services to church schools including inspections, teaching and curriculum support, administrative services, building work, equipment and construction support. The charity receives gift aided distributions on the profits. The distribution is recognised on receipt.

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

The charity operates a support package under the name "Chester Diocesan Family of Schools" referred to elsewhere in the annual report and accounts, and receives subscription income as a result which is recognised on an accruals basis in the accounts.

Conference income is derived from training events delivered to staff at Church of England Schools and is recognised on an accruals basis.

The charity receives dividends and interest on a range of investments, all holdings in Church of England funds operated by CCLA Investment Management Ltd which are recognised on receipt.

The charity also receives rental income from four former schools which is recognised on an accruals basis.

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Charitable activity costs also include the cost of administering grant claims in respect of building and maintenance work carried out on school properties, the cost of administering grants payable and providing support to the other charitable activities of the company.

#### Grants

Grants payable included within charitable activities represent discretionary grants to Governors or Schools for financial assistance towards to the cost of specific, approved school projects. Grants payable are included in the Statement of Financial Activities on the accruals basis, to the extent that conditions for payment have been met.

#### Allocation of support costs

As explained in the annual report, the charity supports the Church of England schools in the Diocese in a wide range of ways including assisting with building projects, supporting and training governors, and promoting religious education more widely. The allocation between activities fluctuates as necessary.

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

Proceeds from the sale of former school properties are normally held by the charity as custodian trustee (in specific purpose funds) until a relevant Educational Endowment Order or determination is issued.

The financial statements up to 31st December 1996 did not include any value for former school properties held in the name of the charity which had not yet been sold, but these properties are classified as investment properties, and have been included in subsequent accounts.

#### 1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### **1.10 Amounts due from school governors in respect of projects**

The charity receives funding on behalf of schools from the Department of Education for funding building works and other projects. The charity also makes payments to contractors on behalf of the schools. In the majority of cases the governors make a 10% contribution to the cost of the project; this often leaves an amount payable to the charity by the governors of the school. By concession, the charity allows school governors the time to pay their contribution, dependent on size and duration of the project and other factors. On occasions the governors of the school fund the whole cost of the project, leaving the full amount repayable to the charity.

#### **1.11 Funds held as custodian trustee**

The charity acts as custodian trustee in respect of funds held on behalf of local trustees and funds arising out of the sale of school properties where funds are held pending the issue of an Order or determination.

Funds held as custodian trustee do not belong to the charity and so are not a component of the charities assets, income or expenditure in the reporting period.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**CHESTER DIOCESAN BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**3 Donations and legacies**

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	as restated 2020	as restated 2020	as restated 2020
	£	£	£	£	£	£
Donations and gifts	48,215	-	48,215	37,930	-	37,930
VASCA income	-	1,773,583	1,773,583	-	1,980,927	1,980,927
	<u>48,215</u>	<u>1,773,583</u>	<u>1,821,798</u>	<u>37,930</u>	<u>1,980,927</u>	<u>2,018,857</u>
<b>Donations and gifts</b>						
Gift aided distribution from DBE Services Ltd	48,215	-	48,215	37,930	-	37,930
	<u>48,215</u>	<u>-</u>	<u>48,215</u>	<u>37,930</u>	<u>-</u>	<u>37,930</u>

**4 Charitable activities**

	2021	2020
	£	£
Conference income	34,699	16,656
Chester Diocesan family of schools	45,845	78,737
Other income	1,720	1,714
	<u>82,264</u>	<u>97,107</u>

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 5 Income from investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Dividends and interest	40,126	266,931	307,057	39,924	260,655	300,579
Rental income	82,587	-	82,587	66,477	-	66,477
	<u>122,713</u>	<u>266,931</u>	<u>389,644</u>	<u>106,401</u>	<u>260,655</u>	<u>367,056</u>

### 6 Charitable activities

	Charitable activities	Charitable activities as restated
	2021	2020
	£	£
Property costs	42,392	6,225
Salaries and recharges	312,254	307,115
Legal and professional fees	-	4,217
Educational support costs	30,395	27,873
Other expenses	12,864	11,474
Grants (see note 7)	2,730	590
VASCA capital expenditure	1,720,742	1,231,407
	<u>2,121,377</u>	<u>1,588,901</u>
Grant funding of activities (see note 7)	75,000	-
Share of support costs (see note 8)	81,165	63,901
Share of governance costs (see note 8)	13,200	16,000
	<u>2,290,742</u>	<u>1,668,802</u>
<b>Analysis by fund</b>		
Unrestricted funds	303,069	176,740
Restricted funds	1,987,673	1,492,062
	<u>2,290,742</u>	<u>1,668,802</u>

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 7 Grants payable

In 2021 a grant of £75,000 was made to CDAT (Chester Diocesan Academies Trust). CDAT works with the charity and provides the Church of England Schools in the Dioceses with the opportunity to join a multi academy trust that supports their specifically Christian ethos. Ten schools were part of CDAT at 31st December 2021.

In addition to this further grants were made to the governors of other schools in the year of £2,730 (2020 - £590).

### 8 Support costs

	Support costs	Governance costs	2021 Support costs	Governance costs	2020
	£	£	£	£	£
Salaries and recharges	34,695	-	34,695	34,124	34,124
Legal and professional fees	10,415	-	10,415	469	469
Accountancy fees	20,144	-	20,144	9,280	9,280
Bank charges	468	-	468	236	236
Other costs	15,443	-	15,443	19,792	19,792
Audit fees	-	13,200	13,200	-	16,000
	<u>81,165</u>	<u>13,200</u>	<u>94,365</u>	<u>63,901</u>	<u>79,901</u>
Analysed between					
Charitable activities	<u>81,165</u>	<u>13,200</u>	<u>94,365</u>	<u>63,901</u>	<u>79,901</u>

Governance costs includes payments to the auditors of £13,200 (2020 - £16,000) for audit fees. The Chester Diocesan Board of Education is not VAT registered, audit fees are shown including VAT.

### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. (2020 - £nil).

### 10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	<u>-</u>	<u>-</u>

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 10 Employees

(Continued)

There were 7.2 (2020 - 7.2) full time equivalent employees under joint contracts of employment with Chester Diocesan Board of Finance. Their employment costs are borne by Chester Diocesan Board of Finance and recharged to Chester Diocesan Board of Education.

The trustees have handed much of the day to day management of the charity to a number of key management personnel including the Director of Education. The total cost of employee benefits (including employer's national insurance and employers pension contributions) relating to key management personnel amounted to £157,760 (2020 - £155,177). Of this amount £nil balance was borne by Chester Diocesan Board of Education. The remaining balance was borne by Chester Diocesan Board of Finance and recharged. Of these, the highest paid was Mr Christopher Penn who received £69,666 (2020 - £68,844) excluding employers national insurance, together with pension contributions of £10,450 (2020 - £10,327).



# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 12 Investment property

	2021 £
<b>Fair value</b>	
At 1 January 2021	1,027,776
Net gains or losses through fair value adjustments	469,090
	<u>1,496,866</u>
At 31 December 2021	<u>1,496,866</u>

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 24 May 2022 by Fisher German LLP, an independent, professionally qualified surveyor. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties as at the year end date of 31 December 2021.

The properties were provided to the charity at no cost by order of the Secretary of State for Education. The values of the properties at the time of receipt are not known.

