

Registered Company Number: 00463908
Charity Number 527038

DERBY DIOCESAN BOARD OF EDUCATION
(Incorporated as a company limited by guarantee)

REPORTS AND FINANCIAL STATEMENTS
YEAR ENDED

31st December 2022

DERBY DIOCESAN BOARD OF EDUCATION

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DERBY DIOCESAN BOARD OF EDUCATION

CHARITABLE COMPANY PARTICULARS

President and Chairman	The Rt. Reverend Bishop Elizabeth Lane
Bishop's Nominee and Chair of the Board	The Venerable C. Coslett (resigned 17.02.23) The Reverend Canon M. Macnaughton (chair)
Trustees (Synod Appointments)	Mrs. S. Barley-McMullen Mrs C. Fearria (appointed 25.7.22) Canon C. Holmes-Elener Mr S. Morris (appointed 15.10.22) The Reverend D. Mundy Mr J. Payne (appointed 25.7.22) The Reverend P. Selby The Reverend S. Watson (appointed 25.7.22) Canon J. Cooper (resigned 15.03.22) The Reverend S. White (resigned 26.4.22) The Reverend N. Fenton (resigned 25.7.22) Mr D. Martin (resigned 25.7.22) Mrs. F. Swain (resigned 25.7.22)
Co-opted	Mr. J. Clapham Mrs O Gilbertson (appointed 16.02.23) Mrs T Nicholls (appointed 16.02.23) Mrs A Tinkler (appointed 16.02.23) Mrs C. Fearria (resigned 25.7.22) Mrs. C. Bailey (resigned 25.7.22)
Secretary and Director of Education	Canon C. Lewis
Registered Office	Derby Church House Full Street Derby, DE1 3DR
Independent Auditor	BHP LLP One Waterside Place, Brimington Road, Chesterfield, Derbyshire, S41 7FH
Bankers	National Westminster Bank 58 St Peters Street, Derby, DE1 1XL
Solicitors	Lee Bolton Monier Williams 1 The Sanctuary, Westminster, London SW1P 3JT
Company Registered Number	00463908
Charity Registered Number	527038

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

Chair's report for year ending December 2022

It is my great honour and privilege to have chaired the Diocesan Board of Education (DBE) and this report is published in the midst of a significant period 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.

The DBE's staff team has stabilised throughout 2022 and we were delighted to welcome Liz Seymour as Deputy Director in September 2022. Aidan Watson also joined the team as Diocesan Strategic lead for Youth Ministry. Our Church school family has continued to face challenges following the pandemic and a cost-of-living crisis which is affecting so many households. Despite these challenges, throughout 2022 the DBE's responsibility for advancing the work of Christian education and training in the parishes of the Diocese has continued to develop and strengthen, 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 Chair, I have continued to enjoy the role, working alongside the trustees and officers and seeing the Board grow in confidence and expertise. It has been a delight over the last year, to visit many schools and to see children, young people and adults flourish in their growing, learning and development



The Rt Rev'd Malcolm Macnaughton, Bishop of Repton

Date: Jun 22, 2023

DERBY DIOCESAN BOARD OF EDUCATION
REPORT OF THE TRUSTEES

The Trustees present their report and the audited financial statements of the charity for the year ended 31st December 2022. 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 & Property 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 was impacted by the reduction in capacity of the DBE staff team prior to 2022 and as a consequence of the pandemic. This was addressed in 2021 by a short-term action plan which was concluded by July 2022.

During the course of 2022, the DBE re-evaluated its Vision and Strategy. These have now been freshly articulated and have been shared with Diocesan stakeholders and schools. The DBE's Vision is as follows:

TRANSFORM, GROW, BUILD

Living out the values of generous faith, courageous hope and life-giving love, the DBE will support our diocesan family of schools to offer:

- life-giving, life-changing learning through excellent education, shaped by a distinctively Christ-like vision and ethos
- inclusive and inspirational Collective Worship, inviting all to grow in faith
- excellent Religious Education, enabling children and young people to reflect critically and explore faith, belief, and Christian responses to life's big questions
- hospitality, hope and love to children, young people and households
- a sense of belonging to those of all faiths and none, building community near and far, local and global

From the DBE's Vision, a 3-year Strategic Plan has been developed which focuses the work of the trustees and staff team. A range of aspirational success indicators have been identified which will enable trustees to evaluate the effectiveness of the Strategic Plan.

