

Registered Number: 00463908

DERBY DIOCESAN BOARD OF EDUCATION
{Incorporated as a company limited by guarantee}

REPORTS AND FINANCIAL STATEMENTS
YEAR ENDED

31st December 2021



DERBY DIOCESAN BOARD OF EDUCATION

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DERBY DIOCESAN BOARD OF EDUCATION

COMPANY PARTICULARS

President & Chairman	The Rt. Reverend Bishop Elizabeth Lane
Bishop's Nominee and Chair of the Board	The Venerable C. Coslett The Reverend Canon M. Macnaughton (appointed 22.06.21)
Trustees (Synod Appointments)	Canon J. Cooper (resigned 15.03.22) The Reverend N. Fenton Mr D. Martin The Reverend S. White Mrs. F. Swain Canon C. Holmes-Elener Ms. S. Barley-McMullen The Reverend D. Mundy (appointed 08.02.21) The Reverend P. Selby (appointed 08.02.21)
Co-opted	Mrs C. Fearria The Reverend N. Roberts (resigned 22.06.21) Mr. J. Clapham (appointed 08.02.21) Mrs. C. Bailey (appointed 08.02.21)
Observer	Mrs M. Thomas-Goddard
Secretary and Director of Education	Canon L. Wainscot (resigned 31.08.21) Canon C. Lewis (appointed 01.09.21)
Registered Office	Derby Church House Full Street Derby, DE1 3DR
Independent Auditor	BHP LLP 57-59 Saltergate Derbyshire Chesterfield S40 1UL
Bankers	National Westminster Bank 58 St Peters Street, Derby, DE1 1XL
Solicitors	J.H. Powell & Co. Cathedral Chambers Amen Alley, Derby, DE1 3GT
Company Registered Number	463908
Charity Number	527038

**DERBY DIOCESAN BOARD OF EDUCATION
CHAIR'S REPORT**

Chair's report for year ending December 2021

It has been my great honour and privilege to have chaired the Diocesan Board of Education and this report is published amidst significant periods of change both internally and externally.

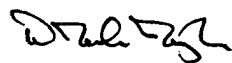
Firstly, my thanks go to all of the team who have tirelessly supported schools, churches and households and worked professionally to continue to embrace the Church of England vision for Education which is deeply Christian with Jesus' promise of "Life in all its fullness" at its heart. The Board continues to act as an advocate for children and young people supporting headteachers, governors, clergy and parishes in order that they may proclaim the gospel through their actions, words and the community life they build.

Internal challenges that affected capacity across our team at the start of 2020 continued through 2021. Linda Wainscot was interim DDE from January 2021 until Carolyn Lewis took up the role in September 2021. Netta Russell, the DBE's Senior Administrator retired in September following 36 years of faithful service. Shakher Khaliq, Deputy Director (Business) left in December 2021. Lindsey Bowe has joined the team as Executive Assistant and Jason Aldridge as Senior Business & Operations Manager. A Deputy Director has also been appointed and is due to start in September 2022. Our deepest thanks are expressed for the invaluable contributions that Linda, Shak and Netta all made to the work of the DBE.

In addition to the internal complexities highlighted above, we have experienced great upheaval nationally as education has sought to respond effectively to the significant impact of the coronavirus pandemic on our schools, churches, their children and young people, staff and the work of the DBE. At the start of 2021 all schools in the UK were asked once again to close to all children except those of key workers and children considered vulnerable. Inspections and examinations were cancelled and education officers together with many school staff transitioned to home-working and therefore this resulted in a rapidly changing landscape as we sought to find new and innovative ways of providing love and support.

Nevertheless, despite all of these challenges, throughout 2021 the DBE's responsibility for advancing the work of Christian education and training in the parishes of the Diocese has continued to some extent, enabling and supporting the work of the 111 Church of England schools, one joint Church of England/Methodist and one joint Church of England/Roman Catholic School within the Diocese. *As the team is re-built, there is much to be done.*

Despite the challenging time as chair I have immensely enjoyed the role, working alongside the trustees and officers and seeing the Board grow in confidence and expertise. One of my main delights is when we truly build relationships and see children, young people and adults flourish and throughout the many challenges we have faced, I feel this has still been evident.



The Rt Rev'd Malcolm Macnaughton, Bishop of Repton

Date: Sep 26, 2022

DERBY DIOCESAN BOARD OF EDUCATION
EDUCATION REPORT OF THE TRUSTEES

The Trustees present their report and the audited financial statements of the charity for the year ended 31st December 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

OBJECTIVES AND ACTIVITIES

The Board continues to exercise many of its functions through the work of 2 sub committees, namely the School Effectiveness committee and the Finance committee; each with their own Terms of Reference which were reviewed and refreshed in light of the DBE Measure 2021. The aim of these groups was to facilitate more in depth working of key areas of the statutory functions determined by the Diocesan Boards of Education Measure 2021. The broad areas are as follows:

- 1 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;
- 2 to promote or assist in the promotion of religious education and religious worship in schools in the diocese;
- 3 to promote or assist in the promotion of church schools in the diocese;
- 4 to promote co-operation between itself and other persons concerned with education in the diocese.

More detail about the work of each committee and the links with the DBE Measure may be found in the Terms of Reference published on the DBE's website.

The DBE's principal activity is the provision of a wide range of services aimed at serving and equipping Church of England schools and academies and community schools in formal partnerships. The ability to provide these services has been impacted by the reduction in capacity of the DBE staff team and as a consequence of the pandemic.

However, the DBE responded to challenges by drawing up a short-term action plan and the following key actions have been taken:

- Recruit and induct new staff team members
- Update all key policy and guidance documentation
- Establish a website for the DBE
- Appoint external accountants
- Appoint external Buildings Advisor
- Appoint Governance and Admissions consultants
- Establish cloud-based IT systems
- Develop a costed Partnership Agreement for schools
- Appoint RE Today to provide support and training to schools
- Implement the DBE Measure 2021
- Finalise DBE Vision
- Develop a Multi-Academy Trust Strategy
- Establish processes for the appointment of Foundation Governors
- A review of all non-school and school trusts
- Establish finance procedures

The principal beneficiaries of these services are approximately 15,000 children and young people attending the 110 Church of England primary schools and 1 Church of England secondary free school within the diocese across 2 Local Authorities. These are the City of Derby and Derbyshire. Of the primary schools, 20 are Voluntary Aided (VA), 65 are Voluntary Controlled (VC) and 26 are academies. Of the 26 academies, 15 of the former VA primary schools, 11 of the former VC primary schools and the 1 secondary school are in Derby Diocesan Academy Trust (DDAT) currently the only diocesan majority MAT. By December 2020, 45% of the VA schools and 15% of the VC schools had joined the Trust. There are 4 community schools in the Trust and one Free School (Derby Cathedral School). In addition, 2 schools are part of the Embark MAT and 1 school is part of the John Taylor MAT.

