

# THE LICHFIELD DIOCESAN BOARD OF EDUCATION

England & Wales · Charity number 528561

## Details

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**Other names** THE LICHFIELD DIOCESAN EDUCATION COUNCIL

**Status** Registered

**Legal form** Charitable company

**Company number** [00461505](#)

**Registered** 1961-01-01

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

## Contact

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**Address** St Marys House  
The Close  
Lichfield  
Staffs  
WS13 7LD

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**Website** [www.lichfield.anglican.org](http://www.lichfield.anglican.org)

## Activities

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**Objects:** I) TO PROMOTE OR ASSIST IN THE PROMOTION OF EDUCATION IN THE DIOCESE (HEREINAFTER CALLED "THE DIOCESE") OF LICHFIELD BEING EDUCATION WHICH IS CONSISTENT WITH THE FAITH AND PRACTICE OF THE CHURCH OF ENGLAND; (II) TO PROMOTE OR ASSIST IN THE PROMOTION OF RELIGIOUS EDUCATION AND RELIGIOUS WORSHIP IN SCHOOLS IN THE DIOCESE; (III) TO PROMOTE OR ASSIST IN THE PROMOTION OF CHURCH SCHOOLS IN THE DIOCESE AND TO ADVISE THE GOVERNORS OF SUCH SCHOOLS AND TRUSTEES OF CHURCH EDUCATIONAL ENDOWMENTS AND ANY OTHER BODY OR PERSON CONCERNED ON ANY MATTER AFFECTING SUCH SCHOOLS IN THE DIOCESE; (IV) TO PROMOTE CO-OPERATION BETWEEN THE BOARD AND BODIES OR PERSONS CONCERNED IN ANY RESPECT WITH EDUCATION IN THE DIOCESE; TO CARRY OUT SUCH FUNCTIONS AS ARE ASSIGNED TO THE BOARD BY THE DIOCESAN BOARDS OF EDUCATION MEASURE 1991; AND (V) SUCH OTHER FUNCTIONS NOT CONTRARY TO THE SAID MEASURE AS ARE ASSIGNED TO THE BOARD BY THE DIOCESAN SYNOD OTHER THAN FUNCTIONS RELATING TO CHURCH SCHOOLS OR CHURCH EDUCATIONAL ENDOWMENTS.

**Activities:** To promote and assist in the promotion of education within the Lichfield Diocese, consistent with the faith and practice of the Church of England, including the promotion of religious education and worship in schools within the Diocese.

## Classification

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- **How:** Makes Grants To Organisations, Provides Other Finance, Provides Human Resources, Provides Buildings/facilities/open Space
- **What:** Education/training, Religious Activities
- **Who:** The General Public/mankind

## Geography

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- **Area of benefit:** DIOCESE OF LICHFIELD
- Sandwell
- Shropshire
- Staffordshire
- Stoke-on-trent City
- Telford & Wrekin
- Walsall
- Wolverhampton

## Finances

| Period end | Income   | Expenditure | Assets     | Employees |
|------------|----------|-------------|------------|-----------|
| 2025-05-31 |          | £0          | £0         | -         |
| 2024-05-31 |          | £0          | £0         | -         |
| 2023-05-31 |          | £0          | £0         | -         |
| 2022-05-31 | £567,000 | £475,000    | £0         | 9         |
| 2021-08-31 | £599,000 | £673,000    | £7,263,000 | 10        |

## Trustees

| Name                                       | Role  | Appointed  |
|--|-------|------------|
| <b>THE REVD PREB MICHAEL RALPH METCALF</b> | Chair |            |
| CYRIL GEORGE RANGLES                       |       |            |
| Dr Megan Rachel Smith                      |       | 2021-12-05 |
| Jonathan Richard Leigh Hill                |       | 2024-05-21 |
| TRACEY LOUISE CANSDALE                     |       | 2019-01-01 |

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

England & Wales - Charity number 528561

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# Accounts

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**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDING 31 MAY 2022**

**Registered Number: 00461505**  
**Charity Number: 528561**

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MAY 2022**

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# THE LICHFIELD DIOCESAN BOARD OF EDUCATION

## REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE PERIOD ENDED 31 MAY 2022

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### Trustees

Revd Preb Michael Metcalf – Chair  
Revd Preb John Allan (to 05 July 2022)  
Mrs Tracy Cansdale  
Ms Margaret Everett (to 05 July 2022)  
Dr John Fawn (to 05 July 2022)  
Revd Alison Morris (to 05 July 2022)  
Mr Cyril Randles  
Mrs Helen Robertson  
Mr David Smith (to 05 July 2022)  
Ven Megan Smith

**Company Registered Number** 00461505

**Charity Registered Number** 528561

**Registered Office** St Mary's House  
The Close  
Lichfield  
Staffordshire  
WS13 7LD

**Company Secretary** Mr J R L Hill FCMA CGMA

|                           |                     |  |
|---------------------------|---------------------|--|
| <b>Principal Officers</b> | Mrs Claire Shaw     | Director of Education                          |
|                           | Mr Stuart Hodson    | Legal Secretary of the Board                   |
|                           | Mr Brian Ball       | Schools Property Manager                       |
|                           | Mr Matthew Welton   | Assistant Director – Christian Distinctiveness |
|                           | Mr Jonathan Hill    | Director of Finance                            |
|                           | Mrs Alex Wolvers    | Christian Distinctiveness Adviser              |
|                           | Mrs Vicki Longson   | Christian Distinctiveness Adviser              |
|                           | Mrs Lynsay Jennings | Christian Distinctiveness Adviser              |
| Mrs Paula Lloyd           | Business Manager    |  |