	2021 £	2020 £
Freehold	1,496,866	1,027,776
Long leasehold	-	-
Short leasehold	-	-
	<u>1,496,866</u>	<u>1,027,776</u>

#### 13 Fixed asset investments

	CCLA Investments £	DBE Services Ltd £	Total £
<b>Cost or valuation</b>			
At 1 January 2021	10,064,559	12	10,064,571
Valuation changes	1,466,297	-	1,466,297
	<u>11,530,856</u>	<u>12</u>	<u>11,530,868</u>
At 31 December 2021	<u>11,530,856</u>	<u>12</u>	<u>11,530,868</u>
<b>Carrying amount</b>			
At 31 December 2021	<u>11,530,856</u>	<u>12</u>	<u>11,530,868</u>
At 31 December 2020	<u>10,064,559</u>	<u>12</u>	<u>10,064,571</u>

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 13 Fixed asset investments

(Continued)

	2021 £	2020 £
Investments at fair value comprise:		
CBF Investment Fund	9,490,677	8,297,581
CBF Global Equity Income Fund	1,270,464	1,093,327
CBF Property Fund	718,311	628,658
COIF Charities Investment Fund	51,404	44,993
	<u>11,530,856</u>	<u>10,064,559</u>

### 14 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	15,589	5,274
Other debtors	252,981	287,324
Prepayments and accrued income	1,360	17,035
	<u>269,930</u>	<u>309,633</u>

	2021 £	2020 £
<b>Amounts falling due after more than one year:</b>		

Other debtors	69,323	160,050
	<u>69,323</u>	<u>160,050</u>

<b>Total debtors</b>	<u>339,253</u>	<u>469,683</u>
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### 15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Deferred income	16	32,254	23,595
Trade creditors		44,622	40,662
Other DoE and school creditors		105,651	76,248
Other creditors		698,102	869,836
Accruals		105,451	16,380
		<u>986,080</u>	<u>1,026,721</u>



# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2020		Movement in funds				Movement in funds				Balance at 31 December 2021		
	as restated		Incoming resources	Resources expended	Revaluations, gains and losses	Balance at 1 January 2021	Incoming resources	Resources expended	Revaluations, gains and losses	as restated			
	£	£	£	£	£	£	£	£	£	£	£	£	£
SCA funds - allocated	-	-	1,539,391	(1,231,407)	-	337,984	1,727,847	(1,720,742)	-	-	-	-	345,089
SCA funds - unallocated	-	-	411,536	-	-	411,536	45,736	-	-	-	-	-	457,272
Investments	8,241,182	8,241,182	260,655	(260,655)	455,087	8,696,269	266,931	(266,931)	1,269,556	1,269,556	1,269,556	1,269,556	9,965,825
	8,241,182	8,241,182	2,211,582	(1,492,062)	455,087	9,445,789	2,040,514	(1,987,673)	1,269,556	1,269,556	1,269,556	1,269,556	10,768,186

#### SCA funds

The charity assists voluntary aided schools with school building projects and the provision of IT equipment. The VASCA (Voluntary-Aided Schools Condition Allocation) system was introduced in April 2020 and superseded the LCVAP (Locally Coordinated Voluntary-Aided Programme). Until April 2020, the charity 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 LCVAP income and expenditure was not reflected in the Statement of Financial Activities as the charity had no control over the funds and the transactions were those of the school governors rather than the charity, which acted as agent. The change in funding from April 2020 gives the charity ultimate control over the application of the VASCA grants to specific schools. Therefore, the VASCA grant funding received is recognised in the SOFA along with the related expenditure.



# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 19 Capital commitments

Capital commitments relating to VASCA projects at the yearend was £345,093 (2020 - £337,984).

### 20 Related party transactions

Chester Diocesan Board of Education acts as the education authority for the Church of England in the Diocese of Chester.

Contribution re joint employment contracts and other recharges payable to The Chester Diocesan Board of Finance, an organisation in which there are a number of trustees on both boards totalled £346,949 (2020 - £339,564).

The charity owns 16.67% of the ordinary share capital of DBE Services Ltd, an entity which commenced trading on 1st January 2006. The company undertakes support work across six northern dioceses. A distribution of £48,215 (2020 - £37,930) was received from DBE Services Ltd during the year.

The charity does not regard the schools in the Diocese to be classified as related parties.

#### Chester Diocesan Academies Trust

Some of the trustees of Chester Diocesan Board of Education are also trustees of Chester Diocesan Academies Trust. The trustees do not consider that there is overall control that would require this charity to be consolidated within these financial statements. During the year Chester Diocesan Academies Trust received a grant of £75,000 (2020 - £nil) from Chester Diocesan Board of Education.

#### Funds Held as Custodian Trustee

The charity acts as custodian trustee in respect of funds held on behalf of local trustees and such specific purpose funds are shown separately from the financial statements, and total £121,103 (2020 - £196,721). The charity also acts as custodian trustee in respect of funds arising out of the sale of school properties where the funds are held pending the issue of an Order or other determination. The funds are held in separate accounts to ensure that sufficient custody and segregation from the charity's own assets.

#### Woodchurch High School

The amount charged for the Family of Schools Subscription to Woodchurch High School, of which Revd L Bannon was employed, was £950 which was still outstanding at the year end.

21 Cash generated from operations	2021	2020
	£	£
Surplus for the year	1,938,352	1,354,503
Adjustments for:		
Investment income recognised in statement of financial activities	(389,644)	(367,056)
Fair value gains and losses on investment properties	(469,090)	(18,076)
Fair value gains and losses on investments	(1,466,297)	(522,209)
Movements in working capital:		
Decrease in debtors	110,696	43,823
(Decrease) in creditors	(49,300)	(432,298)
Increase/(decrease) in deferred income	8,659	(35,147)
<b>Cash (absorbed by)/generated from operations</b>	<b>(316,624)</b>	<b>23,540</b>

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 22 Analysis of changes in net funds

The charity had no debt during the year.

### 23 Prior period adjustment

In 2020 Chester Diocesan Board of Education signed a new funding agreement with the Department of Education regarding the VASCA income. This changes the treatment of the income in the financial statements per note 17, and the prior year adjustment reflects the change to this treatment which was not applied in the prior year financial statements. Treatment of certain reserve items has also been adjusted. The effects of these adjustments on the prior year figures is shown below.

#### Changes to the balance sheet

	At 31 December 2020		
<b>Current assets</b>			
Debtors due within one year	469,684	(1)	469,683
<b>Creditors due within one year</b>			
Other creditors	(1,752,647)	749,521	(1,003,126)
	<u>11,346,745</u>	<u>749,520</u>	<u>12,096,265</u>
<b>Net assets</b>			
Capital funds			
Income funds			
Restricted funds	7,237,897	2,207,892	9,445,789
designated	-	1,027,776	1,027,776
Unrestricted funds	4,108,848	(2,486,148)	1,622,700
	<u>11,346,745</u>	<u>749,520</u>	<u>12,096,265</u>
<b>Total equity</b>			

#### Changes to the profit and loss account

	Period ended 31 December 2020		
	As previously reported	Adjustment	As restated
	£	£	£
Donations and legacies	37,930	1,980,927	2,018,857
Charitable activities	455,912	1,212,890	1,668,802
Net gains on investments	558,802	(18,517)	540,285
Net movement in funds	<u>604,983</u>	<u>749,520</u>	<u>1,354,503</u>

**CHESTER DIOCESAN BOARD OF EDUCATION**

England & Wales - Charity number 525790

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# Accounts

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**CHESTER DIOCESAN BOARD  
OF EDUCATION**

**REGISTERED CHARITY: NO 525790**

**COMPANY LIMITED BY GUARANTEE: NO 85176**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2020**

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Throughout this document, "DBE" refers to Chester Diocesan Board of Education.

**Chester Diocesan Board of Education  
Year ended 31 December 2020**

**MEMBERS OF THE BOARD OF EDUCATION**

THE BISHOP'S NOMINEES

Ven Dr M R Gilbertson  
Revd J Piper (appointed 06/07/20)

MEMBERS ELECTED BY DIOCESAN SYNOD

Revd L Bannon  
Professor P Bowden  
Mrs M Cruxton  
Dr D Cumberland  
Dr C Gordon  
Mrs S C Hudson  
Canon E Renshaw MBE

**DIRECTORS AND PROFESSIONAL ADVISORS**

DIRECTORS OF THE COMPANY, LIMITED BY GUARANTEE

Ven Dr M R Gilbertson  
Revd L Bannon  
Professor P Bowden  
Mrs M Cruxton  
Dr D Cumberland  
Dr C Gordon  
Mrs S C Hudson  
Revd S Morris (co-opted)  
Canon E Renshaw MBE  
Dr D Walter (co-opted)

SECRETARY AND REGISTERED ADDRESS/PRINCIPAL OFFICE

Mr C Penn  
Church House, 5500 Daresbury Park, Daresbury, Warrington WA4 4GE

PROFESSIONAL ADVISORS

Bankers: National Westminster Bank plc PO Box 8, 33 Eastgate Street, Chester, CH1 1XA  
Registered Auditors: BDO LLP 5 Temple Square, Temple Street, Liverpool, L2 5RH

## **TRUSTEES' REPORT**

The trustees are pleased to present their report together with the financial statements of the charity for the year ending 31st December 2020.