Wider than this, the DBE also aims to promote and assist in the promotion of education consistent with the faith and practice of the Church of England across the diocese as a whole.

Public benefit

The Trustees confirm that they have given careful consideration to the Charity Commission's general guidance on public benefit.

**DERBY DIOCESAN BOARD OF EDUCATION
REPORT OF THE TRUSTEES**

The Statutory Inspection of Anglican and Methodist Schools (SIAMS)

The national team is now responsible for all aspects of the Inspection process. All SIAMS inspections were suspended due to the pandemic with a brief re-introduction during Autumn 2021. One school was inspected during this term and was judged to be 'Good'.

As a DBE we are responsible for providing training, advice and guidance for schools in relation to their Christian vision and character. This year, the DDE has offered all schools due to be inspected a 1:1 discussion. Schools have reported that these discussions have been extremely helpful. The new Deputy Director will lead on all areas of support for SIAMS.

DBE Key Partnerships

a) Church of England Foundation for Education and Learning

The interim Directors continued to work in partnership with the Church of England Education Office. This has included the transfer of responsibilities for organising Statutory Inspection of Anglican & Methodist Schools (SIAMS) from the DBE to the CEEF. DBE Officers have also supported the Diocese of Derby Academy Trust in becoming a delivery partner for National professional Qualifications (NPQs).

Carolyn Lewis has worked with the CEEF to implement the DBE Measure 2021 by drawing up a scheme for implementation in the Diocese of Derby

b) Local Authority and other Dioceses

Small school sustainability continues to be a challenge. The DBE, in partnership with the Local Authority, continue to advise our schools around different models to achieve a more sustainable and viable future.

In recent years, all of the Catholic schools within the Catholic diocese have been taken into the Catholic Multi Academy Trust. More of our CE Voluntary Aided (VA) schools have joined DDAT. This means that the School Condition Allocation (SCA) funding 'pot' that these schools generated (and from which the DBE would prioritise building projects across the Catholic and CE VA schools) has significantly decreased. There are few VA schools left in Derby City that are not in a multi academy trust and on their own they will not generate enough funding for significant building works. The number of VA schools in Derbyshire that have not converted to academy status is also reducing, therefore the 'pot' from which they would access funding for building works is also decreasing. This has led the Derby DBE to join with Leicester, Southwell & Nottingham and Coventry Dioceses to form a group with several schools large enough to carry on receiving funding. In 2021/2022, Derby Diocese received £280,488 in funding towards schools building projects. This funding is school conditions allocations (SCA) and the diocese received four equal payments of £70,122 in May, June, July and September

These funds were invested in building projects in 6 of our schools however, primarily due to the ongoing impacts of the pandemic, expenditure was not at the levels forecast. The unspent funds are carried over into the following year and we hope for a return to more normal activity levels in 2022 when more schools should benefit from this investment.

c) The Peak Centre in Edale

In the absence of a youth officer, connections have continued with this Diocesan Christian Activity Centre, which offers schools and youth groups facilities to partake in wider curriculum, life enhancing opportunities.

Having celebrated its 50 years birthday in 2019, 2020 was set to be a year full of bookings and refurbishment. Due to the pandemic most of the bookings and activities were postponed, and staff furloughed. However, activity began to return in 2021. Links to the church and the village have remained strong and the warden Ben Acty has continued to develop ideas for future engagement.

DERBY DIOCESAN BOARD OF EDUCATION
REPORT OF THE TRUSTEES

Children's and young people's work

Sarah Brown, part time Children's Adviser, continued to work from home during the pandemic and kept in touch with clergy and youth and children's groups via mailings and online calls. There was no Youth Adviser during the year. The Children's Adviser Mailings were used for essential notices.

The Church of England "Faith at Home" resources provided additional ideas and resources. The focus was largely on Collective Worship/Assemblies, linked to attributes such as Kindness, Generosity etc. Resources were based on the lectionary with ideas and occasional video clips, available on the Diocesan website for churches to access. Feedback has been positive with some churches distributing resources to families, and others using ideas for an All-Age section of their online worship. However, overall training and development events online had a mixed take up. Subjects including, "Seriously Messy" (bereavement in Messy congregations) and "Unexpected Child in the Church Area" were two organised for church leaders.

Over the second half of the year, a survey of the relationships of churches with all their local schools (not just Church of England schools) was completed, working with a Deanery at a time.

In other areas, informal meetings with the Disability Inclusion Group have commenced planning for improving Church accessibility for those with a disability.

There is ongoing dialogue with organisations and charities such as Scripture Union, Renew Wellbeing, Operation Noah and Prayer Spaces to share resources with churches and children's leaders across the Diocese.

Although developments with respect to the Youth Council have been delayed due to staffing and the pandemic, the ambition to have schools and pupils involved in new clergy appointments has been implemented via zoom, thereby beginning to strengthen the link between schools and churches.

Curate Placements

Previously, it had been planned that stipendiary curates would have to complete a placement in one of our Church schools as part of their Initial Ministerial Education. Sadly, this was put on hold due to Covid. It is intended that by spending time in a school and with children and staff it will lead to a deep theological reflection and ministerial formation.

Other

Other areas of development across the DBE have included the publication of many new and revised policies where our Christian vision is now explicit. The DBE has a new website.

We also recognise our role in becoming Carbon Neutral and anticipate that as our staffing capacity increases, we will be in a position to apply for bids which we missed out on, in the first round of funding offered for such projects.

Finally, in 2021 legislation required the revision of the framework for the work of the Board. This was initiated in 2021 and will be concluded during the course of 2022.

RISK MANAGEMENT

The trustees have considered the major strategic and operational risks, which the charitable company faces and are satisfied that the necessary steps have already been taken to lessen these risks.