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**  
**REFERENCE AND ADMINISTRATIVE DETAILS (continued)**  
**FOR THE PERIOD ENDED 31 MAY 2022**

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|                             |   |
|-----------------------------|---|
| <b>Independent auditors</b> | Haysmacintyre LLP<br>10 Queen Street Place<br>London<br>EC4R 1AG                                  |
| <b>Bankers</b>              | Lloyds Bank Plc<br>22 Conduit Street<br>Lichfield<br>Staffordshire<br>WD13 6JS                    |
| <b>Legal Advisors</b>       | Underhill Langley and Wrights<br>7 Waterloo Road<br>Wolverhampton<br>WV1 4DW                      |
| <b>Investment Advisors</b>  | CCLA Investment Management Ltd<br>Senator House<br>85 Queen Victoria Street<br>London<br>EC4V 4ET |
| <b>Insurers</b>             | Ecclesiastical Insurance Group<br>Beaufort House<br>Brunswick Road<br>Gloucester<br>GL1 1JZ       |

# **THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

## **TRUSTEES' REPORT**

### **FOR THE PERIOD ENDED 31 MAY 2022**

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It is with great pleasure that the Directors present the final annual report for the Diocesan Board of Education ("Board") for the period 1st September 2021 to 31st May 2022.

Since the year end, under the DBE Measure 2021 the Board of Education has transferred all assets and liabilities to the Lichfield Diocesan Board of Finance with effect from 01 June 2022.

#### **DBE Measure**

After a period of consultation between the Board and the Lichfield Diocesan Board of Finance; on 12<sup>th</sup> March 2022 Diocesan Synod voted overwhelmingly to move the Board of Education from the Incorporated Charitable Company to a Statutory Sub Committee of the Lichfield Diocesan Board of Finance; in line with the Diocesan Bishop's recommendation under the DBE Measure. This was ratified on 28<sup>th</sup> April 2022 where the formal resolution was approved.

The scheme is dated 31<sup>st</sup> May 2022 and as at that date all the Assets and Liabilities were transferred to the Lichfield Diocesan Board of Finance legal entity. Reference is made to the transfer in the Going Concern note (1.2) on page 14. It is not anticipated that the Vision and Strategy agreed and reported earlier will be affected by this change, as the Strategy was approved by Diocesan Synod in March 2022 and will require Synodical approval for any change.

#### **Public Benefit Statement**

The Directors have considered the Charity Commission guidance on Public Benefit and in particular the specific guidance to charities for the advancement of religion. The objectives of the Board of Education is to promote or assist in the promotion of Education in the Diocese of Lichfield. The objects shall be carried out in accordance with the doctrines and principles of the Church of England.

#### **STRATEGIC PRIORITIES 2022 – 2024**

At the Diocesan Synod in March 2022 a presentation was made setting out the Board's Vision for the next triennial based around the Mission Perspective for the Board.

There were six themes:-

1. Strategic Partnerships for Flourishing Schools and Academy Structures
2. Towards a whole school approach to spiritual wellbeing and mental health.
3. Christian Vision promoted and established by leaders at all levels.
4. High quality Religious Education and Collective Worship.
5. Advocacy – Challenging disadvantage, deprivation and exploitation.
6. Diversity and inclusion is celebrated, with inclusive approaches embedded.

More details will be in the following years report.

#### **Achievements**

In the last financial year to 31 August 2021, the Board has worked and achieved on the following years:-

Key Data for 2020/21

- As of 31 August 2021, there are 206 CofE Schools in the diocese.
- 96 (47%) schools are in MATs.
- There are 27 MATs and 5 SATs which include, or are entirely comprised of, CofE schools in our diocese.

## **THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE PERIOD ENDED 31 MAY 2022**

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#### **Christian Character**

To promote and protect the Christian Character of Church of England schools and academies by delivering and securing our vision and values.

- The CDA team provided training on the new SIAMS schedule, What Does It Mean to be a Church School?, Understanding Christianity, Creative RE, RE Assessment, RE Assessment, RE Long Term Planning, Big Frieze Training, RE QLC, Local NATRE Meeting Training – The Importance of Religious Literacy in the Classroom, Spiritual Development, Class Worship, Shaping for Mission – vision setting, Chaplaincy – schools and churches
- Where do Schools fit into the Church's Mission.
- 95% of schools were part of the service level agreement
- The DBE website provided a wide range of guidance materials, policies, educational resources and key documents for schools, clergy and governors <https://www.ldbe.co.uk/>
- The Christian Vision Toolkit, monitoring and evaluation document, was developed

#### Mission

To work with our diocesan teams, academy trusts and parishes to develop our schools and academies as a centre for mission in our diocese

- Alex Wolvers now works with St Chad's Academies Trust, the Mission Team and the Diocesan Board of Education. This has resulted in continuity for St Chad's in relation to one CDA working strategically within the diocese.

#### **Strategic Relationships**

To develop strategic relationships with MAT Members, Trustees, CEOs and local academy committees within all our MATs across the diocese.

- Engagement with the CEOs of the 32 Academy Trusts continues to improve
- The DBE maintains a good relationship with the Department for Education
- The DDE continues to be a member of the Association of Anglican Directors of Education
- The DBE has representation on 7 local authority SACREs
- The Deputy Director is part of the Church of England Foundation of Educational Leadership which is currently supporting 43 New heads nationally as part of a new DfE initiative.

