

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 Cruxton  
Dr D Cumberland  
Dr C Gordon  
Mrs S C Hudson

#### Trustees

Ven Dr M Gilbertson (Chair)	
Revd L Bannon	
Professor P Bowden	
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 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 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.

## 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 Mezzanine & Windows
- Marton & District Re-roofing Phase 1
- Norton St Bertoline'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
- Oxtown St Saviour's Electrical upgrade & repair works
- Prestbury Flat Roof Replacement Works - Phase 3
- Sale, St Anne's Electrical Re-wire
- St Bertoline'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.

## 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 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	2022	2022	2022	2021	2021	2021	2021
	designated				designated			
Notes	£	£	£	£	£	£	£	£
<b>Income from:</b>								
Donations and legacies	3	33,498	-	1,921,554	1,955,052	48,215	-	1,773,583
Charitable activities	4	82,035	-	-	82,035	82,264	-	82,264
Income from investments	5	147,193	-	271,103	418,296	122,713	-	266,931
								389,644
<b>Total income</b>		262,726	-	2,192,657	2,455,383	253,192	-	2,040,514
								2,293,706
<b>Expenditure on:</b>								
Charitable activities	6	239,332	-	2,136,993	2,376,325	303,069	-	1,987,673
								2,290,742
Net gains/(losses) on investments	11	(183,414)	(318,228)	(1,196,576)	(1,698,218)	156,741	469,090	1,269,556
								1,935,387
<b>Net movement in funds</b>		(160,020)	(318,228)	(1,140,912)	(1,619,160)	146,864	469,090	1,322,397
								1,938,351
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
<b>Fund balances at 31 December 2022</b>		1,609,545	1,178,638	9,627,275	12,415,458	1,769,565	1,496,866	10,768,186
								14,034,617

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	
		11,332,451		13,027,734	
<b>Current assets</b>					
Debtors	15	279,853		339,253	
Cash at bank and In hand		2,408,218		1,653,710	
		2,688,071		1,992,963	
<b>Creditors: amounts falling due within one year</b>					
	16	(1,605,064)		(986,080)	
Net current assets		1,083,007		1,006,883	
<b>Total assets less current liabilities</b>		12,415,458		14,034,617	
<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	
		12,415,458		14,034,617	

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

	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>			2,408,218		1,653,710



# 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

#### 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

#### 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 of 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		Endowment funds		Restricted funds		Total		Unrestricted funds		Endowment funds		Restricted funds		Total	
	2022	£	2022	£	2022	£	2022	£	2021	£	2021	£	2021	£	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	
	(183,414)		(318,228)		(1,196,576)		(1,698,218)		196,741		469,090		1,269,556		1,935,387	



# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 12 Tangible fixed assets

	Computers and office equipment
	£
<b>Cost</b>	
Additions	3,436
At 31 December 2022	3,436
<b>Depreciation and impairment</b>	
Depreciation charged in the year	501
At 31 December 2022	501
<b>Carrying amount</b>	
At 31 December 2022	2,935

### 13 Investment property

	2022
	£
<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	1,178,638

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.

	2022	2021
	£	£
Freehold	1,496,866	1,496,866
Long leasehold	-	-
Short leasehold	-	-

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 14 Fixed asset investments

	CCLA Investments	DBE 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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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## CHESTER DIOCESAN BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2022*

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<b>17</b>	<b>Deferred income</b>		<b>(Continued)</b>
	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
		<hr/>	<hr/>
	Deferred income at 31 December 2022	44,733	32,254
		<hr/>	<hr/>

# 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	Income resources	Revaluations, gains and losses	Balance at 1 January 2022	Income resources	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)	1,269,556	9,965,825	271,103	(271,103)	8,769,248
DIFFERENCE TO ANALYSE	-	-	-	-	-	-	-	24,376
	9,445,789	2,040,514	(1,987,673)	1,269,556	10,768,187	2,192,657	(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	2022	2022	2022	2021	2021	2021	2021
	£	£	£	£	£	£	£	£
Fund balances at 31 December 2022 are represented by:								
Tangible assets	2,935	-	-	2,935	-	-	-	-
Investment properties	(318,228)	1,496,866	-	1,178,638	-	1,496,866	-	1,496,866
Investments	(134,833)	-	10,285,711	10,150,878	1,571,453	-	9,959,415	11,530,868
Current assets/(liabilities)	1,773,256	-	(690,249)	1,083,007	198,112	-	808,771	1,006,883
	1,323,130	1,496,866	9,595,462	12,415,458	1,769,565	1,496,866	10,768,186	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 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 £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

22	Cash generated from operations	2022	2021
		£	£
	(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>	<b>197,682</b>	<b>(316,624)</b>
<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 Bertoline'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

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