The risk register identifies key areas where the risk of either failure to act or the impact of the events is considered 'high'. These areas and associated mitigation strategies are:

Finance – the grant from the DBF in decline and/or inadequate to meet the responsibilities of the Board

- Regular discussion and good communication with wider diocesan family to share vision and approach to strengthen relationships (BLT, Business Committee, Bishops council, Deanery and Diocesan Synods).
- DDE to attend Business Committee for early indication of changes so that change can be effectively managed
- Balance of reserves maintained to give sufficient time to plan.
- Review of resource requested from DBF

Recruitment & Retention – inability of DBE to recruit appropriately qualified and experienced staff

- DBE Board to be engaged to enable cover arrangements to be sourced (eg: shared staff with other diocese, consultants etc)
- Ensuring good pastoral care systems are in place.
- Knowledge sharing, succession planning, capacity building within the Team.
- Review of salaries offered to recruit and retain the right people.
- Exploration of backfill some aspects of roles with additional capacity provided by appropriately qualified and experienced consultants.

**DERBY DIOCESAN BOARD OF EDUCATION
REPORT OF THE TRUSTEES**

Risk management (continued...)

Small school viability – risk of school closure and disproportionate impact on rural community.

- Need to support collaborative approaches, e.g. federation and academisation
- Need to develop a Multi Academy Trust strategy
- Need to facilitate models of collaboration between community and church schools

FINANCIAL REVIEW

The Board invests the majority of its funds through CCLA Investment Management who are accountable for investment performance. A substantial element of the Board's funds need to be kept liquid because of its role in 'bridging' building projects in schools between payment of invoices to contractors and the receipt of grants from DfE. In October 2009 the Board took possession of a former school house at Wessington upon the termination of a 99 year lease to the County Council, for which an annual rent of 50p had been payable. The house was sold at public auction in 2010 and the net proceeds £184,392 formed a new Restricted Fund which is being used to help subsidise school building projects where the governing body is experiencing difficulty in raising its 10% share.

The Board assists Voluntary Aided schools with the administration of funding for school building projects and provision of IT equipment. The Board acts as agent on behalf of school governing bodies in receiving funds from the Department for Education, local authorities and other funding sources and settling contractors' costs and professional fees. The DfE Grant and associated expenditure are not costs of the charity and therefore are not reflected in the statement of financial activities. The statement of financial activities for the year and the statement of financial position of the charitable company at the year-end are shown on pages 13 and 15 respectively. Unrestricted funds show net incoming resources before transfers of £122,532 (2020: net outgoing resources of £14,371). Restricted funds show net incoming resources of £210,704 (2020: £28,595). Endowment funds show net incoming resources of £153,859 (2020: £69,189).

As set out in Notes 16, 17 and 18 the Board holds and administers a large number of restricted and endowment funds. As at 31 December 2021 restricted funds totalled £1,034,736 (2020 - £816,232) and endowment funds totalled £1,242,025 (2020 - £1,088,166). Neither are available for the general purposes of the Board. Unrestricted general funds totalled £1,166,696 (2020: £1,051,964).

The Charitable Company's wholly-owned trading subsidiary, Derby Diocesan Education Services Limited, remains dormant and has not traded during the year ended 31 December 2021.

Investment policy

Under the Memorandum and Articles of Association, the Board has the power to make any investment that the trustees see fit. The Board has an agreed ethical stance on investments and will not make investments in companies that deal in or produce armaments. Most of the investments are held with CCLA Investment Management Ltd. The value of financial investments has increased in the year with net gains of £268,217 (2020: £51,218). Investment properties had an unrealised gain of £96,236 (2020: unrealised loss of £40,000).

Reserves policy

The Board strives to ensure that it maintains sufficient reserves to enable it to continue to achieve the objectives of the charitable company for the foreseeable future. This involves, as of necessity, ensuring that adequate reserves are maintained to provide a level of income that will support future activity. This income is supplemented by capital arising from the sale of buildings which may become surplus to requirements. This flexibility permits the charitable company's capital to be depleted in years of high expenditure on building projects. The work of the Board is funded jointly by the Derby Diocesan Board of Finance, who pay the majority of the officers' salary costs and make a grant towards operating costs, and income on the Board's financial investments. The Board also derives a small income from letting a number of properties. Additional income may be derived from the sale of redundant school buildings.

DERBY DIOCESAN BOARD OF EDUCATION
REPORT OF THE TRUSTEES

Free reserves

The trustees' reserves policy is to ensure the provision of adequate financial resources in an environment of constant change and increasing challenge, without having to make sudden increases in charges for services. The policy is therefore for General Fund reserves, not held in fixed assets, to be within a wide range of between three and twelve months' worth of the year's total resources expended.

Free reserves include investments held by the Board. In order to maximise operational income, the Board purchased additional shares in 2021, as these provide significantly better returns than reserves held in the bank. The Board can easily draw down these reserves should the need arise. It should be noted that this represents a change in how free reserves are reported, as previously such investments were excluded from the definition. The inclusion of such investment means the balance of unrestricted free reserves at 31 December was £1,071,740 (2020: £955,112 - using the revised definition).

Reserves tied up in fixed assets

Unrestricted funds comprise net assets amounting to £1,166,696 (2020: £1,051,964) of which £94,956 (2020: £96,852) is held as tangible fixed assets. Some of these reserves are designated for projects that will be carried out in the future in line with the vision of the DBE, such as an ongoing review of properties and options to maximise return on investment.

PLANS FOR FUTURE PERIODS

From September 2021, the Board developed a one-year action plan to address operational matters following a sustained period without a permanent Director. A new team has been recruited and this has strengthened the Board's capacity to support schools.

Within the wider Diocese, a new vision has emerged. The DBE has considered this and re-written its own vision to reflect its contribution to the Diocese. Alongside this vision, a three-year strategic plan has been created with key aspirational success indicators identified.

Small school sustainability continues to be a priority for the Board of Education. With the withdrawal of the Education Services Grant (ESG) the ability of the Local Authorities (LA) to support schools has been drastically reduced. The National Funding Formula (NFF) is currently introduced in a soft "manner" as a result of LA involvement which is time limited. Soon the full effect of the NFF will be felt in all schools. Financial modelling suggests that small schools will be particularly vulnerable to this.

The diocese has many small schools so facilitation of effective collaboration through federation or academisation is a key ongoing and future activity for the Board if schools are to maximise economies of scale and remain viable. With the publication of the government's White Paper in 2022, the Board has developed a Multi-Academy Trust strategy.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Derby Diocesan Board of Education is a charitable company limited by guarantee. The liability of the members is limited to £1.