#### **Governance**

To promote and support good governance within our schools and academies

- The team continued to deliver a range of training to school governors including SIAMS training.
- Team members sit on a number of governing bodies and academy trusts when additional support is required.
- The Team continued to support schools and academies in the recruitment of headteachers and principals.
- A working party was set up to look at the implications of the DBE Measure 2021 and draft a Scheme to come into effect in 2022.

#### **Chaplaincy**

Alex Wolvers to continue to develop models of chaplaincy within our schools and MATs.

## **THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE PERIOD ENDED 31 MAY 2022**

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#### **Financial Planning**

To ensure effective strategic financial planning and safeguarding for all our work to ensure that school buildings provide a high quality learning environment for our students and are environmentally sound.

- The Education Finance Committee continued to monitor budgets and plan strategic priorities.
- The Barchester Committee continued to consider and evaluate the various capital programmes undertaken by the DBE on behalf of its church schools.

The two sub committees of the Statutory Committee continue to operate in their areas under the new Measure.

#### **Reserves Policy**

All reserves were transferred as restricted funds to the Lichfield Diocesan Board of Finance on 31 May 2022, and these figures quoted refer to the amount physically transferred.

#### **Investment Policy**

The Charity has an Ethical Investment Policy, following the guidelines and recommendations of the Church Ethical Investment Group. The Board of Education solely uses the CCLA for investment and predominantly the Investment Fund which offers capital growth and a sustainable form of income to support the day to day activities. Capital growth is important to protect the reserves and assets of the Board against inflation.

With the transfer the Board of Education investments are now managed by the Lichfield Diocesan Board of Finance and are within their policies and conditions that can be found in their Financial Statement reports. The aim is to have a return of 5% + Inflation at CPI – however this will be adjusted due to the current high inflation rates.

#### **Key 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 Charity. Mrs Claire Shaw as Diocesan Director of Education is recognised as the key personnel. The remuneration of the key personnel are set by the Diocesan Pay and Conditions Committee.

## **THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE PERIOD ENDED 31 MAY 2022**

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#### **Principal Risks and Uncertainties**

The Trustees are responsible for the identification, mitigation and or management of risk. To achieve this, a register of all the risks identified is maintained by the Diocesan Director of Education. Each Risk is assessed and alongside it, a management and mitigation strategy formed. This is subject to review by the Trustees on an annual basis with the responsibility for delivery of the mitigation strategies identified by it, being delegated to the Diocesan Risk and Audit Committee.

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

Schools not being fit for purpose and Litigation or other forms of legal action/exposure:-

- Continued negotiations with the Local Authority who had overseen the project
- Seeking legal advice and ongoing negotiations to try and resolve the issue
- Diocesan Risk and Audit Committee are fully informed of progress and need to approve actions being taken

Government Policy and impact on church schools:-

- Monitoring of proposed legal and regulatory changes including regular liaison with National Institutions, Local Authorities
- Measures to raise the profile of Church schools
- Regular contact with other Diocese and relevant national and regional networks.

COVID 19 and Associated Closure of Offices:-

- Ability for officers to work from home to continue to offer support to schools and staff
- If required a body to review any financial implications, a small finance group called EFACS (Education Finance and Central Services) currently exists
- Policy to oversee the well being of staff during a pandemic; and succession planning should a key officer become unable to work.

IT

- A failure in IT systems as staff work outside the office. Policies remain in place to try and minimise any disruption that may arise from a failure in systems
- Cyber Security remains an increasing risk, with remote working. Firewalls and significant cyber security has been invested, however in a world where cyber risks become more complicated a full cyber security review is scheduled for 2022.

The risks have been transferred to the Lichfield Diocesan Board of Finance Risk register. Naturally if there are duplicate areas but anything specific to the Board of Education will be highlighted with the Register.

Following the transfer to the Lichfield Diocesan Board of Finance, all the activities and risks of the Board remained unchanged, and the Board will continue to operate in the same manner, just not as its own legal entity from 01 June 2022.

## **THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

### **TRUSTEES' REPORT (continued)**

**FOR THE PERIOD ENDED 31 MAY 2022**

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#### **TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also directors of the Lichfield Diocesan Board of Education) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. The Trustees are also responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the surplus or deficit for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any 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 company will continue its activities;
- ensure that the accounts comply with current statutory requirements and the Charity's governing document.

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

#### **Auditor**

Haysmacintyre LLP has expressed its willingness to continue as auditors to the Charity.

So far as each trustee is aware, there is no relevant audit information of which the company's auditors are unaware.

Each trustee has taken all reasonable steps in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Trustees have taken the exemptions available to small companies and have not prepared a strategic report.

#### **Acknowledgements**

The Board would wish to pay tribute to those volunteers and members of other departments who give valuable support to the Board's work, particularly the chairs and members of the committees of the Board, who generously gave of their time, and members of the Finance Department at St. Mary's House.

The Trustees Annual Report which includes the Strategic Report was approved by the Trustees on 22 March 2023 and signed on their behalf by:

*M R Metcalf*

**Revd Preb Michael Metcalf**  
**Director/Trustee, Lichfield Diocesan Board of Education**

## **INDEPENDENT AUDITORS' REPORT**

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

#### **FOR THE PERIOD ENDED 31 MAY 2022**

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#### **Opinion**

We have audited the financial statements of Lichfield Diocesan Board of Education for the period ended 31 May 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 May 2022 and of the charitable company's net movement in funds, including the income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Emphasis of matter – non-going concern basis of accounting**

We draw attention to Note 1.2 on page 14 of the financial statements which discloses the premise upon which the company has prepared its financial statements on a non-going concern basis. Our opinion is not modified in respect of this matter.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates 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:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or

## INDEPENDENT AUDITORS' REPORT

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

#### FOR THE PERIOD ENDED 31 MAY 2022

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- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 7, 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011 and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the risk of improper revenue recognition. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates such as valuation of the investment properties.