### **Coronavirus (COVID-19)**

In common with other companies and charities across England, the Diocesan Board of Education's work has been impacted by the advent of the coronavirus pandemic and its continued effect. Despite a change in working practices as Church House closed, the Board of Education and its officers continued to work and support its schools throughout this period.

During the initial lockdown most schools remained open for keyworker and vulnerable children and all schools provided curriculum resources for home learning and worked on preparations for the eventual opening of schools for a wider number of children. All schools then fully reopened in the autumn term. A number of schools had to send 'bubbles' home for short periods due to positive cases and the test and trace protocol but schools remained open.

Employees continued to work remotely with no members of the team being furloughed. A skeleton staff attended the office on a regular but part-time basis to continue the financial aspects of work that could only be done from the office. Some further work was required to ensure that the accounts were up to date. Oversight by the Board continued through remote meetings with increased oversight of possible risks to the company through additional meetings focused purely on this aspect. The Finance and General Purposes Committee considered the possible impact on DBE income for the following year and are maintained a close scrutiny on reports from CCLA to inform their decision making.

The two main income streams for the Board, CCLA investments and the Family of Schools subscription were not adversely affected by the pandemic as schools continued to receive support and so subscribed to the Family of Schools and CCLA investments, after an initial dip, continued to bring positive returns. The lasting impact of this on investment is still to be realised and the Board, receiving regular reports from CCLA, continues to monitor it closely.

### **Brexit**

The DBE receives income and meets its commitments in sterling, and as such is not excessively exposed to first order risks such as currency fluctuation arising from the United Kingdom's departure from the European Union. It may be more exposed to second order effects such as consequent changes in the level of economic activity in the United Kingdom. The DBE's work is in support of institutions that are publicly funded and, as education remains a central priority for government, it is envisioned that schools will continue to be funded to at least current levels, thus suggesting that they would be able to continue to subscribe to the Family of Schools and also take up DBE training. In addition, the DBE receives investment income from a variety of funds held with CCLA Investment Management Ltd, which are well diversified internationally and across investment type and so income is not reliant on domestic business or European links which may be impacted by Brexit.

**Chester Diocesan Board of Education**  
**Year ended 31 December 2020**

### **Structure, Governance and Management**

Chester Diocesan Board of Education is a registered charity no 525790, and a company limited by guarantee no 85176.

#### **Governing Document**

The Chester Diocesan Board of Education is a company limited by guarantee registered in England and Wales and governed by its Memorandum and Articles of Association of 1943 amended on 24 April 2017. It is registered as a charity with the Charity Commission. The Board comprises:

- a) the Bishop or the Bishop's nominee;
- b) one person nominated by the Bishop;
- c) seven members appointed by the Synod who are worshipping members of the Church of England but need not themselves be members of the Synod ("the appointed members"), of whom
  - (i) at least three members shall be appointed from each of the two archdeaconries of the diocese, being persons who work, worship or reside in the archdeaconry from which they are appointed, and (ii) at least one member shall be a Clerk in Holy Orders beneficed or licensed in the Diocese.
- d) two members co-opted by the **Board** who shall be persons with experience of church schools in the **Diocese**

#### **Appointment of trustees**

As set out in the current Articles of Association the Chair of the trustees is the Bishop of Chester except that, if they do not desire to be Chair, the members after consultation with the Bishop, shall appoint some other person (whether or not a member) to be Chair. The Ven Dr M R Gilbertson (Archdeacon of Chester) was appointed as Chair. As described in the Articles of Association, the members of the DBE are also the Trustees of the DBE.

#### **Trustee induction and training**

New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. Trustees also meet key employees and are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

#### **Trustees' statement on public benefit**

Chester Diocesan Board of Education is a public benefit entity. The trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

**Chester Diocesan Board of Education**  
**Year ended 31 December 2020**

**Charity Governance Code**

The Board welcomed the introduction of the Charity Governance Code in 2017 and continues to review best practice as it aims to improve. The Board has made several steps forward in improving its governance and effectiveness as follows: -

**Organisational Purpose** – The Board continues to ensure its work is in line with its charitable objectives and also its vision of being deeply Christian and for the common good; and that its schools will be communities which are loving in relationships, ambitious in aspiration and bold in action. This vision continues to be developed and will be used as a basis for the work of the Board and its officers.

**Leadership** – The two committees continue to give a strong oversight of the work of the DBE, through detailed scrutiny and recommendations to the Board. An academy working party was established to consider the DBE’s strategy towards academy development and other working parties are planned.

**Integrity** - The Bishop of Chester nominates the chair of the DBE to ensure the Board operates within the values of the Diocese of Chester and the Church of England. The rest of Board is appointed by the Diocesan Synod to ensure that that the Board can be independent in its decision making. The Board is also required to report back to the Diocesan Synod to share its progress in furthering its purposes.

**Decision Making, Risk and Control** - The risk register is regularly updated to ensure the Board is aware of and managing its current risks. A risk committee, consisting of Chairs of the Committees and Executive Officers ensures that the process identifies risks and possible mitigations through each committee, draws these together and highlights any particular areas to the full Board. The Education Effectiveness and Finance and General Purposes committees continue to support the Board of directors in taking control of and responsibility for the decision-making process of the charity.

**Board Effectiveness** - The Board of directors brings a wide and diverse range of skills to the Board. This is further supported by additional co-options to the two committees.

**Diversity** - The Board of directors is appointed by the Diocesan Synod and as far as possible, members are nominated to include a wide range of knowledge, skills and perspectives. However, the DBE intends to take a more proactive approach to encourage applications for appointment from a more diverse group with regards to age, gender and ethnicity. The DBE is committed to widening its diversity as it moves forward.

**Openness and Accountability** - The charity is accountable to and makes regular reports to Diocesan Synod and various other Diocesan committees to ensure that the Board is transparent in how it operates.

**Organisation**

The Board of trustees administers the charity. The Board meets regularly together with the Secretary who manages the day to day operations of the charity. The Board manages its business through two committees, Education Effectiveness and Finance and General Purposes. These are attended by members of the executive team. To facilitate effective operations, the Secretary has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and school related activities.

**Chester Diocesan Board of Education**  
**Year ended 31 December 2020**

**Related parties**

The charity has a close relationship with Chester Diocesan Board of Finance (a company limited by guarantee registered in England (no. 7826) and a registered charity (no. 248968)) which funds the work with children and young people and provides office accommodation.

The charity has a close relationship with Chester Diocesan Academies Trust (a company limited by guarantee registered in England (no. 8451787) and an exempt charity) which is established as a multi-academy trust in the Diocese.

The charity jointly owns DBE Services Ltd (a company limited by shares registered in England and Wales (no. 5531123)) with Blackburn Diocesan Board of Education, Carlisle Diocesan Board of Finance, Liverpool Diocesan Board of Finance, Manchester Diocesan Board of Education and York Diocesan Board of Finance. This company undertakes support work across the six dioceses and gift-aids any profit back to the six Boards.

**Objectives and activities**

The charity acts as the Education Authority for the Church of England in the Diocese of Chester, in accordance with The Diocesan Boards of Education Measure 1991. The objects of the charity are:

- to promote education consistent with the faith and practice of the Church of England in the Diocese;
- to promote religious education and religious worship in schools in the Diocese;
- to promote church schools in the Diocese;
- to advise the governors of Church schools in the Diocese;
- to advise the trustees of church educational endowments in the Diocese.

One of the principal activities is the administration of grant claims in respect of building and maintenance work carried out on school properties together with all other related matters which promote the efficiency of or otherwise benefit the schools in the Diocese. This administration has become a more central feature as the grant funding is now paid directly to the DBE for distribution rather than co-ordinated by the Local Authority as in previous years.

In addition, the charity has continued to provide assistance to Chester Diocesan Academies Trust (CDAT) in its early years. It has recently made the decision to actively encourage schools considering academy status to join CDAT.