As set out in the Articles of Association, the Chairman of the Board is either the Bishop of Derby or someone appointed by the Board in consultation with the Bishop. Members normally serve for three years. The trustees are appointed as follows:

- (1) The Bishop who is the President of the Board
- (2) Two persons nominated by the Bishop
- (3) Not less than seven or more than nine persons appointed by the Diocesan Synod
- (4) Not less than one person or more than four persons co-opted by the Board.

**DERBY DIOCESAN BOARD OF EDUCATION
REPORT OF THE TRUSTEES**

Directors and Trustees

The directors of the Board, are also the trustees of the charitable company during the year, and at the date of this report, are set out on page 1. The Board appoints a Director of Education to whom its officers are accountable.

Trustee recruitment, selection & induction

The trustees of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the Board. New members are offered an induction meeting with the Director (detailed below) and subsequently, training can be provided by Officers of the Board. Decisions are made democratically at Board Meetings, of which at least three are held each year.

The Diocesan Director of Education holds the title 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act. All Trustees are required to maintain their entry in the record of declarations of interest and loyalty.

The Board has indemnity insurance for its trustees and key management personnel and £1,000,000 (2020 - £1,000,000) of cover is provided.

Remuneration of key management personnel

Emoluments of higher-paid employees are determined by the Finance and Business Committee, as and when required.

The terms of reference for this group is established by the Board and include:

- regular appraisals,
- remuneration and salary benchmarking and
- recommendation of changes where necessary

Delegation of day to day delivery

The Trustees and the sub-committees which assist them in the fulfilment of their responsibilities, rely upon the Director of Education and colleagues for the delivery of the day-to-day activities of the company. The Director of Education is given specific and general delegated authority to deliver the business of the Board in accordance with the policies framed by the Trustees.

RELATED PARTIES

Derby Diocesan Board of Finance Ltd

The primary object of the DBF is to act as the financial executive of the Diocesan Synod. Whilst the Board is separately incorporated, the DBF provides significant resources to the Board to facilitate the shared vision for mission and ministry with children and young people.

Derby Diocesan Academy Trust Ltd

The primary object of the DDAT is to provide resources to the Board to facilitate the shared vision for mission and ministry with children and young people.

Fundraising

The charitable company does not carry out significant fundraising activities.

**DERBY DIOCESAN BOARD OF EDUCATION
REPORT OF THE TRUSTEES**

TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

DISCLOSURE OF INFORMATION TO THE AUDITOR

In so far as the trustees are aware:

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

Signed on behalf of the Board of Trustees



The Rt Rev'd Malcolm Macnaughton, Bishop of Repton

Approved and authorised for issue by the Board on: **Sep 26, 2022**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DERBY DIOCESAN BOARD OF EDUCATION**

Opinion

We have audited the financial statements of Derby Diocesan Board of Education (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, statement of financial position, 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 and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

1. give a true and fair view of the state of the charitable company's affairs as at 31 December 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
2. have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
3. 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 responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DERBY DIOCESAN BOARD OF EDUCATION**

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DERBY DIOCESAN BOARD OF EDUCATION**

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

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

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

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

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

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

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

Use of our report

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



Jane Marshall (Sep 27, 2022 08:18 GMT+1)

Jane Marshall (Senior Statutory Auditor)

For and on behalf of BHP LLP

57-59 Saltergate
Chesterfield
Derbyshire
S40 1UL

Date: **Sep 27, 2022**

DERBY DIOCESAN BOARD OF EDUCATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2021	Total 2020
		£	£	£	£	£
Income and endowments from						
Donations	2	-	-	-	-	-
Charitable activities	3	17,843	347,440	-	365,283	371,853
Investments	4	77,043	37,074	-	114,117	110,778
Total Income and endowments		94,886	384,514	-	479,400	482,631
Expenditure on						
Raising funds	5	-	20,739	-	20,739	21,547
Charitable activities	6	61,923	270,496	-	332,419	486,079
Total expenditure		61,923	291,235	-	353,158	507,626
Net income/(expenditure) before investment gains		32,963	93,279	-	126,242	(24,995)
Net gains /(losses) on investments	13	89,569	117,425	153,859	360,852	51,218
Net income		122,532	210,704	153,859	487,095	26,223
Gross transfers between funds	17	(7,800)	7,800	-	-	-
Net movement in funds		114,732	218,504	153,859	487,095	26,223
Reconciliation of funds:						
Total funds at 1 January		1,051,964	816,232	1,088,166	2,956,362	2,930,139
Total funds at 31 December		1,166,696	1,034,736	1,242,025	3,443,457	2,956,362

All activities derive from continuing activities.

The notes on pages 17 to 29 form part of these financial statements.

**DERBY DIOCESAN BOARD OF EDUCATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2021**

	2021 £	2020 £
Total income (less endowment)	479,400	482,631
Resources expended (less endowment)	(353,158)	(507,626)
Operating surplus/(deficit) for the year	<u>126,242</u>	<u>(24,995)</u>
Net gains/(losses) on investments	206,994	(17,971)
Total comprehensive income/ (expenditure)	<u>333,236</u>	<u>(42,966)</u>

The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

DERBY DIOCESAN BOARD OF EDUCATION
STATEMENT OF FINANCIAL POSITION
(A company limited by guarantee)
REGISTERED NUMBER 00463908
AS AT 31ST DECEMBER 2021

	Notes	2021	2020
		£	£
Fixed Assets			
Tangible fixed assets	12	94,956	96,852
Investments	13	3,176,712	2,368,002
		<u>3,271,668</u>	<u>2,464,854</u>
Current Assets			
Debtors	14	41,547	111,179
Cash at bank and in hand	15	909,333	1,053,938
		<u>950,880</u>	<u>1,165,117</u>
Creditors: amounts falling due within one year	16	(779,091)	(673,609)
Net Current Assets		<u>171,789</u>	<u>491,508</u>
Net assets		<u>3,443,457</u>	<u>2,956,362</u>
The Funds of the Charity:			
Unrestricted Funds (of which £370,447 (2020 - £280,879) is held in a revaluation reserve)	19	1,166,696	1,051,964
Restricted Funds (of which £634,635 (2020 - £81,210) is held in a revaluation reserve)	17	1,034,736	816,232
Endowment Funds (of which £419,480 (2020 - £265,622) is held in a revaluation reserve)	18	1,242,025	1,088,166
		<u>3,443,457</u>	<u>2,956,362</u>

The financial statements have been prepared in accordance with the special provisions relating to small companies under Part 15 of the Companies Act 2006.



Signed on behalf of the Board

The Rt Rev'd Malcolm Macnaughton, Bishop of Repton

Approved and authorised for issue by the Board on **Sep 26, 2022**

The notes on pages 17 to 29 form part of these financial statements.