In addition to the 3-year Strategic Plan, the DBE has also formulated a Multi-Academy Trust Strategy, recognising the direction of travel in terms of national policy but also following reflection on the local context of the Diocese of Derby.

The principal beneficiaries of the DBE's work are approximately 15,000 children and young people attending the 110 Church of England primary schools and 1 Church of England secondary school within the diocese across 2 Local Authorities. These are the City of Derby and Derbyshire. Of the primary schools, 19 are Voluntary Aided (VA), 63 are Voluntary Controlled (VC) and 28 are academies. The 1 secondary school is an academy. Of the 29 academies, 14 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 2022, 42% 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.

Modern Slavery Statement

The Board is strongly opposed to slavery and human trafficking. We strive to act ethically and with integrity in all of our business dealings and relationships to ensure that slavery and human trafficking are not taking place within our organisation or our supply chain.

The Statutory Inspection of Anglican and Methodist Schools (SIAMS)

During 2022 SIAMS inspections were undertaken although there was caution around COVID which meant none took place in the Spring Term. However, there were three undertaken during the Summer Term of 2022; all were judged to be "Good". In the Autumn Term 2022 seven were inspected with five receiving a "Good" grade, one was "Excellent" and one "Requires Improvement". We are supporting the school to develop their theologically rooted Christian Vision.

In November 2022 the national team announced that there would be a new framework (as opposed to schedule) for Autumn 2023 and that leading up to this training would be available for diocesan leads to then cascade to school leaders.

As a DBE we are responsible for providing training, advice and guidance for schools in relation to their Christian vision and character. Until the summer term 2022, the DDE offered all schools due to be inspected a 1:1 discussion. Schools have reported that these discussions have been extremely helpful. The Deputy Director now leads on all areas of support for SIAMS.

DBE Key Partnerships

a) Church of England Foundation for Education and Learning

The Director has continued to work in partnership with the Church of England Education Office. DBE Officers have supported the DDAT 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 2022/2023, Derby Diocese received £303,839 in funding towards schools building projects. This funding is school conditions allocations (SCA) and the diocese received four equal payments of £75,959.91 in May, June, July and August.

These funds were invested in building projects in 12 of our schools as activity increased following the slow down during the pandemic.

c) The Peak Centre in Edale

Whilst now a stand-alone charity, this Christian Activity Centre remains closely linked to the diocese and supports our work with young people. Archdeacon Carol Coslett has been a member of the board of trustees and as she leaves the diocese the church involvement is maintained through Rev Dr Simon Cockledge of Edale Parish Church. The centre has recovered well since covid and is used by schools and youth groups most weeks throughout the year.

Links to the church and the village have remained strong and the warden Ben Acty has continued to develop ideas for future engagement. With the appointment of Rev Aidan Watson as Strategic Youth Lead, he is working with Ben to develop the centre as a strategic base for developing young leaders across the diocese, and developing networks of youth, children and family church-based workers.

DERBY DIOCESAN BOARD OF EDUCATION
REPORT OF THE TRUSTEES

Children's and young people's work

There hasn't been anyone in the post of Youth Advisor since 2019 and this has coincided with a relative decline in churches engaging with teenagers and secondary schools across the diocese. As part of the national aim for the church to grow younger and more diverse, doubling the number of young disciples by 2030, Rev Aidan Watson was appointed as Strategic Youth Lead in September 2022.

Alongside Children's advisor Sarah Brown, they are supporting churches in their youth and children's ministry, whilst developing a strategy around the principles of Growing Faith. Growing Faith is the national church initiative for a culture change in the Church of England so that Children, Young people and families are instinctively placed at the heart of our ministry and mission. Nationally the Growing Faith foundation support training and research, and Aidan Watson is part of their pilot cohort of their Strategic Leaders Programme. Research conducted by the foundation has led Growing Faith to focus on encouraging increased intersections between School, Church and Household, as where these three intersect in a local community there is likely to be an increase in young discipleship. The strategic work for youth and children's ministry in the Diocese of Derby coincides with work being done for a new Diocesan Strategic Plan, which will inform workstreams including clergy deployment. With Sarah and Aidan being seconded to the Discipleship, Ministry and Mission team of the DBF, they are able to feed directly into this, whilst maintaining close links with the DBE including working closely with Liz Seymour.