The company also acts as custodian trustee for a number of specific trusts (referred to as Specific Purpose Funds in the attached accounts). The strategies employed to achieve the charity's objectives are to:

- Administer and advise on building work, particularly in aided schools in the Diocese;

**Chester Diocesan Board of Education**  
**Year ended 31 December 2020**

- Advise and support governing boards in aspects of their role such as appointments, admissions and ethos;
- Support and promote quality religious education and worship in church schools in the Diocese;
- Arrange for and support staff and governors through denominational inspection procedures;
- Provide training opportunities for staff and governors;
- Provide pastoral and other support to schools experiencing difficulties;
- Provide pastoral support for church school leaders
- Facilitate school collaboration and support:
- Advise and support schools converting to academy status;
- Work with other Diocesan Boards of Education in the DBE Services group to provide high quality services to schools;
- Represent the Diocese on committees and groups involved in school work;
- Advise and support the trustees of church educational endowment held wholly or partly for or in connection with any church school.

**Risk management**

The trustees have a risk management strategy which comprises:

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

Trustee indemnity insurance is in place.

The Board considers the main risks to be in the following areas

- Changes in school funding reducing the viability of schools, particularly those with very small pupil numbers.
- Deferred Governors 10% Liability payments causing excessive burden on DBE Accounts
- The unknown impact on income due to Covid and Brexit
- Loss of key DBE personnel through leaving/retirement.

Mitigation for these risks have been identified and the loss of key personnel is likely to be a lower risk in the following year as the current executive team has been increased in number and are relatively recent appointments.

The Board, with local authorities, continues to support schools in facilitating discussion around school organisation and possible structures to manage school funds.

A key element in the management of financial risk is the work of the Finance and General Purposes Committee with the risk committee, which keeps the risk management strategy under review.

**Chester Diocesan Board of Education**  
**Year ended 31 December 2020**

**Achievements, Performance and Public Benefit**

In addition to Ofsted inspections, Anglican church schools undergo a denominational inspection under the auspices of the Statutory Inspection of Anglican and Methodist Schools (SIAMS) (Section 48 of the Education Act 2005).

The charity continued to support schools before and after denominational inspections and these provide great benefit in further developing the Christian foundation of the schools as well as offering a means of pastoral support to senior managers. Schools due for inspection were invited for specific training in order to prepare them for the inspection. From 17<sup>th</sup> March SIAMS inspections, along with Ofsted inspections, were suspended and are not expected to resume until summer 2021.

At the end of 2020, 72 schools in the diocese were judged to be 'Outstanding' or 'Excellent' church schools through the SIAMS inspection framework.

Schools are to be congratulated in their success in Ofsted inspections with 87% of schools graded 'Outstanding' or 'Good' by Ofsted.

As of the end of 2020, 99 schools were judged to be good or better under the Ofsted framework. Ofsted was suspended in March and only monitoring visits took place in the autumn term, which did not lead to a judgement. Of the schools that were inspected prior to the suspension, two were Requires Improvement, eight were Good and one Outstanding. Congratulations must go to Bowdon CE Primary School, which was the first Diocesan school to be judged Outstanding under the current Ofsted Framework.

These statistics do not include the Grosvenor Park Church of England Academy (Free School) as it has not received any inspection.

The charity is being increasingly called upon to assist schools as they consider academy status. A growing number of schools are now considering either forming or joining multi-academy trusts, and the charity's officers correspond with officials from the Regional Schools Commissioners responsible for academies in the regions.

The charity has supported governors in several senior appointments in church schools. They have also supported several schools that have experienced difficulties during the year. Successful training courses, some in conjunction with DBE Services Ltd, have been run to support the development of Christian leaders for schools.

The 'Chester Diocesan Family of Schools' support package continues to be well subscribed.

An increased programme of courses for senior leaders, teachers and governors have continued to be successful and maintain the profile of the charity. Training took place at Church House at the start of the year but was postponed when Church House closed due to the pandemic. Schools were still supported through cluster meetings and regular individual contact by Officers. Chairs of Governors were offered online meetings which were well supported. The training programme for the autumn term was reviewed and those events that

**Chester Diocesan Board of Education  
Year ended 31 December 2020**

could take place online did so. A very small number of training events were moved to later in the year as it was felt that they would only be effective in face to face training. Governor training taking place remotely proved a popular choice and it is envisioned that a mixture of face to face and online training will be used for governors in the future. Due to the difficulties faced by schools during the year, training events for the autumn term were offered free of charge.

As the annual senior leader conference was cancelled an additional online event was organised, 'Light into your lounge – an advent armchair retreat'. Headteachers were encouraged to go home for this session which was a time for spiritual reflection and an opportunity for headteachers to find a moment of quiet in a very busy term.

The annual Year 6 leavers' services could not take place as planned. With contributions from a number of schools, a 'virtual' year six leavers service was filmed and premiered so that schools could sit and share it at the same time but within their own schools. Following the launch, it was made available for schools who could not watch at the time.

Aided schools in the Diocese have continued to demonstrate their trust in the charity by having their Devolved Formula Capital (DFC) monies held centrally, enabling the Board to allow some schools to expend money which they will not receive until the following year.

Many schools benefited from building work and the support of staff and consultants from DBE Services Ltd.

Projects with work over £100,000 included:

Completion of projects begun in 2019:

- |                                 |                                     |
|---------------------------------|-------------------------------------|
| • Lower Peover                  | Compliant small sewage treatment    |
| • Bollington St John's CE       | Boiler and heating works            |
| • Hartford CE High School       | Main Hall refenestration to windows |
| • St Anne's CE Primary School   | Re-roofing Phase 3                  |
| • Oxton St Saviour's CE Primary | Re-roofing Phase 3                  |

New projects in 2020:

- |                                  |   |
|----------------------------------|---|
| • Chester Blue Coat              | New Modular Nursery   |
| • Hartford CE High School        | Phase 3 Re-Roofing Changing Rooms   |
| • Marton & District CE           | New Boilers   |
| • Oxton St Saviour's CE Primary  | Kitchen Refurbishment & H&S Improvements                                  |
| • Oxton St Saviour's CE Primary  | Reroofing - Phase 4   |
| • Prestbury CE Primary Condition | Replacement of the boilers and associated plant                           |
| • Sandbach Heath St John's       | Extension Phase 2   |
| • Stockport St George's          | Demolition of Air Raid Shelter<br>& Improvements to KS1 Outdoor Play Area |
| • Wincle                         | Septic Tank   |

Capital Funding for these projects is now received by the DBE for distribution to voluntary aided schools rather than co-ordinated through the local authority as it was previously. An

**Chester Diocesan Board of Education**  
**Year ended 31 December 2020**

application process was developed in order for schools to apply for the funding through their building consultants clearly identifying priorities. This was the first year of its use and it will be reviewed regularly to ensure it supports the correct priorities in terms of school building needs, whilst remaining equitable for all schools over time. Using a specialist to support the process, officers identified a list of projects to be funded in priority order based on its criteria which was then scrutinised and approved by a subcommittee of the Board.

### **Reserves Policy**

The charity is almost entirely dependent on the income from its investments to support its work. Consequently, investments are maintained, and the trustees would only consider expending capital in exceptional cases. Despite the volatility in national and world markets due to the pandemic and Brexit, the reserves have remained fairly stable.

The Restricted Funds arise out of the sale of school properties which in past years came under various Educational Endowment Orders and were amalgamated into a uniform statutory trust in 1995 following the provisions of the Education Act 1993. The use of these funds is restricted to the following:

- a) funding the purchase, or erection of, improvement or enlargement of, relevant school premises in the area;
- b) funding maintenance costs of any relevant school in the area;
- c) funding the costs of the administration of the trust and the costs of providing advice, guidance and resources in connection with any matter related to the management of, or education provided at any relevant school in the area.

The Unrestricted General Funds held are historic funds and may be used for the general purposes of the Board in achieving its charitable objectives.

Free unrestricted reserves at the end of 2020 were £4,108,848 (2019 £3,802,990). Free restricted reserves (i.e. not held in tangible fixed assets) were £6,210,121 (2019 £5,929,072). It should be noted that restriction (c) above on the restricted funds is wide, and encompasses a wide range of the Board's activity, so are available for consideration when reviewing reserves available for the future activity of the Board.

The Board held free reserves – restricted and unrestricted - of £10,318,969 at the end of 2020. Of this, £10,064,571 is held in investments in order to provide some capital appreciation and a flow of investment income. Of the investments, £1,368,302 are fully unrestricted, equivalent to over two years of expenditure. While the Board has no intention of liquidating these investments, it could do so with little difficulty. As such the Board considers it has adequate reserves to enable it to respond to changing church education needs and fluctuations in the economic environment.