DERBY DIOCESAN BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
AS AT 31ST DECEMBER 2021

	2021 £	2020 £
Net cash provided/(used in) by operating activities (see note below)		
Cash flows from investing activities:	189,135	(136,542)
Dividends, interest and rents	114,117	110,778
Fixed asset additions	-	(1,932)
Investment additions	(447,857)	(14,564)
Net cash provided by/(used in) investing activities	(333,740)	94,282
Change in cash in the reporting period	(144,605)	(42,260)
Cash at the beginning of the period	1,053,938	1,096,198
Cash at the end of the period	909,333	1,053,938

Notes to the cash flow:

1 Cashflows from operating activities

	2021 £	2020 £
Net movement in funds	487,094	26,223
Depreciation	1,896	3,266
(Gains) / losses on investments	(360,852)	(51,218)
Donated assets	-	-
Dividends, interest and rents	(114,117)	(110,778)
Decrease / (increase) in debtors	69,632	(66,648)
Increase /(decrease) in creditors	105,482	62,613
Net cash provided / (used in) by operating activities	189,135	(136,542)

2 Analysis of changes in net debt

	As at 1st January 2021 £	Cashflows	Other non- cash changes £	As at 31st December 2021 £
Cash and cash equivalents:	1,053,938	(144,605)	-	909,333
Cash	1,053,938	(144,605)	-	909,333

DERBY DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

1 Accounting policies Basis of preparation

The charitable company is a private company limited by guarantee registered and incorporated in England & Wales. The members of the company are the directors set out on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member. Derby Diocesan Board of Education meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the entity to continue as a going concern.

The Trustees make the assessment in respect of a period of at least one year from the date of authorisation of the financial statements and have concluded that the entity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the entity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets excluding freehold land, over their estimated useful lives, less residual value as follows:

Freehold property	2% straight line
Fixtures, fittings and equipment	33.3% straight line
Improvements to tenanted property	2% straight line

Freehold land is not depreciated.

The de minimis level used for asset capitalisation was £500 during the year.

DERBY DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

1 Accounting policies (continued)

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Investments in subsidiaries are measured at cost less impairment.

School properties

The charitable company acts solely as custodian trustee in respect of the school properties and the net acquisition costs, if any, of these properties are therefore written off in the year of acquisition. The proceeds of sale of any of these properties are therefore included in the charitable company's funds in the year of disposal. Costs incurred in respect of properties held for tenancy or ultimate sale are capitalised if material.

Debtors and creditors receivable/ payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Fund accounting

Funds held by the charitable company are either:

Unrestricted funds - These are general funds which can be used in accordance with the charitable company's objectives at the discretion of the trustees.

Restricted funds - These are funds which are to be used in accordance with specific restrictions imposed by donors or which has been raised by the charitable company for particular purposes.

Endowment funds - These funds represent those assets which must be held permanently by the charitable company. The use of the income arising on these funds is restricted and specific. Any capital gains or losses arising on the investments form part of the fund. Further explanation of the nature and purpose of the restricted funds and endowment funds is included in note 16 and note 17.

Income recognition

All income is included in the Statement of Financial Activities (SOFA) when the Board is legally entitled to them as income or capital respectively, ultimate receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

The charitable company operates a scheme for holding Devolved Formula Capital Grants (DFC) paid to schools in advance of the expenditure on projects. This income is deferred in the balance sheet and reflected in cash at bank on receipt (see note 14).

Rental income is recognised on an accruals basis.

**DERBY DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021**

Expenditure recognition

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the SOFA category.

Certain expenditure is directly attributable to specific activities and has therefore been included in these cost categories. Certain other costs which are attributable to more than one activity are apportioned across cost categories based on an estimate of the proportion of time spent on these activities. Irrecoverable Value Added Tax (VAT) is expensed in the SOFA (or if incurred as part of a fixed asset addition capitalised) and classified under the heading to which the expenditure relates to.

Up to 50% of the charitable company's budgeted administration expenses are met by Derby Diocesan Board of Finance Ltd.

Employment benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Contributions in respect of the personal pension scheme of employees are charged to the statement of financial activities on an accruals basis.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term.

Redundancy payments

Redundancy benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The charity recognises redundancy benefits when it is committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Judgements and key sources of estimation uncertainty

There are no judgements (apart from those involving estimates) that have been made in the process of applying the above accounting policies that have had a significant effect on amounts recognised in the financial statements.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

An area of key estimation uncertainty, although not a significant risk due to annual professional valuations being undertaken, is the valuation of investment properties. The valuations are subject to judgements of an expert including, but not limited to, the state of repair of the properties, local knowledge and housing market fluctuations.

DERBY DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

2 Donations

	Unrestricted	Restricted	2021	2020
	£	£	£	£
Donated assets	-	-	-	-

3 Charitable activities

	Unrestricted	Restricted	2021	2020
	£	£	£	£
DfE administration fee	1,149	-	1,149	1,023
Other income	12,544	-	12,544	4,000
School service legal agreements	4,150	-	4,150	19,400
Restricted Income	-	347,440	347,440	347,430
	17,843	347,440	365,283	371,853

4 Investment Income

	Unrestricted	Restricted	2021	2020
	£	£	£	£
Rents receivable	53,219	-	53,219	53,443
Bank deposit interest	142	-	142	1,326
Other investment income	23,682	37,074	60,756	56,009
	77,043	37,074	114,117	110,778

5 Expenditure on raising funds

	Unrestricted	Restricted	2021	2020
	£	£	£	£
Property running costs	-	19,510	19,510	20,317
Depreciation of improvements to tenanted properties	-	1,229	1,229	1,230
	-	20,739	20,739	21,547

6 Charitable Activities

	Note	Direct Costs	Other Direct	2021	2020
		£	£	£	£
Grants payable		-	-	-	275
Administration costs	7	305,643	-	305,643	456,395
Establishment expenses	8	13,641	-	13,641	12,984
Training and resources	9	13,135	-	13,135	16,425
		332,419	-	332,419	486,079