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.

## INDEPENDENT AUDITORS' REPORT

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

### FOR THE PERIOD ENDED 31 MAY 2022

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

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### 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.



Steven Harper (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG

**Date: 23 March 2023**

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE PERIOD ENDED 31 MAY 2022**

|   | Notes     | Unrestricted<br>Funds<br>May 22<br>£'000 | Restricted<br>Funds<br>May 22<br>£'000 | Endowment<br>Funds<br>May 22<br>£'000 | Total<br>Funds<br>May 22<br>£'000 | Total<br>Funds<br>Aug 2021<br>£'000 |
|---|-----------|--|--|---------------------------------------|-----------------------------------|-------------------------------------|
| <b>Income</b>   |           |  |  |                                       |                                   |                                     |
| Donations   | 2         | 30                                       | 40                                     | -                                     | 70                                | 67                                  |
| Other trading activities                                | 3,4,<br>5 | 37                                       | -                                      | -                                     | 37                                | 54                                  |
| Investments   | 6         | 75                                       | 39                                     | 4                                     | 118                               | 154                                 |
| <b>Income from charitable activities:</b>               |           |  |  |                                       |                                   |                                     |
| Promotion of religious Education                        | 7         | 197                                      | 4                                      | -                                     | 201                               | 324                                 |
| Other   | 7         | 141                                      | -                                      | -                                     | 141                               | -                                   |
| <b>Total income</b>                                     |           | <u>480</u>                               | <u>83</u>                              | <u>4</u>                              | <u>567</u>                        | <u>599</u>                          |
| <b>Expenditure</b>                                      |           |  |  |                                       |                                   |                                     |
| <b>Cost of raising funds:</b>                           |           |  |  |                                       |                                   |                                     |
| Cost of managing properties and events                  | 9         | 41                                       | 2                                      | -                                     | 43                                | 89                                  |
| <b>Charitable activities:</b>                           |           |  |  |                                       |                                   |                                     |
| Promotion of religious Education                        | 8         | 379                                      | 53                                     | -                                     | 432                               | 584                                 |
| <b>Total expenditure</b>                                |           | <u>420</u>                               | <u>55</u>                              | <u>-</u>                              | <u>475</u>                        | <u>673</u>                          |
| <b>Net (expenditure)/income Before investment gains</b> |           | 60                                       | 28                                     | 4                                     | 92                                | (74)                                |
| Transfer to the Lichfield Diocesan Board of Finance     |           | (5,571)                                  | (3,679)                                | (155)                                 | (9,405)                           | -                                   |
| Net investment gains                                    | 13        | 2,112                                    | (58)                                   | (4)                                   | 2,050                             | 817                                 |
| <b>Net income/(expenditure)</b>                         |           | <u>(3,399)</u>                           | <u>(3,709)</u>                         | <u>(155)</u>                          | <u>(7,263)</u>                    | <u>743</u>                          |
| Transfers between funds                                 |           | 38                                       | (34)                                   | (4)                                   | -                                 | -                                   |
| <b>Net movement in funds for the year</b>               |           | <u>(3,361)</u>                           | <u>(3,743)</u>                         | <u>(159)</u>                          | <u>(7,263)</u>                    | <u>743</u>                          |
| Total funds at 1 September 2021                         |           | <u>3,361</u>                             | <u>3,743</u>                           | <u>159</u>                            | <u>7,263</u>                      | <u>6,520</u>                        |
| Total funds at 31 May 2022                              |           | <u>-</u>                                 | <u>-</u>                               | <u>-</u>                              | <u>-</u>                          | <u>7,263</u>                        |

Comparatives for each fund are shown in Note 23.

No separate income and expenditure account has been presented on the grounds that the differences between the net income as stated above and the profit for the year for the purposes of the Companies Act 2006 relates solely to the movements on endowment funds as shown above.

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

**BALANCE SHEET (Registered Company Number 00461505)**

**FOR THE PERIOD ENDED 31 MAY 2022**

|  |       | 2022     |                 | 2021         |                     |
|--|-------|----------|-----------------|--------------|---------------------|
|  | Notes | £'000    | £'000           | £'000        | £'000               |
| <b>Fixed assets</b>                                      |       |          |                 |              |                     |
| Tangible assets  | 12    |          | -               |              | -                   |
| Investments  | 13    |          | -               |              | 6,096               |
|  |       |          | <u>-</u>        |              | <u>6,096</u>        |
| <b>Current assets</b>                                    |       |          |                 |              |                     |
| Debtors  | 14    | -        |                 | 424          |                     |
| Cash at bank   |       | -        |                 | 2,704        |                     |
|  |       | <u>-</u> |                 | <u>3,128</u> |                     |
| <b>Creditors:</b> Amounts falling due<br>within one year | 15    | -        |                 | (1,961)      |                     |
| <b>Net Current Assets</b>                                |       |          | <u>-</u>        |              | <u>1,167</u>        |
| <b>Net assets</b>  |       |          | <u>-</u>        |              | <u>7,263</u>        |
|  |       |          | <u><u>-</u></u> |              | <u><u>7,263</u></u> |
| <b>Charity Funds</b>                                     |       |          |                 |              |                     |
| Endowment funds  | 17    |          | -               |              | 159                 |
| Restricted funds   | 17    |          | -               |              | 3,743               |
| Unrestricted funds                                       | 17    |          | -               |              | 3,361               |
|  |       |          | <u>-</u>        |              | <u>3,361</u>        |
| <b>Total funds</b>                                       |       |          | <u>-</u>        |              | <u>7,263</u>        |
|  |       |          | <u><u>-</u></u> |              | <u><u>7,263</u></u> |

The financial statements were approved and authorised for issue by the Trustees on 22 March 2023 and signed on their behalf by:

*M R Metcalf*

**Revd Preb Michael Metcalf**

The notes on pages 14 to 33 form part of these financial statements.