It should be noted that these levels of reserves are partly historic and partly received through Act of Parliament; they are not hoarded donations.

**Chester Diocesan Board of Education**  
**Year ended 31 December 2020**

The Finance and General Purposes Committee of the Board will continue to review levels of reserves and make their findings known to the Board of Directors.

**Financial Review, Reserves and Going Concern**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Statement of Financial Activities shows a surplus of income over expenditure of £46,181 and investment gains of £522,209 together with a gain on revaluation of fixed assets of £36,593 resulting in net movement in funds of £604,983.

The financial statements have been prepared on the going concern basis, as the trustees consider that the Board has sufficient reserves to continue operations.

**Investment Policy and Outcome**

The charity holds cash together with holdings in the Central Board of Finance (CBF) Church of England Investment Fund, the CBF Church of England Global Equity Income Fund, the CBF Church of England Property Fund, and the COIF Charities Investment Fund. The intention is to provide income together with capital appreciation to afford long term protection against inflation. Although the income from investments dropped earlier in the year due to COVID-19, the markets invested in recovered quickly and so investment income for 2020 was comparable to the previous year. The CBF guarantee that investments are made in accordance with the ethical standards of the Church of England. The trustees will continue to regularly consider the performance of the shares to ensure that the return in terms of capital growth and income is appropriate to the long-term needs of the charity.

The Finance and General Purposes Committee will continue to keep Investment Policy and the investments themselves under review and keep the board of directors informed.

**Plans for Future Periods**

During a difficult year, schools continued to remain open for keyworkers' and vulnerable children during national lockdown and open to all in September. The additional measures needed for this has had a detrimental impact for some school budgets despite support from central government. Schools continued to look to the Diocese for support in a range of areas and officers remained working and supporting throughout. The full impact on children's learning is yet to be realised as the virus continues to have an impact. The Board will continue to adapt its support as necessary and, in particular, closely monitor the wellbeing of school leaders to ensure the support they receive is timely and effective.

A focus for the Board's work already planned for the year is headteacher and senior leader wellbeing. Already a stressful and sometimes lonely job, the role of a headteacher has never been so difficult. In order to support this, the Board have agreed to fund a programme to

**Chester Diocesan Board of Education**  
**Year ended 31 December 2020**

supplement its headteacher wellbeing course which has run for two years. This includes the publication of a handbook designed to support headteachers in managing their own wellbeing but also governors in fulfilling their duty in managing the wellbeing of their senior leaders. It is also envisioned to incorporate a programme of support whereby headteachers receive termly contact from a 'wellbeing consultant' whose role is supporting the personal wellbeing of the headteacher using the handbook as a framework. These consultants will be drawn from recently retired headteachers who have a particular interest in supporting this work.

Although it would appear that the academy programme has not been moving quickly in the Diocese, there have been a small number of conversions into the diocesan academy trust and discussions with some small MATs about their future plans. Officer contact with senior government officials have indicated that following Brexit and the easing of the pandemic it is the plan of the government to move forward with the academy programme and greater focus and expectation that schools will consider joining an academy trust. With this in mind, the Board agreed that it needed to be prepared for this and develop its strategy regarding academies.

A working party was set up to look in detail at the current and possible future structure of academies around the Diocese, with a particular focus on ensuring a continued strong relationship with church schools within academy trusts and their distinctive nature. It was agreed the Board should review the number of MATs in the diocese. It was also agreed that the DBE would work closely with its own academy Trust, CDAT, to encourage and support its growth. The CEO of CDAT will work with DBE officers to identify both schools that require sponsorship as an academy and those that would bring strength to the Trust and may be encouraged to join.

The development of school improvement work will continue through the Diocesan school effectiveness officer. Schools in the diocese will be able to access school improvement partners and training on aspects related to general school improvement through DBE services to which schools are signposted. The distinctive nature of church schools will be developed and supported through the increased training offer on these aspects offered through the Family of Schools.

There is a national change in the organisation and planning of the denominational inspection framework SIAMS for 2021. The administration and coordination of inspections will be undertaken by a national team rather than through individual dioceses. This means that dioceses will move to being the body to support schools in this area of work rather than undertaking both roles. As Liverpool Diocesan Board of Education had been engaged to administer SIAMS inspections on behalf of Chester, the change will not be as significant in terms of officer work or finance but will require a new way of liaising with a national team rather than a neighbouring diocese.

The Board will continue to work with officers and departments of the Board of Finance on the Growing Faith Adventure. A number of activities are planned for the year in order to support this project. The peer support networks, both Growing Faith, and Curriculum, were paused during the initial lockdown and so they will be extended for a further year.

**Chester Diocesan Board of Education**  
**Year ended 31 December 2020**

With Church House being closed due to the pandemic, it highlighted some operational difficulties in fulfilling certain financial procedures remotely. This led to a recognition of the need to review and update the existing procedures. The Board plan to undertake a full review of its current practice and financial software in order to identify increased efficiency and effectiveness of working practices and inform the purchase of updated software.

**Funds Held as Custodian Trustee on Behalf of Others**

The charity acts as custodian trustee in respect of funds held on behalf of local trustees and such specific purpose funds are held in segregated accounts, separately accounted for, and do not appear in the financial statements. They are shown in note 11 to the accounts.

The company also acts as custodian trustee in respect of funds arising out of the sale of school properties where the funds are held pending the issue of an Order or other determination.

The Devolved Formula Capital for aided schools is held by the charity as part of these funds.

**Information required by auditors**

In respect of each Trustee at the date the Trustee's Report is signed:

- so far as we are aware, there is no information needed by the Charity's auditors in connection with preparing their report (relevant audit information) of which they are unaware, and
- as the trustees of the Charity we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

A resolution will be proposed at the Annual General Meeting that BDO LLP be re-appointed as auditors to the charity for the ensuing year. In preparing the trustees' report advantage has been taken of the small companies exemptions provided by section 415A of the Companies Act 2006.

By order of the trustees, the Trustees Report has been approved by:



**The Venerable M Gilbertson (Chair)**  
**Archdeacon of Chester**

22nd October 2021

### **Trustees' responsibilities**

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF CHESTER DIOCESAN BOARD OF EDUCATION**

**Opinion on the financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 December 2020 and of its incoming resources and application of resources 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.

We have audited the financial statements of Chester Diocesan Board of Education ("the Charitable Company") for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions related to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Chester Diocesan Board of Education**  
**Year ended 31 December 2020**

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The other information comprises the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

**Other Companies Act 2006 reporting**

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Trustee's report.

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

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

### **Responsibilities of Trustees**

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

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

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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

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:

Based on our understanding and accumulated knowledge of the Charitable Company, and the sector in which they operate, we considered the risk of acts by the Charitable Company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. We considered the significant laws and regulations to be United Kingdom Generally Accepted Accounting Practice (including FRS102 and the Charities Statement of Recommended Practice) and the UK Companies Act 2006. All audit team members were briefed to ensure they were aware of any relevant regulations in relation to their work, areas of potential non-compliance and fraud risks.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of an override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and improper incoming resources recognition.

**Chester Diocesan Board of Education**  
**Year ended 31 December 2020**

Our audit procedures in response to the above included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of investment properties and the recoverability of debtors including the bad debt provision;
- Procedures to test incoming resources including agreement of incoming resources recognised to supporting documentation on a sample basis and testing incoming resources recorded around the year end to check the appropriate year end cut-off;
- Identifying and testing journal entries identified as potentially unusual. This testing included, but was not limited to, any journal entries posted with specific keywords, journals posted by unexpected users, and journals posted to least used accounts;
- Discussions with management, and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Discussions with management, and those charged with governance to understand if there has been any Serious Incident Reports made to the Charity Commission either during the period or post year end;
- A review of trustees' meeting minutes both during the period, and post year end, for any known or suspected instances of non-compliance with laws and regulation, Serious Incident Reports made to the Charity Commission or fraud;
- Enquires to confirm with management that there was no legal correspondence during the period, or post year end, requiring review;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.