DERBY DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

7 Administration costs

	Unrestricted	Restricted	2021	2020
	£	£	£	£
Specialist conferences	-	173	173	158
Subscriptions	-	475	475	858
Officer expenses	-	1,115	1,115	3,427
Photocopier	-	-	-	13
Postage	-	113	113	(32)
Stationery	-	806	806	614
Telephone	-	1,007	1,007	1,028
Hospitality	-	65	65	432
Sundry expenses	-	1,233	1,233	2,993
Audit fees	-	8,520	8,520	9,792
Legal and professional fees	29,024	-	29,024	22,769
Consultancy	31,203	55,973	87,176	2,250
Bank charges	-	473	473	525
Reimbursement to DBF	-	-	-	40,000
Office staff costs (note 11)	-	135,963	135,963	280,506
Appeals	1,696	2,804	4,500	1,990
Other expenditure	-	-	-	16,162
Derby Diocesan Academy Trust Expenditure	-	35,000	35,000	72,910
	61,923	243,720	305,643	456,395

8 Establishment expenses

	Unrestricted	Restricted	2021	2020
	£	£	£	£
ICT costs	-	4,021	4,021	1,590
Lease hire of equipment	-	927	927	1,252
Insurance	-	8,026	8,026	8,106
Depreciation of fixtures, fittings and equipment	-	667	667	2,036
	-	13,641	13,641	12,984

9 Training and resources

	Unrestricted	Restricted	2021	2020
	£	£	£	£
Events and publicity	-	13,135	13,135	16,408
Resources library	-	-	-	17
	-	13,135	13,135	16,425

10 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the auditor for the audit of the Trust's annual accounts.	8,590	7,100
	8,590	7,100

DERBY DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

11 Staff Costs

	2021 £	2020 £
Wages and salaries	119,604	240,044
Social security costs	7,060	23,958
Other pension costs	9,299	16,504
	135,963	280,506

	2021 No.	2020 No.
Average number of employees:	3	4
Full-time equivalent (FTE) number of employees:	2.5	3.5
Number of employees earning more than £60,000 per annum:		
£70,001 to £80,000	-	1
£80,001 to £90,000	-	1

Trustees' travel expenses of £Nil (2020: £14) were reimbursed during the year for no trustees (2020: 1 trustee). None of the trustees have been paid remuneration in either year.

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the Board of Education. During 2020 the role of Acting Director of Education was comprised by 1 employee. Remuneration, pension contributions and national insurance for this employee amounted to £77,957. During 2021, the role of Acting Director of Education was provided externally, the costs of which amounted to £55,973.

During 2021, a settlement agreement totalling £23,277 (2020 - £81,109) was made in respect of termination of duties of previous key management personnel.

12 Tangible fixed assets

	Freehold land and property £	Fixtures fittings and equipment £	Improvements to tenanted properties £	Total £
Cost				
At 1st January 2021	74,485	25,102	64,353	163,940
Additions	-	-	-	-
Disposals	-	-	-	-
At 31st December 2021	74,485	25,102	64,353	163,940
Depreciation				
At 1st January 2021	19,363	23,345	24,380	67,088
Charge for the year	-	667	1,229	1,896
Disposals	-	-	-	-
At 31st December 2021	19,363	24,012	25,609	68,984
Net book value				
At 31st December 2021	55,122	1,090	38,744	94,956
At 31st December 2020	55,122	1,757	39,973	96,852

Included within freehold land and property is land which is not depreciated with a cost of £55,122 (2020: £55,122).

DERBY DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

13 Fixed asset investments

	2021	2020
	£	£
Investment securities within the United Kingdom (market value)		
At 1st January 2021	1,883,438	1,792,220
Additions	440,057	-
Disposals	-	-
Realised gains / (losses)	-	-
Unrealised gains / (losses)	268,217	91,218
At 31st December 2021	<u>2,591,712</u>	<u>1,883,438</u>
Investment properties (market value)		
At 1st January 2021	484,564	510,000
Additions	7,800	14,564
Disposals	-	-
Realised gains / (losses)	-	-
Unrealised gains / (losses)	92,636	(40,000)
At 31st December 2021	<u>585,000</u>	<u>484,564</u>
Total fixed asset investments	<u>3,176,712</u>	<u>2,368,002</u>
	2021	2020
	£	£
Market value of investment securities held with:		
CCLA Investment Management Ltd:		
COIF Charities Investment Fund income units	51,530	45,415
CBF Investment Fund income units	2,417,242	1,729,590
Investment in M&G Charifund units	122,940	108,433
	<u>2,591,712</u>	<u>1,883,438</u>
Historic cost of investment securities	<u>1,729,786</u>	<u>1,289,727</u>
Investment properties comprise:		
Ashford School House	350,000	300,000
Ashford Former School	225,000	160,000
Starkholmes	10,000	24,564
	<u>585,000</u>	<u>484,564</u>
Historic cost of investment properties.	<u>22,364</u>	<u>14,564</u>

The investment property valuations have been supplied by Milner Commercial (the DBE Chartered Surveyor), as 31st December 2021.

The charitable company owns 100% of the issued ordinary share capital of Derby Diocesan Education Services Limited, a company incorporated in the United Kingdom. The company was dormant throughout the year ended 31st December 2021 and reserves amounted to £100. As the company is not trading, a provision has been made against the investment. Derby Diocesan Education Services Limited has the same registered address as DBE.

14 Debtors

	2021	2020
	£	£
Trade debtors	18,724	75,922
Other debtors	20,512	20,453
Prepayments	2,311	14,804
	<u>41,547</u>	<u>111,179</u>

DERBY DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

15 Cash at bank and in hand

Included within cash is £609,169 at the balance sheet date (2020: £450,699) which is Buildings Capital Grant held by the charitable company on behalf of a number of schools.

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	40,952	54,822
Other creditors	100,758	100,758
Accruals	28,212	67,330
Creditors (funds held as agent):		
School building and IT projects (note 28)	411,603	275,859
School DFC projects	197,565	174,840
	779,091	673,609

The analysis of creditors for 2020 has been amended to more fairly reflect the nature of the creditors. The total is unaffected.