The emerging strategy will look to develop hubs of growing faith ministry across the diocese, that draw in children, young people and families, working across the school, household and church nexus, and we will seek national funding to support these ministries maintaining an outward focus to support neighbouring parishes and communities.

As part of this recently the Glossopdale Mission Community was approved as a national Growing Faith Learning Hub. The funding received will help us use this as a pilot for how to develop our ministries that have significant potential into growing hubs for discipleship.

Other

Other areas of development across the DBE have included the continued publication of many new and revised policies where our Christian vision is now explicit. The DBE has a dedicated website which increasingly contains wide-ranging information to support schools, governors, clergy and parishes.

Additionally in 2021 legislation required the revision of the framework for the work of the Board. This work concluded in 2022 with the implementation of a new Scheme for the DBE and in updating the Articles of Association.

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, which is reviewed periodically, identifies key areas where the risk of either failure to act or the impact of the events could represent a material risk to the organisation. Each area is given a "RAG" (Red / Amber / Green rating and mitigation strategies are put in place.

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

Currently no Financial Risk areas are considered to be high (red) risk. The grant from the DBF Board was previously rated as a high risk however following positive meetings with the DBF the probability score has been downgraded.

There is currently one non-financial risk area - "Schools Partnership with DBE" that is rated as high (red) risk. This risk area has been highlighted over recent years with a lack of continuity in the DBE adversely impacting communication and relationship building. The DBE Team is now fully staffed and stable, additionally the Deputy Director, appointed in September 2022, is working tirelessly to improve this with an objective of personally visiting all schools within the first year of tenure. The expectation is that this high risk will be downgraded in 2023.

**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.

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 expenditure before transfers of £96,256 (2021: net income of £122,532.) Restricted funds show net income before transfers of £126,490 (2021: £185,899). Endowment funds show net expenditure of £170,175 (2021: net income of £178,664.)

As set out in Notes 17, 18 and 19 the Board holds and administers a large number of restricted and endowment funds. As at 31 December 2022 restricted funds totalled £992,210 (2021 - £836,182) and endowment funds totalled £1,270,404 (2021 - £1,440,579.) Neither are available for the general purposes of the Board. Unrestricted general funds totalled £1,040,902 (2021: £1,166,696).

The Charitable Company's wholly owned trading subsidiary, Derby Diocesan Education Services Limited, remained dormant and was closed by Companies House in 2022.

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 decreased in the year with net losses of £297,812 (2021: net gains of £268,217). Investment properties had an unrealised gain of £175,000 (2021: £92,636.)

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 expenditure.

Free reserves include listed investments held by the Board which can readily turned into cash. In order to maximise operational income, the Board holds shares, as these provide significantly better returns than reserves held in the bank. The Board can easily draw down these reserves should the need arise. The balance of unrestricted free reserves at 31 December was £947,820 (2021: £1,071,740).

Reserves tied up in fixed assets

Unrestricted funds comprise net assets amounting to £1,040,902 (2021: £1,166,696) of which £93,082 (2021: £94,956) is held as tangible fixed assets. Some of these reserves are earmarked 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.

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 developed a Multi-Academy Trust and Small School strategies which are published on its website.

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 Property 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 DBE is separately incorporated, the DBF provides resources which to the Boardenable the DBE to fulfill its statutory functions and also 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 outlined in its Articles of Association. DDAT is related to the DBE in Governance. Services that can only be delivered by the DBE, which provide essential functions fundamental to the religious character and ethos of the academy trust, are deemed as meeting the "at-cost" requirements. These transactions are declared by the Academy Trust to the Education & Skills Funding Agency.

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.

Since the charitable company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic and Directors' Report) Regulations 2013 has been omitted.

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: Jun 22, 2023

**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 2022 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 2022, 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, data protection laws and the Diocesan Boards of Education measure;
- 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.