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

**CASH FLOW STATEMENT**

**FOR THE PERIOD ENDED 31 MAY 2022**

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|  | <b>Note</b> | <b>2022<br/>£'000</b> | <b>2021<br/>£'000</b> |
|--|-------------|-----------------------|-----------------------|
| Cash flows from operating activities                               | 18          | (2,822)               | 456                   |
| <b>Cash flows from investing activities</b>                        |             |                       |                       |
| Dividends, interest and rents from investments                     | 6           | 118                   | 154                   |
| Purchase of tangible fixed assets                                  |             | -                     | -                     |
| Proceeds from the sale of tangible fixed assets                    |             | -                     | -                     |
| Net (Purchase)/Sales of investments                                | 8           | -                     | (5)                   |
|  |             | <u>118</u>            | <u>149</u>            |
| <b>Change in cash and cash equivalents in the reporting period</b> |             | <u>(2,704)</u>        | <u>605</u>            |
| <br>   |             |                       |                       |
| Cash and cash equivalents at the beginning of the reporting period |             | <u>2,704</u>          | <u>2,099</u>          |
| Cash and cash equivalents at the end of the reporting period       |             | <u>-</u>              | <u>2,704</u>          |

# THE LICHFIELD DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 31 MAY 2022

---

#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The accounts are prepared for the period 01 September 2021 to 31 May 2022. Comparative figures are for the year ending 31 August 2021. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102) Second Edition effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and The Charities (Accounts and Reports) Regulations 2008.

The Lichfield Diocesan Board of Education meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of certain assets. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Statement of financial activities (SOFA) and Balance sheet represent the financial transactions of the charity. The two trading subsidiaries were dormant with effect from 01 September 2018. On the grounds that the trading subsidiaries are dormant consolidated accounts have not been prepared.

##### 1.2 Going concern

In light of the decision of Diocesan Synod in March and April 2022 under the DBE Measure all assets and liabilities of the Company have been transferred in their entirety to the Diocesan board of Finance with effect from 31 May 2022. The Board of Education will then cease to exist, and steps be taken to be removed from the register of companies.

As required by UK accounting standards, the Trustees have prepared the financial statements on the basis that the company is not a going concern. No adjustments have arisen through the adoption of the non-going concern basis of accounting.

##### 1.3 Company status

The charity is a company Limited by Guarantee registered in England and Wales. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The registered office of the company is: St Mary's House, The Close, Lichfield, Staffordshire, WS13 7LD

##### 1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Permanent Endowments are restricted funds that must be retained as trust capital either permanently or subject to a discretionary power to spend capital as income, and where the use of any income or other benefit derived from the capital may be restricted or unrestricted. Investment income, gains and losses are allocated to the appropriate fund.

# THE LICHFIELD DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE PERIOD ENDED 31 MAY 2022

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.5 Income

All income is included in the Statement of financial activities when the charity has entitlement to the funds, receipt is probable and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party. Government grants received in respect of the furlough scheme are accounted for on the accruals basis.

##### 1.6 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

##### 1.7 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, less their estimated residual value, over their expected useful lives on the following bases:

|                               |                               |
|-------------------------------|-------------------------------|
| Leasehold improvements        | - 10 - 50 years straight line |
| Fixtures and fittings         | - 5 - 10 years straight line  |
| Office and computer equipment | - 3 - 5 years straight line   |
| Leasehold land                | - Over the term of the lease  |

Concerning former school buildings and school/teachers houses, these are included at cost. Included are properties in past action orders, under unrestricted funds and future schemes where the valuation is under permanent endowments

##### 1.8 Investment Properties

Properties that are retained either for rental income or held for capital appreciation only, are to be recorded as Investment Properties – following a detailed investigation in a previous accounting period, certain properties were transferred to investment properties. This was done at book cost and the properties revalued by a qualified person within the diocese. For future accounting periods, the revaluation of these properties are now based on the Nationwide All property Index unless factors are noted which indicate an impairment.

##### 1.9 Section Order Funds

Funds that have arisen from past Section Order Schemes are subject to Uniform Trusts set out in Schedule 36 to The Education Act 1966. Prior to 1990, these funds were accounted for under a separate heading, but until 1998 had been included under the General Reserve - Unrestricted Funds. In light of the discussion at a Barchester Meeting in March 1999, these funds have been extracted from the General Reserve and are now accounted for under Restricted Funds. Due to the fact there have been three separate orders, Section 86 (1944 Act). Section 2 (1972 Act). and more recently Section 554 (1996 Act), which all vary slightly, the funds have been subdivided into separate headings dependent on the Section in which the Scheme was approved.