A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Chester Diocesan Board of Education**  
**Year ended 31 December 2020**

**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.

DocuSigned by:  
  
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Hamid Ghafoor (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
Manchester, UK  
Date: 28 October 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Chester Diocesan Board of Education**

**Statement of Financial Activities for the year ended 31 December 2020  
(including Income and Expenditure Account)**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Restated Total 2019 £
<b>Income from:</b>					
Charitable activities	2.1	97,107	-	97,107	115,561
Investments	2.2	106,401	260,655	367,056	346,048
Donation	2.3	37,930	-	37,930	42,521
<b>Total</b>		<u>241,438</u>	<u>260,655</u>	<u>502,093</u>	<u>504,130</u>
<b>Expenditure on:</b>					
Charitable Activities	3.1	2,702	453,210	455,912	713,336
<b>Total</b>		<u>2,702</u>	<u>453,210</u>	<u>455,912</u>	<u>713,336</u>
Net gains on investments	5.1	67,122	455,087	522,209	1,650,637
<b>Net income</b>		<u>305,858</u>	<u>262,532</u>	<u>568,390</u>	<u>1,441,431</u>
Gains/losses on revaluation of fixed assets	4.1	-	36,593	36,593	(70,960)
<b>Net movement in funds</b>		<u>305,858</u>	<u>299,125</u>	<u>604,983</u>	<u>1,370,471</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward	9	3,802,990	6,938,772	10,741,762	9,371,291
<b>Total funds carried forward</b>	9	<u>4,108,848</u>	<u>7,237,897</u>	<u>11,346,745</u>	<u>10,741,762</u>

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure is derived from continuing activities.

The notes on pages 22 to 33 form part of these financial statements.

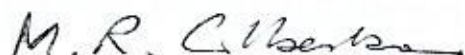
**Chester Diocesan Board of Education**

**Balance sheet as at 31 December 2020**  
**Company Limited by Guarantee no 85176**

		2020	Restated
		£	2019
	Note		£
<b>Fixed assets</b>			
Tangible assets	4.1	1,027,776	1,009,700
Investments	5	10,064,559	9,542,350
Other investment	5.3	12	12
		<u>11,092,347</u>	<u>10,552,062</u>
<b>Current assets</b>			
Debtors due in less than 1 year	6	309,634	252,293
Debtors due in more than 1 year	6	160,050	188,997
Cash at bank	7	1,560,956	1,242,576
		<u>2,030,640</u>	<u>1,683,866</u>
Creditors: amounts falling due within one year	8	1,776,242	1,494,166
<b>Net current assets</b>		<u>254,398</u>	<u>189,700</u>
<b>Total assets less current liabilities</b>		<b>11,346,745</b>	<b>10,741,762</b>
<b>Net assets</b>		<u><b>11,346,745</b></u>	<u><b>10,741,762</b></u>
<b>Funds</b>			
Restricted funds	9	7,237,897	6,938,772
Unrestricted general funds	9	4,108,848	3,802,990
<b>Total charity funds</b>		<u><b>11,346,745</b></u>	<u><b>10,741,762</b></u>

The notes on pages 22 to 33 form part of these financial statements.

Approved and authorised for issue by the Board on 22 October 2021



Ven Dr M R Gilbertson  
Archdeacon of Chester

**Chester Diocesan Board of Education**

**Statement of Cash Flows for the year ended 31 December 2020**

**Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	Note	2020 £	Restated 2019 £
Net income for the reporting period		568,390	1,441,431
Depreciation		18,517	20,190
(Gains) on investments	5	(522,209)	(1,650,637)
Dividends and interest from investments	2.2	(300,579)	(302,820)
(Increase)/decrease in debtors		(28,394)	28,481
Increase in creditors		282,076	247,749
<b>Net cash provided by/(used in) operating activities</b>		<b>17,801</b>	<b>(215,606)</b>

**Statement of cash flows for the year ended 31 December 2020**

		2020 £	2019 £
<b>Net cash provided by/(used in) operating activities</b>		17,801	(215,606)
<b>Cashflows from investing activities</b>			
Dividends, interest from investments	2.2	300,579	302,820
<b>Net cash provided by investing activities</b>		<b>300,579</b>	<b>302,820</b>
<b>Changes in cash and cash equivalents is the reporting period</b>		<b>318,380</b>	<b>87,214</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	7	<b>1,242,576</b>	<b>1,155,362</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	7	<b>1,560,956</b>	<b>1,242,576</b>

The notes on pages 22 to 33 form part of these financial statements.

## Chester Diocesan Board of Education

### Notes to the accounts for the year ended 31 December 2020

**1 Accounting Policies**  
Chester Diocesan Board of Education is a company limited by guarantee without share capital incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity is set out in the trustees' report.

**1.1 Basis of Accounting**  
The financial statements have been prepared in accordance with the Statement of Recommended Practice: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1st January 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and with the Charities Act 2011.

The financial statements have been prepared in accordance with the historical cost convention, as modified by the inclusion of fixed asset investments and freehold properties at fair value.

**1.2 Income**  
Income is included in the Statement of Financial Activities on the basis of the amounts receivable for the year.

Conference income is derived from training events delivered to staff at Church of England schools.

Gift aided distribution from DBE Services Ltd - the Board has an investment in DBE Services Ltd (note 5.3) which provides services to church schools including inspections, teaching and curriculum support, administrative services, building work, equipment and construction support. The Board receives gift aided distributions on the profits.

The board operates a support package under the name "Chester Diocesan Family of Schools" referred to elsewhere in the annual report and accounts, and receives subscription income as a result.

The Board receives dividends and interest on a range of investments, all holdings in Church of England Funds operated by CCLA Investment Management Ltd.

The Board receives rental income from four former schools.

**1.3 Expenditure**  
Expenditure is included in the Statement of Financial Activities on the accruals basis, based on the amounts payable for work done and services provided in the year. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activity costs also include the cost of administering grant claims in respect of building and maintenance work carried out on school properties, the cost of administering grants payable and providing support to the other charitable activities of the company.

## Chester Diocesan Board of Education

### Notes to the accounts for the year ended 31 December 2020

Governance costs are those costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

#### 1.4 Grants

Grants payable included within charitable activities represent discretionary grants to Governors or Schools for financial assistance towards the cost of specific, approved school projects. Grants payable are included in the Statement of Financial Activities on the accruals basis, to the extent that conditions for payment have been met.

#### 1.5 Allocation of Support costs

As explained in the Annual Report, the Board of Education supports Church of England schools in the diocese in a wide range of ways including assisting with building projects, supporting and training governors, and promoting religious education more widely. The allocation between activities fluctuates as necessary.

#### 1.6 Investments

Investments are stated in the balance sheet at fair value.

Unrealised gains and losses arising on the revaluation of investments are, together with the realised gains and losses arising on the sale of investments, shown in the statement of financial activities as net gains/(losses) on investments.

#### 1.7 Restricted Funds

Funds arising out of the sale of school properties were received in past years under various Educational Endowment Orders and were amalgamated into a uniform statutory trust in 1995 following the provisions of the Education Act 1993. These funds are shown separately as trust funds in the financial statements, as summarised in note 11, and their use is restricted to the following:-

- a) funding the purchase, or erection of, improvement or enlargement of, relevant school premises in the area,
- b) funding maintenance costs of any relevant school in the area,
- c) funding the costs of the administration of the trust and the costs of providing advice, guidance and resources in connection with any matter related to the management of, or education provided at any relevant school in the area.

#### 1.8 Tangible fixed assets - freehold property

Proceeds from the sale of former school properties are normally held by the company as custodian trustee (in specific purpose funds, note 11) until a relevant Educational Endowment Order or other determination is issued.

The financial statements up to 31 December 1996 did not include any value for former school properties held in the name of the company which had not yet been sold but these properties, classified as tangible fixed assets, have been included in subsequent accounts, as disclosed in note 4.1.

**Notes to the accounts for the year ended 31 December 2020**

Freehold properties are included at fair value as at the balance sheet date using valuations obtained from a qualified valuer. Buildings are depreciated using the National matrix of property components published by the National Housing Federation. Depreciation is applied using the "flat - medium rise (average 25 dwellings) column of the matrix as follows:-

	Useful life (years)	Depreciation
Main fabric	100	69%
Roof structure and covering	70	6%
Windows and external doors	30	3%
Gas boilers/fires	15	3%
Kitchen	20	6%
Bathroom/WCs	30	3%
Mechanical systems (heating, ventilation, plumbing)	30	3%
Electrics	40	3%
Lift	20	4%

The amount of depreciation charged in the year is shown in note 4.1. Revaluation gains or losses (which are not considered to be impairment losses) are included in the SOFA under the section for other recognised gains and losses.