16 Restricted funds

Current year	At 1st January 2021	Income	Expenditure	Gains & Losses	Transfers	At 31st December 2021
	£	£	£	£	£	£
Restricted Income funds						
Wessington Property Sale	217,410	5,253	-	24,805	-	247,468
NCSL	5,016	-	-	-	-	5,016
Schools Improvement	-	70,000	(35,000)	-	-	35,000
System Leadership	1,872	-	-	-	-	1,872
Aspirant Heads	3,321	-	-	-	-	3,321
RE Net	2,189	-	-	-	-	2,189
Derby Diocesan Board of Finance Fund	-	277,440	(256,135)	-	-	21,305
Youth Anglo Catholic Work	-	-	-	-	-	-
Ashford School House	300,000	-	-	50,000	-	350,000
Ashford Former School	160,000	-	-	59,900	5,100	225,000
Starkholmes Land	24,564	-	-	(17,264)	2,700	10,000
Special Projects Funds	4,006	-	-	-	-	4,006
Derbyshire Association of Church Schools	4,399	573	-	-	-	4,972
Gell Memorial Prizes Fund	5,523	576	(100)	-	-	5,999
Byroms Charity	1,364	14	-	(16)	-	1,362
Mill Street (St John's Activity Centre)	14,405	8,688	-	-	-	23,093
Shirland Property sale proceeds	72,163	21,970	-	-	-	94,133
	816,232	384,514	(291,235)	117,425	7,800	1,034,736

Endowment funds

Investment income on endowment funds is spent on the six restricted funds shown above. Expenditure of £100 was incurred during the year (2020: £19,127).

DERBY DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

17 Restricted funds (continued)

Prior year	At 1st January 2020	Income	Expenditure	Gains & Losses	Transfers	At 31st December 2020
	£	£	£	£	£	£
Restricted income funds						
Wessington Property Sale	217,341	5,021	(16,162)	11,210	-	217,410
NCSL	5,016	-	-	-	-	5,016
Schools Improvement	-	70,000	(70,000)	-	-	-
System Leadership	1,872	-	-	-	-	1,872
Aspirant Heads	3,321	-	-	-	-	3,321
RE Net	2,189	-	-	-	-	2,189
Derby Diocesan Board of Finance Fund	-	277,430	(277,430)	-	-	-
Youth Anglo Catholic Work	148	-	(148)	-	-	-
Ashford School House	340,000	-	-	(40,000)	-	300,000
Ashford Former School	160,000	-	-	-	-	160,000
Starkholmes Land	10,000	-	-	-	14,564	24,564
Special Projects Funds	3,750	256	-	-	-	4,006
Derbyshire Association of Church Schools	4,101	298	-	-	-	4,399
Gell Memorial Prizes Fund	5,095	555	(127)	-	-	5,523
Byroms Charity	1,355	9	-	-	-	1,364
Mill Street (St John's Activity Centre)	6,047	8,358	-	-	-	14,405
Shirland Property sale proceeds	70,028	21,135	(19,000)	-	-	72,163
	830,263	383,062	(382,867)	(28,790)	14,564	816,232

Wessington Property Sale Fund

Income of £188,180 gross of sales expenses was received by the Board in the year ending 31 December 2010. The proceeds can only be used 'in or towards the purchase of a site for, or the erection, improvement or enlargement of the premises of any Church of England Voluntary School in the Diocese of Derby or a teacher's house for use in connection with such a school'. Income of £5,021 (2019: £4,929) has been generated through the investment of the fund and realised and unrealised gains and losses have also been recognised.

NCSL Fund

Funding provided by the National College of School Leadership (NCSL) specifically to facilitate the development of leadership of teachers in church schools.

School Improvements Fund

Funding received from the Derby Diocesan Board of Finance £70,000 (2020: £70,000) to facilitate the development of school improvement services.

System Leadership Fund

Funding provided by NCSL to support, develop and attract potential head teachers.

Aspirant Heads Fund

Funding provided by the National College School Development Support Agency to provide CPD for potential church leaders. Funding received by four schools, £1,000 each.

RE Net Fund

Funding received from St Christopher's College Education Trust for the professional development of Religious Education Coordinators and for the improvement of the delivery of religious education.

Derby Diocesan Board of Finance Fund

During the year £277,440 (2020: £277,430) was received from the Derby Diocesan Board of Finance as a contribution towards officers' salaries and administration costs.

Youth Anglo Catholic Work

Funding for expenditure on Youth Anglo Catholic projects. Income is released as expenditure is incurred for work on developing young people from Anglo Catholic backgrounds.

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17 Restricted Funds (continued)

Ashford School House

In 2020, legal advice received from the DBE solicitor suggested it would be prudent to reclassify Ashford School House as a restricted fund. Clarity with regards to the sale proceeds, should a sale take place, would only be ascertained after the sale of the property.

Ashford Former School

In 2019, legal advice received from the DBE solicitor suggested Ashford Former School should be capitalised as an asset belonging to the DBE. The current condition of the property does not reflect the potential future value.

Land at Starkholmes

In 2019, legal advice received from the DBE solicitor suggested land at Starkholmes, valued at £10,000 in current conditions, could potentially be sold for up to £200,000 should development opportunities arise. The Board is currently investigating the potential opportunities available for development on the land.

Transfer between funds

A transfer has been made from unrestricted funds to restricted funds relating to Starkholmes land and Ashford Former School development additions in the year.

18 Endowment Funds - Permanent

Current year

	At 1st January 2021	Income	Expenditure	Gains & Losses	Transfers	At 31st December 2021
	£	£	£	£	£	£
Special Projects Funds	17,765	-	-	-	-	17,765
Derbyshire Association of Church Schools	12,405	-	-	2,652	-	15,057
Gell Memorial Prizes Fund	20,295	-	-	2,790	-	23,085
Byroms Charity	865	-	-	-	-	865
Shirland Property Sale	742,818	-	-	106,356	-	849,174
Mill Street	294,018	-	-	42,061	-	336,079
	1,088,166	-	-	153,859	-	1,242,025

	At 1st January 2020	Income	Expenditure	Gains & Losses	Transfers	At 31st December 2020
	£	£	£	£	£	£
Special Projects Funds	17,260	-	-	505	-	17,765
Derbyshire Association of Church Schools	11,730	-	-	675	-	12,405
Gell Memorial Prizes Fund	19,040	-	-	1,255	-	20,295
Byroms Charity	865	-	-	-	-	865
Shirland Property Sale	694,982	-	-	47,836	-	742,818
Mill Street	275,100	-	-	18,918	-	294,018
	1,018,977	-	-	69,189	-	1,088,166

The income arising from the endowment funds is accounted for in restricted funds of the charitable company and may be used as follows:

Special Projects Funds:

80% towards general commitments and special projects
5% towards religious education
5% towards Sunday schools
10% towards youth work

Derbyshire Association of Church Schools

The funding of repairs, alterations or improvements in church schools, which are not eligible for grants from DfE or the local authority.

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18 Endowment funds (continued)

Gell Memorial Prizes Fund

The making of awards and prizes to children within the Diocese in respect of religious education projects.

Byroms Charity

The furtherance of Christian education in certain parishes in Derby.