BHP LLP

Jane Marshall (Senior Statutory Auditor)

For and on behalf of BHP LLP, Statutory Auditor

One Waterside Place
Brimington Road
Chesterfield
S41 7FH

Date: Jun 22, 2023

DERBY DIOCESAN BOARD OF EDUCATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2022	Total 2021
		£	£	£	£	£
Income and endowments from						
Donations	2	-	-	-	-	-
Charitable activities	3	27,414	191,587	-	219,001	365,283
Investments	4	91,347	38,192	-	129,539	114,117
Total Income and endowments		118,761	229,779	-	348,540	479,400
Expenditure on						
Raising funds	5	-	13,183	-	13,183	20,739
Charitable activities	6	87,641	264,845	-	352,486	332,419
Total expenditure		87,641	278,028	-	365,669	353,158
Net income before investment gains/(losses)		31,120	(48,249)	-	(17,129)	126,242
Net (losses)/gains on investments	13	(127,376)	174,739	(170,175)	(122,812)	360,853
Net income		(96,256)	126,490	(170,175)	(139,941)	487,095
Gross transfers between funds	17	(29,538)	29,538	-	-	-
Net movement in funds		(125,794)	156,028	(170,175)	(139,941)	487,095
Reconciliation of funds:						
Total funds at 1 January as restated		1,166,696	836,182	1,440,579	3,443,457	2,956,362
Total funds at 31 December		1,040,902	992,210	1,270,404	3,303,516	3,443,457

All activities derive from continuing activities.

The Statement of Financial Activities complies with the requirements for an income and expenditure account under the Companies Act 2006 and includes all gains and losses recognised in the year.

The notes on pages 17 to 30 form part of these financial statements.

DERBY DIOCESAN BOARD OF EDUCATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2022

	2022	As restated 2021
	£	£
Total income (less endowment)	348,540	479,400
Total expenditure (less endowment)	(365,669)	(353,158)
Operating surplus for the year	(17,129)	126,242
Net (losses)/gains on investments	47,363	182,189
Total comprehensive income	30,234	308,431

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.

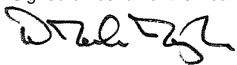
The notes on pages 17 to 30 form part of these financial statements.

DERBY DIOCESAN BOARD OF EDUCATION
STATEMENT OF FINANCIAL POSITION
(A company limited by guarantee)
REGISTERED NUMBER 00463908
AS AT 31ST DECEMBER 2022

	Notes	2022	As restated 2021
		£	£
Fixed Assets			
Tangible fixed assets	12	93,082	94,956
Investments	13	3,053,900	3,176,712
		<u>3,146,982</u>	<u>3,271,668</u>
Current Assets			
Debtors	14	51,535	41,547
Cash at bank and in hand	15	983,401	909,333
		<u>1,034,936</u>	<u>950,880</u>
Creditors: amounts falling due within one year	16	(878,402)	(779,091)
Net Current Assets		<u>156,534</u>	<u>171,789</u>
Net assets		<u><u>3,303,516</u></u>	<u><u>3,443,457</u></u>
The Funds of the Charity:			
Unrestricted Funds (of which £243,071 (2021 - £370,447) is held in a revaluation reserve)	19	1,040,902	1,166,696
Restricted Funds (of which £735,351 (2021 - £562,502) is held in a revaluation reserve)	17	992,210	836,182
Endowment Funds (of which £323,330 (2021 - £491,614) is held in a revaluation reserve)	18	1,270,404	1,440,579
		<u><u>3,303,516</u></u>	<u><u>3,443,457</u></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 **Jun 22, 2023**

The notes on pages 17 to 30 form part of these financial statements.

DERBY DIOCESAN BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
AS AT 31ST DECEMBER 2022

	2022 £	2021 £
Net cash (used in)/provided by by operating activities (see note below)		
Cash flows from investing activities:	(55,471)	189,135
Dividends, interest and rents	129,539	114,117
Fixed asset additions	-	-
Investment additions	-	(447,857)
Net cash provided by/(used In) investing activities	129,539	(333,740)
Change in cash in the reporting period	74,068	(144,605)
Cash at the beginning of the period	909,333	1,053,938
Cash at the end of the period	983,401	909,333

Notes to the cash flow:

1 Cashflows from operating activities

	2022 £	2021 £
Net movement in funds	(139,941)	487,094
Depreciation	1,874	1,896
(Gains) / losses on investments	122,812	(360,852)
Donated assets	-	-
Dividends, interest and rents	(129,539)	(114,117)
Decrease / (increase) in debtors	(9,988)	69,632
Increase /(decrease) in creditors	99,311	105,482
Net cash provided / (used in) by operating activities	(55,471)	189,135

2 Analysis of changes in net debt

	As at 1st January 2022 £	Cashflows £	Other non- cash changes £	As at 31st December 2022 £
Cash and cash equivalents:				
Cash	909,333	74,068	-	983,401
	909,333	74,068	-	983,401

DERBY DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

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 2022

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.