Revaluation gains or losses (which are not considered to be impairment losses) are included in the SOFA under the section for other recognised gains and losses.

**1.9**

**Financial instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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

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

Notes to the accounts for the year ended 31 December 2020

**1.10 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**1.11 Amounts due from school governors in respect of projects**

The company receives funding on behalf of schools from the Department of Education for funding building works and other projects. The company also makes payments to contractors on behalf of the schools. In the majority of cases, the governors make a 10% contribution to the cost of the project; this often leaves an amount payable to the company by the governors of the school. By concession, the company allows school governors time to pay their contribution, dependent on size and duration of the project and other factors. On occasions, the governors of the school fund the whole cost of the project, leaving the full amount repayable to the company.

**1.12 Funds held as custodian trustee**

The Charity acts as custodian trustee in respect of funds held on behalf of local trustees and funds arising out of the sale of school properties where funds are held pending the issue of an Order or other determination.

Funds held as custodian trustee do not belong to the Charity and so are not a component of the Charity's assets, income or expenditure in the reporting period.

**1.13 Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the trustees have made the following judgements:

- Valuation of freehold property - freehold property is held at fair value. In order to determine fair value, advice is taken from independent qualified valuers. In this context, judgement is exercised in a number of areas, including local market conditions and investor demand.

Other key sources of estimation uncertainty include:

- Provision for bad debts - bad debts are provided against when there is objective evidence that the debt will not be recoverable.

**Chester Diocesan Board of Education**

**Notes to the accounts for the year ended 31 December 2020**

**1.14 Going concern**

The trustees make an assessment of the Charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were approved for release. In making the assessment, the trustees consider the financial impact of Covid-19 and on the cash flow forecast and perform stress testing of the plans.

Having performed the assessment, the Trustees conclude that Charity is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis.

In making the assessment, the Trustees did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the Charity's ability to continue as a going concern.

<b>2</b>	<b>Income</b>			
<b>2.1</b>	<b>Income from Charitable activities</b>		<b>2020</b>	<b>Restated</b>
	<b>Unrestricted</b>		<b>£</b>	<b>2019</b>
				<b>£</b>
	Conference income		16,656	37,286
	Chester Diocesan Family of Schools		78,737	74,619
	Other		1,714	3,656
			<u>97,107</u>	<u>115,561</u>
<b>2.2</b>	<b>Income from investments</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2020</b>
		<b>£</b>	<b>£</b>	<b>£</b>
	Dividends and interest	39,716	260,655	300,371
	Bank interest	208	-	208
	Rental income	66,477	-	66,477
		<u>106,401</u>	<u>260,655</u>	<u>367,056</u>
	<b>Prior year:-</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2019</b>
		<b>£</b>	<b>£</b>	<b>£</b>
	Dividends and interest	39,308	262,027	301,335
	Bank interest	1,485	-	1,485
	Rental income	43,228	-	43,228
		<u>84,021</u>	<u>262,027</u>	<u>346,048</u>
<b>2.3</b>	<b>Donation</b>		<b>2020</b>	<b>2019</b>
	<b>Unrestricted</b>		<b>£</b>	<b>£</b>
	Gift aided distribution from DBE Services Ltd		37,930	42,521
			<u>37,930</u>	<u>42,521</u>

Chester Diocesan Board of Education

Notes to the accounts for the year ended 31 December 2020

**3 Expenditure**

**3.1 Expenditure comprised:-**

	2020 £	2020 £	2020 £	2020 £
	Charitable activities Restricted	Support costs Unrestricted	Support costs Restricted	Total
Grants (note 3.4)	590	-	-	590
Property costs	24,742	-	-	24,742
Salaries and recharges	307,115	-	34,124	341,239
Legal and professional fees	4,217	47	422	4,686
Audit and accountancy	-	2,528	22,752	25,280
Bank charges	-	-	236	236
Educational support costs	27,873	-	-	27,873
Other expenses	11,474	127	19,665	31,266
	<u>376,011</u>	<u>2,702</u>	<u>77,199</u>	<u>455,912</u>

**Prior year:-**

	Restated 2019 £	2019 £	2019 £	2019 £
	Charitable activities Restricted	Support costs Unrestricted	Support costs Restricted	Total
Grants (note 3.4)	105,715	-	-	105,715
Property costs	62,651	-	-	62,651
Salaries and recharges	289,983	-	32,220	322,203
Legal and professional fees	20,395	227	2,040	22,662
Audit and accountancy	-	1,951	17,559	19,510
Bank charges	-	-	263	263
Educational support costs	64,822	-	20,189	85,011
Other expenses	86,742	858	7,721	95,321
	<u>630,308</u>	<u>3,036</u>	<u>79,992</u>	<u>713,336</u>

**3.2 Governance costs**

Beyond the audit costs detailed below in note 3.6, governance costs are limited to a small amount of staff time valued at no more than £1,000 per annum.

## Chester Diocesan Board of Education

### Notes to the accounts for the year ended 31 December 2020

#### 3.3 Staff costs

There were 7.2 (2019: 7.3) full time equivalent (fte) employees under joint contracts of employment with Chester Diocesan Board of Finance. Their employment costs are borne by Chester Diocesan Board of Finance and recharged to Chester Diocesan Board of Education. The total employment costs recharged to Chester Diocesan Board of Education concerning these employees amounted to £337,681 (2019: £313,064).

The employees under joint contracts of employment are members of the Church of England Defined Benefits Scheme (DBS), part of the Church Workers Pension Fund. Pension contributions to the scheme are borne by Chester Diocesan Board of Finance and recharged to Chester Diocesan Board of Education.

No remuneration (or expense reimbursement) was paid to any of the directors, or members of Chester Diocesan Board of Education, for the year (2019 £Nil).

The trustees have handed much of the day to day management of the charity to a number of key management personnel including the Director of Education. The total cost of employee benefits (including employer's national insurance and employers pension contributions) relating to key management personnel amounted to £155,177 (2019 £151,714). Of this amount, £nil (2019: £1,431) was borne directly by Chester Diocesan Board of Education. The remaining balance was borne by Chester Diocesan Board of Finance and recharged. Of these, the highest paid was Chris Penn, who received £68,844 (2019 £66,053) excluding employers national insurance, together with pension contributions of £10,327 (2019 £9,908).

#### 3.4 Grants paid

In 2020 financial assistance grants totalling £590 were paid to the governors of a single school (2019 £105,715 to the governors of a number of schools and to CDAT). CDAT works with the DBE and provides Church of England Schools in the Diocese with the opportunity to join a multi-academy trust that supports their specifically Christian ethos. Ten schools were part of CDAT at 31 December 2020.

	2020 £	2019 £
Grant payments to schools of less than £1,000 each	590	5,715
Grant to Chester Diocesan Academies Trust	-	100,000
	<u>590</u>	<u>105,715</u>

#### 3.5 Recharges

A recharge was paid to the Chester Diocesan Board of Finance for work carried out on behalf of schools in the Diocese. The majority of the recharge was for salaries under joint contracts of employment.

## Chester Diocesan Board of Education

### Notes to the accounts for the year ended 31 December 2020

3.6	Audit charge	2020 £	2019 £
	Current year audit	16,380	13,000
	Teachers Pension scheme audit	-	615
	Other services - VAT Advice	7,380	5,535
		<b>23,760</b>	<b>19,150</b>

As Chester Diocesan Board of Education is not registered for VAT, audit fees are shown including VAT.

4	Tangible Fixed Assets		
4.1	Freehold properties	2020 £	2019 £
	At valuation 1 January	1,009,700	1,100,850
	Depreciation	(18,517)	(20,190)
	Revaluations	36,593	(70,960)
	<b>At valuation 31 December</b>	<b>1,027,776</b>	<b>1,009,700</b>

Valuations are determined by an independent, professionally qualified valuer, for each property at regular interval, and specifically in any year where the Trustees believe there has been a material change in value.

A desk top valuation was performed by Fisher German LLP as at 31 December 2020. The valuations were undertaken in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual. The directors consider the values presented in the financial statements to accurately reflect their fair value as at the balance sheet date. The surplus on revaluation has been credited to the Statement of Financial Activities for the year. The properties were provided to the Board at no cost by order of the Secretary of State for Education. The values of the properties at the time of receipt are not known.