Shirland Property Sale

The capital and the income of the Trust may be applied to the funding of purchase of a site for, alterations or improvements to, or maintenance of, any relevant school or teacher's house in the area. The income of the trust assets may be applied in or towards the provision of 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 provision of services for carrying out inspections; or to defray the cost of employing or engaging staff in connection with the above.

Mill Street Property Sale

The capital and the income of the Trust may be applied to the funding of purchase of a site for, alterations or improvements to, or maintenance of, any relevant school or teacher's house in the area. The income of the trust assets may be applied in or towards the provision of 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 provision of services for carrying out inspections; or to defray the cost of employing or engaging staff in connection with the above.

19 Unrestricted funds

Current year

	At 1st January 2021	Incoming Resources	Resources Expended	Gains & Losses	Transfers	At 31st December 2021
	£	£	£	£	£	£
Unrestricted funds	1,051,964	94,886	(61,923)	89,569	(7,800)	1,166,696

Prior year

	At 1st January 2020	Incoming Resources	Resources Expended	Gains & Losses	Transfers	At 31st December 2020
	£	£	£	£	£	£
Unrestricted funds	1,080,899	99,569	(124,759)	10,819	(14,564)	1,051,964

20 Summary of net assets by fund Current year

Current Year

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£	£	£	£
Tangible fixed assets	94,956	-	-	94,956
Investments	1,170,616	601,989	1,404,107	3,176,712
Current assets	680,215	432,747	(162,082)	950,880
Current liabilities	(779,091)	-	-	(779,091)
Total net assets	1,166,696	1,034,736	1,242,025	3,443,457

Prior year

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£	£	£	£
Tangible fixed assets	96,852	-	-	96,852
Investments	633,190	484,564	1,250,248	2,368,002
Current assets	995,531	331,668	(162,082)	1,165,117
Current liabilities	(673,609)	-	-	(673,609)
Total net assets	1,051,964	816,232	1,088,166	2,956,362

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21 Operating lease commitments

At 31st December 2021 the charitable company had annual commitments under other non-cancellable operating leases as follows:

	2021	2020
Expiry date:	£	£
Between 1 and 2 years	796	266
Between 2 and 5 years	995	-

Lease payments recognised as an expense were £492 (2020 - £492)

22 Contingent liabilities

By virtue of the nature of the charitable company's activities there may be potential liabilities in respect of past property transactions in relation to which the legalities have not been completed. There are no such potential liabilities known to the members of the Board at this time.

23 Capital commitments

As part of its general activities the charitable company is committed to substantial expenditure on the construction, improvement and repair of church schools. These costs will however be eligible for reimbursement by virtue of grants received or contributions from the individual school governing bodies and the Board does not deem these costs to be capital commitments entered into by the Board.

24 Pension scheme

The pension charge represents contributions paid by the charitable company to personal pension schemes of employees during the year to the value of £9,299 (2020: £16,504). At the year end, amounts payable to schemes totalled £nil (2020: £Nil).

25 Related party transactions

The work of Derby Diocesan Board of Education is funded partly by the Derby Diocesan Board of Finance, who pay the majority of the officers' salary costs and makes a grant towards operating costs. During the year an amount of £347,440 (2020: £347,430) was received from the Derby Diocesan Board of Finance. The Rt. Reverend Libby Lane was a director of both companies during the year. The balance owing to the Derby Diocesan Board of Finance was £Nil at the year end (2020 - £23,861).

During the year an amount of £53,865 (2020: £72,960) was paid to Derby Diocesan Academy Trust, a charitable company, relating to payments made for educational activities. These payments are in line with the charitable activities of Derby Diocesan Board of Education. The Venerable Carol Coslett, a trustee of DDBE during the year, was a director of the Derby Diocesan Academy Trust during the year. The balance was £17,500 at the year end (2020 - £44,600).

26 Controlling party

The charitable company is controlled by the Board of Trustees. In the opinion of the trustees, there is no overall controlling party.

27 Funds held as custodian trustee on behalf of others

There are a number of school properties, which are not recorded as assets held on behalf of others, as the destination of sale proceeds is uncertain.

DERBY DIOCESAN BOARD OF EDUCATION
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FOR THE YEAR ENDED 31ST DECEMBER 2021

28 Funds held as agent

School DFC Projects

The Board assists Voluntary Aided schools with the administration of funding for school building projects. The Board acts as agent on behalf of school governing bodies in receiving funds from the Department for Education, local authorities and other funding sources and settling contractors' costs and professional fees. This activity of the Board is not reflected in the Statement of Financial Activities as the transactions are those of the school governing bodies rather than the Board.

Movement on the funds held by the Board as agent during the year were as follows:

	£
Balance as at 1 January 2021	174,840
Total income during the year	119,307
Total expenditure during the year	<u>(96,582)</u>
Balance as at 31 December 2021	<u>197,565</u>

School building and IT projects

The Board assists Voluntary Aided schools with the administration of funding for school building projects and provision of IT equipment. The Board acts as agent on behalf of school governing bodies in receiving funds from the Department for Education, local authorities and other funding sources and settling contractors' costs and professional fees. This activity of the Board is not reflected in the Statement of Financial Activities as the transactions are those of the school governing bodies rather than the Board.

Movement on the funds held by the Board as agent during the year were as follows:

	£
Balance as at 1 January 2021	275,859
Total income during the year	280,489
Total expenditure during the year	<u>(144,745)</u>
Balance as at 31 December 2021	<u>411,603</u>

29 Prior Year Comparative Statement of Financial Activities

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Income and endowments from				
Donations	-	-	-	-
Charitable activities	24,423	347,430	-	371,853
Investments	75,146	35,632	-	110,778
Total Income and endowments	99,569	383,062	-	482,631
Expenditure on				
Raising funds	11,022	10,525	-	21,547
Charitable activities	113,737	372,342	-	486,079
Total expenditure	124,759	382,867	-	507,626
Net (expenditure) / income before Investment gains	(25,190)	195	-	(24,995)
Net gains / (losses) on investments	10,819	(28,790)	69,189	51,218
Net (expenditure) / income	(14,371)	(28,595)	69,189	26,223
Gross transfers between funds	(14,564)	14,564	-	-
Net movement in funds	(28,935)	(14,031)	69,189	26,223
Reconciliation of funds:				
Total funds at 1st January 2020	1,080,899	830,263	1,018,977	2,930,139
Total funds at 31st December 2020	1,051,964	816,232	1,088,166	2,956,362