Rental income is recognised on an accruals basis.

Schools' Devolved Formula Capital (DFC) and School Condition Allocation (SCA) Funds

The Department for Education (DfE) make grants available to Voluntary Aided Church schools which can be used for 90% of the cost of capital works. The DBE holds these funds as agent and meets the 90% contributions from them. Each school's unspent amount of DFC is identifiable.

The total DFC & SCA funds are reflected in Creditors with an equivalent amount held within Cash at Bank.

DERBY DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

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 grants received from 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 2022

2 Donations

	Unrestricted	Restricted	2022	2021
	£	£	£	£
Donated assets	-	-	-	-

3 Charitable activities

	Unrestricted	Restricted	2022	2021
	£	£	£	£
DfE administration fee	5,259	-	5,259	1,149
Other income	17,977	-	17,977	12,544
School service legal agreements	3,383	-	3,383	4,150
Restricted Income	795	244,087	244,882	347,440
Schools improvement return of unused grant		(52,500)	(52,500)	
	27,414	191,587	219,001	365,283

In the previous year £17,843 related to unrestricted funds and £347,440 related to restricted funds.

4 Investment Income

	Unrestricted	Restricted	2022	2021
	£	£	£	£
Rents receivable	55,014	-	55,014	53,219
Bank deposit interest	1,623	-	1,623	142
Other investment income	34,710	38,192	72,902	60,756
	91,347	38,192	129,539	114,117

5 Expenditure on raising funds

	Unrestricted	Restricted	2022	2021
	£	£	£	£
Property running costs	-	11,954	11,954	19,510
Depreciation of improvements to tenanted properties	-	1,229	1,229	1,229
	-	13,183	13,183	20,739

All costs in the previous year related to restricted funds.

6 Charitable Activities

	Note	Direct Costs	Other Direct	2022	2021
		£	£	£	£
Grants payable		-	-	-	-
Administration costs	7	320,342	-	320,342	305,643
Establishment expenses	8	11,872	-	11,872	13,641
Training and resources	9	20,272	-	20,272	13,135
		352,486	-	352,486	332,419

All costs in the previous year were direct costs.

DERBY DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

7 Administration costs

	Unrestricted	Restricted	2022	2021
	£	£	£	£
Specialist conferences	-	103	103	173
Subscriptions	-	35	35	475
Officer expenses	1,555	1,998	3,553	1,115
Photocopier	-	-	-	-
Postage	-	144	144	113
Stationery	-	93	93	806
Telephone	-	716	716	1,007
Hospitality	-	418	418	65
Sundry expenses	-	784	784	1,233
Audit and accountancy fees	17,828	18,420	36,248	8,520
Legal and professional fees	50,651	-	50,651	29,024
Consultancy	5,941	85,567	91,508	87,176
Bank charges	-	484	484	473
Reimbursement to DBF	-	-	-	-
Office staff costs (note 11)	-	145,849	145,849	135,963
Appeals	-	7,256	7,256	4,500
Other expenditure	-	-	-	-
Derby Diocesan Academy Trust Expenditure	-	(17,500)	(17,500)	35,000
	<u>75,975</u>	<u>244,367</u>	<u>320,342</u>	<u>305,643</u>

In the previous year costs of £61,923 were unrestricted and costs of £243,720 were restricted.

8 Establishment expenses

	Unrestricted	Restricted	2022	2021
	£	£	£	£
ICT costs	-	2,987	2,987	4,021
Lease hire of equipment	-	1,144	1,144	927
Insurance	-	7,096	7,096	8,026
Depreciation of fixtures, fittings and equipment	-	645	645	667
	<u>-</u>	<u>11,872</u>	<u>11,872</u>	<u>13,641</u>

All costs in the previous year were restricted.