## THE LICHFIELD DIOCESAN BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE PERIOD ENDED 31 MAY 2022

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#### 1. ACCOUNTING POLICIES (continued)

The Uniform Trusts provide that the Board may after payment of any expenses in connection with the administration of the particular trust to apply the capital and income:-

- (a) In or towards the purchase of a site for or the erection, improvement or enlargement of the premises of any relevant school in the area.
- (b) For the maintenance of any relevant school in the area.
- (c) In or towards the purchase of a site for or the erection or improvement or enlargement of the premises of a teacher's house for use in connection with any relevant school in the area and
- (d) For the maintenance of a teacher's house for use in connection with any relevant school in the area

In connection with the administration of the Trust the Board may apply the income as follows:-

- (a) In or towards the provision of advice guidance and resources including materials in connection with any matter related to the management of or education provided at any relevant school in the area
- (b) The provision of services for carrying out any inspection of any relevant school in the area by Part 1 of the Schools Inspection Act 1996 and
- (c) To defray the cost of employing or engaging staff in connection with:-
  - (i) The application of income by the relevant trust assets for either of the purposes referred in sub paragraph  
(a) and (b) above or
  - (ii) The application of capital or income of the relevant trust assets for any of the purposes referred to in paragraph 1 above."

The accounts include future section order funds under permanent endowment funds. Once an order has been approved the funds are then transferred in accordance with the Order.

#### 1.10 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

##### Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

##### Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

##### Cash

Cash at bank and cash 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.

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE PERIOD ENDED 31 MAY 2022**

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**1. ACCOUNTING POLICIES (continued)**

**1.11 Employee benefits**

Pension costs

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

Other employee benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102.

**2. DONATIONS**

|                 | <b>Total<br/>2022<br/>£'000</b> | <b>Total<br/>2021<br/>£'000</b> |
|-----------------|---------------------------------|---------------------------------|
| Donations       | 40                              | 36                              |
| Capitation fees | 30                              | 31                              |
|                 | <hr/>                           | <hr/>                           |
| Donations       | 70                              | 67                              |
|                 | <hr/> <hr/>                     | <hr/> <hr/>                     |

**3. OTHER TRADING ACTIVITIES**

|                        | <b>Total<br/>2022<br/>£'000</b> | <b>Total<br/>2021<br/>£'000</b> |
|------------------------|---------------------------------|---------------------------------|
| Block policy insurance | 37                              | 40                              |
| Other income           | -                               | 14                              |
|                        | <hr/>                           | <hr/>                           |
|                        | 37                              | 54                              |
|                        | <hr/> <hr/>                     | <hr/> <hr/>                     |

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE PERIOD ENDED 31 MAY 2022**

**4. INCOME FROM COMMERCIAL TRADING ACTIVITIES**

**Lichfield Diocesan Education Services Limited**

**Company number: 05205291**

The wholly owned subsidiary Lichfield Diocesan Education Services Limited, which is incorporated in England and Wales, pays all of its profits by way of a charitable donation to the charity. Lichfield Diocesan Education Services Limited operates the Service Level Agreement on behalf of the charity, which offers advice and support to both Aided and Controlled Schools within the Diocese on religious education activities and curriculum as well as pastoral support to the staff concerned. The charity owns the entire share capital of 1 ordinary share at £1 each. The trading arm is no longer required as all services and agreements are made in the name of the Parent Company and all operations are within the charitable objective so the subsidiary became dormant with effect from 01 September 2018. A summary of the financial activities undertaken by the subsidiary is set out below.

|  | <b>2022</b>  | <b>2021</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| Turnover   | -            | -            |
| Cost of sales  | -            | -            |
|  | <hr/>        | <hr/>        |
| <b>Gross profit</b>  | -            | -            |
| Administrative expenses  | -            | -            |
| Grant to Lichfield Diocesan Academies Trust                    | -            | -            |
|  | <hr/>        | <hr/>        |
| <b>Operating profit</b>  | -            | -            |
| Other operating income   | -            | -            |
| Gift aid payment to parent                                     | -            | -            |
|  | <hr/>        | <hr/>        |
| <b>Profit for the financial year before and after taxation</b> | -            | -            |
|  | <hr/> <hr/>  | <hr/> <hr/>  |
| <b>Balance sheet</b>   | <b>2021</b>  | <b>2020</b>  |
|  | <b>£'000</b> | <b>£'000</b> |
| Fixed assets   | -            | -            |
| Current assets   | -            | -            |
| Creditors: amounts falling due within one year                 | -            | -            |
|  | <hr/>        | <hr/>        |
| <b>Net assets</b>  | -            | -            |
|  | <hr/> <hr/>  | <hr/> <hr/>  |
| Called up share capital  | -            | -            |
| Profit and loss account  | -            | -            |
|  | <hr/>        | <hr/>        |
| <b>Shareholders' funds</b>                                     | -            | -            |
|  | <hr/> <hr/>  | <hr/> <hr/>  |

Current assets shown above include £ Nil (2021: £Nil) owed by the charity and Creditors: amounts falling due within one year includes £Nil (2021: £Nil) owed to the charity.