Chester Diocesan Board of Education

Notes to the accounts for the year ended 31 December 2020

5	<b>Investments</b>	<b>2020</b>	<b>2019</b>
		£	£
5.1	Fair value at 1 January	9,542,350	7,891,713
	Net gains on revaluation at 31 December	522,209	1,650,637
	<b>Fair value at 31 December</b>	<b>10,064,559</b>	<b>9,542,350</b>
5.2	The investments held at 31 December comprised:-	<b>2020</b>	<b>2019</b>
		£	£
	CBF Investment Fund	8,297,581	7,888,357
	CBF Global Equity Income Fund	1,093,327	940,511
	CBF Property Fund	628,658	670,549
	COIF Charities Investment Fund	44,993	42,933
		<b>10,064,559</b>	<b>9,542,350</b>
5.3	<b>Investment in DBE Services Ltd</b>	<b>2020</b>	<b>2019</b>
		£	£
	Investment at cost	12	12
	% value	Profit for the year*	Aggregate capital and reserves
	Ordinary shares	16.67%	245,026
			33,673
	At the year end the Charity received payments amounting to £37,930 (of which £37,930 was gift aided) from this company (2019: £40,246). The results above are from the accounts for 2020 (*Before gift aided distributions").		
6	<b>Debtors</b>	<b>2020</b>	<b>Restated 2019</b>
		£	£
	Amount falling due within one year		
	Grant	21,017	22,864
	Loans to governors and DoE debtor (note 12)	247,101	174,885
	Loans to schools	10,340	10,460
	Property debtors	8,866	9,366
	Trade debtors	5,275	18,057
	Prepayments, accrued income and other debtors	17,035	16,661
		<b>309,634</b>	<b>252,293</b>
	Amount falling due after one year		
	Loans to governors and DoE debtor (note 12)	139,050	157,497
	Loans to schools	21,000	31,500
		<b>160,050</b>	<b>188,997</b>
	<b>Total debtors</b>	<b>469,684</b>	<b>441,290</b>

**Chester Diocesan Board of Education**

**Notes to the accounts for the year ended 31 December 2020**

No interest is charged on concessionary loans to school governors. Debtors are valued at the undiscounted amount receivable.

**7 Cash and Cash Equivalents**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	1,560,956	1,242,576
<b>Total cash and cash equivalents</b>	<b><u>1,560,956</u></b>	<b><u>1,242,576</u></b>

**8 Creditors**

	<b>2020</b>	<b>Restated 2019</b>
	<b>£</b>	<b>£</b>
<b>8.1 Amount falling due within one year</b>		
Trade creditors	40,662	106,848
Accruals, deferred income and other creditors	73,609	171,169
DoE and other funds payable (note 12)	1,661,971	1,216,149
	<b><u>1,776,242</u></b>	<b><u>1,494,166</u></b>

**8.2 Deferred income**

	<b>2020</b>	<b>Restated 2019</b>
	<b>£</b>	<b>£</b>
Balance at 1 January	58,742	51,885
Utilised during the year	(58,742)	(51,885)
Deferred in the year	23,595	58,742
Balance at 31 December	<b><u>23,595</u></b>	<b><u>58,742</u></b>

The majority of deferred income relates to subscriptions to the Chester Diocesan Family of Schools as described in the Annual Report.

Creditors are valued at the undiscounted amount payable.

**9.1 Analysis of net assets between funds**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	-	1,027,776	1,027,776
Investments	1,368,302	8,696,269	10,064,571
Net current assets	2,740,546	(2,486,148)	254,398
<b>Total net assets</b>	<b><u>4,108,848</u></b>	<b><u>7,237,897</u></b>	<b><u>11,346,745</u></b>

The restricted funds are, in effect, a single fund whose origin and purpose is described in note 1.7.

**Chester Diocesan Board of Education**

**Notes to the accounts for the year ended 31 December 2020**

<b>9.2</b>	<b>Prior year analysis of net assets between funds (restated)</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds £</b>
	Tangible fixed assets	-	1,009,700	1,009,700
	Investments	1,301,180	8,241,182	9,542,362
	Net current assets	2,501,810	(2,312,110)	189,700
	<b>Total net assets</b>	<b>3,802,990</b>	<b>6,938,772</b>	<b>10,741,762</b>

**10 Related parties**

Chester Diocesan Board of Education acts as the education authority for the Church of England in the Diocese of Chester.

Contribution re joint employment contracts and other recharges payable to The Chester Diocesan Board of Finance, an organisation in which there are a number of trustees on both boards totalled £339,564 (2019: £319,622).

The Charity owns 16.67% of the ordinary share capital of DBE Services Ltd (note 5.3), an entity which commenced trading on 1 January 2006. The company undertakes support work across six northern dioceses.

The Directors do not regard the schools in the Diocese to be classified as related parties.

**Chester Diocesan Academies Trust**

Some of the Directors of Chester Diocesan Board of Education are also directors of trustees of Chester Diocesan Academies Trust. The trustees do not consider that there is overall control of the Trust. The trustees do not consider that there is overall control that would require this Charity to be consolidated within these financial statements. During the year, Chester Diocesan Board of Education made no further grant (2019 £100,000) to Chester Diocesan Academies Trust (note 3.4). There were no outstanding balances at the year end (2019 nil).

**11 Funds held as custodian trustee**

The company acts as custodian trustee in respect of funds held on behalf of local trustees and such specific purpose funds are shown separately from the financial statements, and are summarised below. The company also acts as custodian trustee in respect of funds arising out of the sale of school properties where the funds are held pending the issue of an Order or other determination. The funds are held in separate accounts to ensure that sufficient custody and segregation from the charity's own assets.

	<b>2020 £</b>	<b>2019 £</b>
Funds held at 1 January	191,854	229,258
Reinvested dividends and interest	2,469	2,943
Funds divested	(1,019)	(52,233)
Gain on investments	3,417	11,886
Funds held at 31 December	<b>196,721</b>	<b>191,854</b>

Notes to the accounts for the year ended 31 December 2020

**12 Funding for building and other projects at schools**

Chester Diocesan Board of Education receives funding from the Department of Education (DOE) on behalf of schools, and makes payments to contractors and suppliers on their behalf. The Board also receives payments from school governors where they are directly liable for part of the cost of projects. In 2020, the Board received DOE funding of £1,370,679 (2019 £2,012,059) together with governor contributions of £152,298 (2019 £223,562). In addition, projects valued at £14,521 (2019 £23,675) were fully governor funded, together with LEA funding of £118,819 (2019 £172,483). Amounts outstanding from governors and from the DOE are shown in debtors at the end of the year; DFC funds held on behalf of school projects are shown in creditors.

**13 Prior year comparative Statement of Financial Activities (restated)**

	<b>Unrestricted General Funds £</b>	<b>Restricted Trust Funds £</b>	<b>Total 2019 £</b>
<b>Income from:</b>			
Charitable activities	115,561	-	115,561
Investments	84,021	262,027	346,048
Donation	42,521		42,521
<b>Total</b>	<b>242,103</b>	<b>262,027</b>	<b>504,130</b>
<b>Expenditure on:</b>			
Charitable Activities	3,036	710,300	713,336
<b>Total</b>	<b>3,036</b>	<b>710,300</b>	<b>713,336</b>
Net gains/losses on investments	237,582	1,413,055	1,650,637
<b>Net (expenditure)/income</b>	<b>476,649</b>	<b>964,782</b>	<b>1,441,431</b>
Gains on revaluation of fixed assets	-	(70,960)	(70,960)
<b>Net movement in funds</b>	<b>476,649</b>	<b>893,822</b>	<b>1,370,471</b>
<b>Reconciliation of funds:</b>			
Fund balances at 1 January	3,326,341	6,044,950	9,371,291
<b>Fund balances at 31 December</b>	<b>3,802,990</b>	<b>6,938,772</b>	<b>10,741,762</b>

**14 Restatement of comparative figures**

In the current period information came to light relating to errors in the reporting of conference income. As a result, conference income, and associated educational support costs have been restated by £12,034 and £2,875 respectively. The resultant increase in net movement in funds for 2019 is £14,909 to £1,370,471.

In the current period, it was identified that the debtors due in more than 1 year of £188,997 had been presented within fixed assets in 2019. This has been reclassified to current assets. This does not change the net movement in funds or net assets.