9 Training and resources

	Unrestricted	Restricted	2022	2021
	£	£	£	£
Events and publicity	11,666	8,606	20,272	13,135
Resources library	-	-	-	-
	<u>11,666</u>	<u>8,606</u>	<u>20,272</u>	<u>13,135</u>

All costs in the previous year were restricted.

10 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the auditor for the audit of the Trust's annual accounts.	10,485	8,590
	<u>10,485</u>	<u>8,590</u>

DERBY DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

11 Staff Costs

	2022 £	2021 £
Wages and salaries	113,115	119,604
Social security costs	8,114	7,060
Other pension costs	24,620	9,299
	145,849	135,963

	2022 No.	2021 No.
Average number of employees:	4	3
Full-time equivalent (FTE) number of employees:	3.5	2.5
Number of employees earning more than £60,000 per annum:		
£70,001 to £80,000	-	-
£80,001 to £90,000	-	-

Trustees' travel expenses of £237 (2021: NIL) were reimbursed during the year for 1 trustee (2021: no trustees). None of the trustees have been paid remuneration in either year.

Remuneration of key management personnel

As in 2021, the role of Acting Director of Education in 2022 was provided externally, the costs of which amounted to £85,567 (2021: £55,973). This is included in consultancy within note 7 to the financial statements.

A settlement agreement totalling £NIL (2021 - £23,277) 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 2022	74,485	25,102	64,353	163,940
Additions	-	-	-	-
Disposals	-	-	-	-
At 31st December 2022	74,485	25,102	64,353	163,940
Depreciation				
At 1st January 2022	19,363	24,012	25,609	68,984
Charge for the year	-	645	1,229	1,874
Disposals	-	-	-	-
At 31st December 2022	19,363	24,657	26,838	70,858
Net book value				
At 31st December 2022	55,122	445	37,515	93,082
At 31st December 2021	55,122	1,090	38,744	94,956

Included within freehold land and property is land which is not depreciated with a cost of £55,122 (2021: £55,122).

DERBY DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

13 Fixed asset investments

	2022	2021
	£	£
Investment securities within the United Kingdom (market value)		
At 1st January 2022	2,591,712	1,883,438
Additions	-	440,057
Disposals	-	-
Realised gains / (losses)	-	-
Unrealised gains / (losses)	(297,812)	268,217
At 31st December 2022	2,293,900	2,591,712
Investment properties (market value)		
At 1st January 2022	585,000	484,564
Additions		7,800
Disposals	-	-
Realised gains / (losses)	-	-
Unrealised gains / (losses)	175,000	92,636
At 31st December 2022	760,000	585,000
Total fixed asset investments	3,053,900	3,176,712
Market value of Investment securities held with:	2022	2021
	£	£
CCLA Investment Management Ltd:		
COIF Charities Investment Fund income units	45,129	51,530
CBF Investment Fund income units	2,132,680	2,417,242
Investment in M&G Charifund units	116,092	122,940
	2,293,901	2,591,712
Historic cost of investment securities	1,729,786	1,729,786
Investment properties comprise:		
Ashford School House	400,000	350,000
Ashford Former School	350,000	225,000
Starkholmes	10,000	10,000
	760,000	585,000
Historic cost of investment properties.	22,364	22,364

The investment property valuations have been supplied by Milner Commercial (the DBE Chartered Surveyor), as 31st December 2022.

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 until it was dissolved on 12th July 2022. In previous years a provision was made against the investment. Therefore no value was attributed to this in the financial statements, in the current year both the investment and provision have been written off. Derby Diocesan Education Services Limited has the same registered address as DBE.

14 Debtors

	2022	2021
	£	£
Trade debtors	30,516	18,724
Other debtors and accrued income	20,752	20,512
Prepayments	267	2,311
	51,535	41,547

DERBY DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

15 Cash at bank and in hand

Included within cash is £738,056 at the balance sheet date (2021: £609,169) 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

	2022 £	2021 £
Trade creditors	13,054	40,952
Accruals	127,292	28,209
Creditors (funds held as agent):		
School building and IT projects (note 28)	257,806	411,603
School DFC projects	379,492	197,565
Universal Infant Free School Meal (UIFSM)	100,758	-
	738,056	609,168
	878,402	678,331

The analysis of creditors for 2021 has been amended to more fairly reflect the nature of the creditors. The total is unaffected.