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE PERIOD ENDED 31 MAY 2022**

**5. INCOME FROM COMMERCIAL TRADING ACTIVITIES (continued)**

**Lichfield Diocesan Academies Services Limited**

**Company number: 08384751**

The wholly owned subsidiary Lichfield Diocesan Academies Services Limited, which is incorporated in England and Wales, pays all of its profits by way of a charitable donation to the charity. Lichfield Diocesan Academies Services Limited incorporated on 1 February 2013. Lichfield Diocesan Academies Services Limited provides support services to schools and academies within the diocese. The charity owns the entire share capital of 1 ordinary share at £1 each. The company became dormant from 01 September 2018, with the business contracts transferred to St Chads Academies Trust. A summary of the financial activities undertaken by the subsidiary is set out below.

|   | <b>2022</b>  | <b>2021</b>  |
|---|--------------|--------------|
|   | <b>£'000</b> | <b>£'000</b> |
| Turnover  | -            | -            |
| Cost of sales   | -            | -            |
|   | <hr/>        | <hr/>        |
| <b>Gross profit</b>                                       | -            | -            |
| Administrative expenses                                   | -            | -            |
| Grant Received from Lichfield Diocesan Education Services | -            | -            |
| Grant Received from Parent Company                        | -            | -            |
| Other Operating Income                                    | -            | -            |
|   | <hr/>        | <hr/>        |
| <b>Operating profit</b>                                   | -            | -            |
| Interest receivable                                       | -            | -            |
| Gift aid payment to parent                                | -            | -            |
|   | <hr/>        | <hr/>        |
| <b>Loss on ordinary activities before taxation</b>        | -            | -            |
| Tax on profit on ordinary activities                      | -            | -            |
|   | <hr/>        | <hr/>        |
| Profit for the financial year                             | -            | -            |
|   | <hr/> <hr/>  | <hr/> <hr/>  |
| <b>Balance sheet</b>                                      | <b>2021</b>  | <b>2020</b>  |
|   | <b>£'000</b> | <b>£'000</b> |
| Current assets  | -            | -            |
| Creditors: amounts falling due within one year            | -            | -            |
|   | <hr/>        | <hr/>        |
| <b>Net assets</b>   | -            | -            |
|   | <hr/> <hr/>  | <hr/> <hr/>  |
| Called up share capital                                   | -            | -            |
| Profit and loss account                                   | -            | -            |
|   | <hr/>        | <hr/>        |
| <b>Shareholders' funds</b>                                | -            | -            |
|   | <hr/> <hr/>  | <hr/> <hr/>  |

Creditors: amounts due falling within one year shown above includes £Nil (2021: £Nil) owed to the charity.  
Current Assets above includes £Nil (2021: £Nil) owed by the charity.

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED 31 MAY 2022**

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|  |                                 |                                 |
|--|---------------------------------|---------------------------------|
| <b>6. INVESTMENT INCOME</b>  | <b>Total<br/>2022<br/>£'000</b> | <b>Total<br/>2021<br/>£'000</b> |
| Rent   | 9                               | 15                              |
| Dividends and interest   | 109                             | 139                             |
|  | <u>118</u>                      | <u>154</u>                      |
|  | <u><u>118</u></u>               | <u><u>154</u></u>               |
| <br><b>7. INCOME FROM CHARITABLE ACTIVITIES –<br/>PROMOTION OF RELIGIOUS EDUCATION</b> |                                 |                                 |
|  | <b>Total<br/>2022<br/>£'000</b> | <b>Total<br/>2021<br/>£'000</b> |
| DBF grant  | 75                              | 132                             |
| Project management charges   | 5                               | 49                              |
| Other income   | 121                             | 143                             |
|  | <u>324</u>                      | <u>324</u>                      |
|  | <u><u>324</u></u>               | <u><u>324</u></u>               |
| <br><b>Other Income</b>  |                                 |                                 |
| Contribution towards the Disposal of the Former<br>School site at Penkhull             | 141                             | -                               |
|  | <u>141</u>                      | <u>-</u>                        |
|  | <u><u>141</u></u>               | <u><u>-</u></u>                 |

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE PERIOD ENDED 31 MAY 2022**

**8. EXPENDITURE ON CHARITABLE ACTIVITIES – PROMOTION OF RELIGIOUS EDUCATION**

|                               | <b>Direct<br/>Costs<br/>£'000</b> | <b>Support<br/>Costs<br/>£'000</b> | <b>Grant<br/>Expenditure<br/>£'000</b> | <b>Total<br/>2022<br/>£'000</b> |
|-------------------------------|-----------------------------------|------------------------------------|--|---------------------------------|
| Salaries                      | 273                               | -                                  | -                                      | 273                             |
| Officers expenses             | 7                                 | -                                  | -                                      | 7                               |
| Management and administration | -                                 | 45                                 | -                                      | 45                              |
| Legal secretary               | 4                                 | 41                                 | -                                      | 45                              |
| Barchester and other grants*  | -                                 | -                                  | 53                                     | 53                              |
| Buildings/Reverter of Sites   | 9                                 | -                                  | -                                      | 9                               |
|                               | <u>293</u>                        | <u>86</u>                          | <u>53</u>                              | <u>432</u>                      |

\* Barchester and other grants:

|                   | <b>Direct<br/>Costs<br/>£'000</b> | <b>Support<br/>Costs<br/>£'000</b> | <b>Grant<br/>Expenditure<br/>£'000</b> | <b>Total<br/>2021<br/>£'000</b> |
|-------------------|-----------------------------------|------------------------------------|--|---------------------------------|
| Barchester grants | -                                 | -                                  | -                                      | -                               |
| Other grants      | -                                 | -                                  | 53                                     | 53                              |
|                   | <u>-</u>                          | <u>-</u>                           | <u>53</u>                              | <u>53</u>                       |