17 Restricted funds

Current year	As restated					
	At 1st January 2022	Income	Expenditure	Gains & Losses	Transfers	At 31st December 2022
	£	£	£	£	£	£
Restricted Income funds						
NCSL	5,016	-	-	-	-	5,016
Schools Improvement	35,000	(52,500)	17,500	-	-	-
System Leadership	1,872	-	-	-	-	1,872
Aspirant Heads	3,321	-	-	-	-	3,321
RE Net	2,189	-	-	-	-	2,189
Derby Diocesan Board of Finance Fund	21,305	244,087	(294,930)	-	29,538	-
Youth Anglo Catholic Work	-	-	-	-	-	-
Ashford School House	350,000	-	-	50,000	-	400,000
Ashford Former School	225,000	-	-	125,000	-	350,000
Starkholmes Land	10,000	-	-	-	-	10,000
Special Projects Funds	4,006	-	-	-	-	4,006
Derbyshire Association of Church Schools	4,972	586	-	-	-	5,558
Gell Memorial Prizes Fund	5,999	586	(598)	-	-	5,987
Byroms Charity	1,362	58	-	(261)	-	1,159
s554 Income Funds	166,140	36,962	-	-	-	203,102
	836,182	229,779	(278,028)	174,739	29,538	992,210

DERBY DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

17 Restricted funds (continued)

Prior year	As restated					As restated	
	At 1st January 2021	Income	Expenditure	Gains & Losses	Transfers	At 31st December 2021	
	£	£	£	£	£	£	
Restricted income funds							
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	
s554 Income Funds	130,229	35,911	-	-	-	166,140	
	642,483	384,514	(291,235)	92,620	7,800	836,182	

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 £NIL (2021: £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 £244,087 (2021: £277,440) 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.

DERBY DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

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.

s554 Income Funds

The income of the Trust may be applied in or towards the purchase of a site for, or the erection, improvement or enlargement of, or maintenance of, any relevant school or teacher's house in the area. It may also 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.

Transfer between funds

A transfer has been made from unrestricted funds to cover a deficit on restricted funds.

18 Endowment Funds

Current year

	At 1st January 2022	Income	Expenditure	Gains & Losses	Transfers	At 31st December 2022
	£	£	£	£	£	£
Special Projects Funds	17,765	-	-	-	-	17,765
Derbyshire Association of Church Schools	15,057	-	-	(2,617)	-	12,440
Gell Memorial Prizes Fund	23,085	-	-	(2,624)	-	20,461
Byroms Charity	865	-	-	-	-	865
s554 Capital Funds	1,383,807	-	-	(164,934)	-	1,218,873
	1,440,579	-	-	(170,175)	-	1,270,404

	As restated At 1st January 2021	Income	Expenditure	Gains & Losses	Transfers	As restated 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
s554 Capital Funds	1,210,585	-	-	173,222	-	1,383,807
	1,261,915	-	-	178,664	-	1,440,579

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

DERBY DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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18 Endowment funds (continued)

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.

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.

s554 Capital Funds

These represent funds held under Trusts arising from the sale of redundant educational properties (Shirland, Mill Street and Wessington). The capital of the Trust may be applied in or towards the purchase of a site for, or the erection, improvement or enlargement of, or maintenance of, any relevant school or teacher's house in the area. The income earned on these funds is accounted for in restricted income funds.

19 Unrestricted funds

Current year

	At 1st January 2022	Income	Expenditure	Gains & Losses	Transfers	At 31st December 2022
	£	£	£	£	£	£
Unrestricted funds	1,166,696	118,761	(87,641)	(127,376)	(29,538)	1,040,902

Prior year

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

20 Summary of net assets by fund

Current Year

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£	£	£	£
Tangible fixed assets	93,082	-	-	93,082
Investments	1,017,032	778,604	1,258,264	3,053,900
Current assets	809,190	213,606	12,140	1,034,936
Current liabilities	(878,402)	-	-	(878,402)
Total net assets	1,040,902	992,210	1,270,404	3,303,516

Prior year - as restated

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£	£	£	£
Tangible fixed assets	94,956	-	-	94,956
Investments	1,144,408	603,865	1,428,439	3,176,712
Current assets	706,423	232,317	12,140	950,880
Current liabilities	(779,091)	-	-	(779,091)
Total net assets	1,166,696	836,182	1,440,579	3,443,457

DERBY DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

21 Operating lease commitments

At 31st December 2022 the charitable company had annual commitments under other non-cancellable operating leases as follows:

	2022	2021
Expiry date:	£	£
Between 1 and 2 years	797	796
Between 2 and 5 years	198	995
	<u>995</u>	<u>1,791</u>

Lease payments recognised as an expense were £968 (2021 - £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 £24,620 (2021: £9,299). At the year end, amounts payable to schemes totalled £1,971 (2021: £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 £244,087 (2021: £347,440) 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 £33,333 at the year end (2021 - £Nil).

During the year an amount of £Nil (2021: £53,865) 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 £Nil at the year end (2021 - £17,500).

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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

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 2022	197,565
Total income during the year	315,011
Total expenditure during the year	<u>(133,084)</u>
Balance as at 31 December 2022	<u>379,492</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 2022	411,603
Total income during the year	303,840
Total expenditure during the year	<u>(457,637)</u>
Balance as at 31 December 2022	<u>257,806</u>

Universal Infant Free School Meal (UIFSM)

The Board assists Voluntary Aided schools with the administration of funding for school building projects. The Board acts as an agent on behalf of school governing bodies in receiving funds from the Department of Education, local authorities and other funding sources and settling contractors' costs and professional fees. In 2015 additional funding was allocated to help schools upgrade their kitchens, this was a core element of the Universal Infant School Free Meals Programme at that time. The additional allocation was not ring-fenced, and it is likely that it may have been spent on a variety of capital works projects, just as the regular annual allocations (LCVAP at that time) were used for capital projects relating to kitchens. Within DBE's recent annual accounts there has been £100k relating to the historic UIFSM allocation. The Department of Education have confirmed that there is not a gap in their reconciliation and this £100k can be allocated to capital works programmes in schools. The 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 2022	-
Reclassified from other creditors	100,758
Total income during the year	-
Total expenditure during the year	<u>-</u>
Balance as at 31 December 2022	<u>100,758</u>

DERBY DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

29 Prior Year Comparative Statement of Financial Activities - As restated

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£	£	£	£
Income and endowments from				
Donations	-	-	-	-
Charitable activities	17,843	347,440	-	365,283
Investments	77,043	37,074	-	114,117
Total Income and endowments	94,886	384,514	-	479,400
Expenditure on				
Raising funds	-	20,739	-	20,739
Charitable activities	61,923	270,496	-	332,419
Total expenditure	61,923	291,235	-	353,158
Net (expenditure) / income before Investment gains	32,963	93,279	-	126,242
Net gains / (losses) on investments	89,569	92,620	178,664	360,853
Net (expenditure) / income	122,532	185,899	178,664	487,095
Gross transfers between funds	(7,800)	7,800	-	-
Net movement in funds	114,732	193,699	178,664	487,095
Reconciliation of funds:				-
Total funds at 1st January 2021 as restated	1,051,964	642,483	1,261,915	2,956,362
Total funds at 31st December 2021 as restated	1,166,696	836,182	1,440,579	3,443,457

30 Prior Year Adjustment

Within restricted and endowment funds those held under s554 income and capital funds have been amalgamated together in line with the rules of the s554 agreements.

A s554 capital fund for Wessington Property proceeds had previously been accounted for within a restricted income fund. This has been reclassified to endowment capital funds in accordance with the s554 agreement. This had the following impact on restricted and endowment funds. There was impact to total overall funds.

	Endowment	Restricted
Funds at 31 December 2021 as previously stated	1,242,025	1,034,736
Fund reclassification	198,554	(198,554)
Funds at 31 December 2021 as restated	<u>1,440,579</u>	<u>836,182</u>

There was no impact to the totals on the statement of financial activities.










DDBE Accounts - Final - 2nd Copy

Final Audit Report

2023-06-22

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