**EXPENDITURE ON CHARITABLE ACTIVITIES – PROMOTION OF RELIGIOUS EDUCATION**

**2021 Comparative**

|                               | <b>Direct<br/>Costs<br/>£'000</b> | <b>Support<br/>Costs<br/>£'000</b> | <b>Grant<br/>Expenditure<br/>£'000</b> | <b>Total<br/>2021<br/>£'000</b> |
|-------------------------------|-----------------------------------|------------------------------------|--|---------------------------------|
| Salaries                      | 407                               | -                                  | -                                      | 407                             |
| Officers expenses             | 1                                 | -                                  | -                                      | 1                               |
| Management and administration | -                                 | 80                                 | -                                      | 80                              |
| Legal secretary               | 3                                 | -                                  | -                                      | 3                               |
| Barchester and other grants*  | -                                 | -                                  | 60                                     | 60                              |
| Buildings/Reverter of Sites   | 33                                | -                                  | -                                      | 33                              |
|                               | <u>444</u>                        | <u>80</u>                          | <u>60</u>                              | <u>584</u>                      |

\* Barchester and other grants:

|                   | <b>Direct<br/>Costs<br/>£'000</b> | <b>Support<br/>Costs<br/>£'000</b> | <b>Grant<br/>Expenditure<br/>£'000</b> | <b>Total<br/>2021<br/>£'000</b> |
|-------------------|-----------------------------------|------------------------------------|--|---------------------------------|
| Barchester grants | -                                 | -                                  | -                                      | -                               |
| Other grants      | -                                 | -                                  | 60                                     | 60                              |
|                   | <u>-</u>                          | <u>-</u>                           | <u>60</u>                              | <u>60</u>                       |

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE PERIOD ENDED 31 MAY 2022**

**9. COST OF MANAGING PROPERTIES AND EVENTS**

|                       | <b>Total<br/>2022<br/>£'000</b> | <b>Total<br/>2021<br/>£'000</b> |
|-----------------------|---------------------------------|---------------------------------|
| Insurance             | 38                              | 42                              |
| Events expenditure    | 1                               | 19                              |
| Bad Debts written Off | -                               | 26                              |
| Rent Repairs          | 4                               | 2                               |
|                       | <u>43</u>                       | <u>89</u>                       |

**10. NET INCOME/(EXPENDITURE)**

|  | <b>2022<br/>£'000</b> | <b>2021<br/>£'000</b> |
|--|-----------------------|-----------------------|
| This is stated after charging/(crediting):   |                       |                       |
| Depreciation of tangible fixed assets:<br>- owned by the charitable company              | -                     | -                     |
| Devaluation of Tangible Fixed Assets   | -                     | -                     |
| Rental income  | (9)                   | (15)                  |
| Unrealised gain on revaluation   | (2,050)               | (817)                 |
| Fees payable to the charity's auditor for the audit<br>of the charity's annual accounts. | 12                    | 16                    |
|  | <u>          </u>     | <u>          </u>     |

During the year, No Trustees received any remuneration (2021: £Nil).

During the year, No Trustees received any benefit in kind (2021: £Nil)

During the year, No Trustees received any reimbursement of expenses (2021: Nil).

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE PERIOD ENDED 31 MAY 2022**

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| <b>11. STAFF COSTS</b>        | <b>2022</b>  | <b>2021</b>  |
|-------------------------------|--------------|--------------|
|                               | <b>£'000</b> | <b>£'000</b> |
| Staff costs were as follows:  |              |              |
| Wages and salaries            | 221          | 331          |
| Social security costs         | 22           | 33           |
| Other pension costs (Note 19) | 30           | 43           |
|                               | <u>273</u>   | <u>407</u>   |

An average of 9 employees were employed in the year (2021:10). All employees were administrative and educational support staff.

The number of employees whose emoluments exceeded £60,000 was:

|                   | <b>2022</b> | <b>2021</b> |
|-------------------|-------------|-------------|
|                   | <b>No.</b>  | <b>No.</b>  |
| In the bands:     |             |             |
| £60,001 - £70,000 | 1           | -           |
| £70,001 - £80,000 | -           | -           |
| £80,001 - £90,000 | -           | 1           |

**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 Charity. During 2022 they were:-

Diocesan Director of Education Mrs Claire Shaw

Remuneration, including pensions for this employee amounted to £63,765 (2021:83,789)

The salary and conditions of service for key personnel are discussed and decided by the Diocesan Pay and Conditions Committee.

In the year the Board paid £Nil in redundancy and termination costs (2021: £Nil).

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE PERIOD ENDED 31 MAY 2022**

**12. TANGIBLE FIXED ASSETS**

|   | <b>Freehold<br/>Property<br/>£'000</b> | <b>Office and<br/>Computer<br/>Equipment<br/>£'000</b> | <b>Total<br/>£'000</b> |
|---|--|--|------------------------|
| <b>Cost</b>                                     |  |  |                        |
| At 01 September 2021                            | 2,769                                  | -  | 2,769                  |
| Additions                                       | -                                      | -  | -                      |
| Disposals                                       | (2,178)                                | -  | (2,178)                |
| Revaluation of Property                         | 2,178                                  | -  | 2,178                  |
| Transfer to Lichfield Diocesan Board of Finance | (2,769)                                | -  | (2,769)                |
| At 31 May 2022                                  | <u>-</u>                               | <u>-</u>   | <u>-</u>               |
| <b>Depreciation</b>                             |  |  |                        |
| At 01 September 2021                            | 2,769                                  | -  | 2,769                  |
| Charge for the year                             | -                                      | -  | -                      |
| Disposals                                       | -                                      | -  | -                      |
| Transfer to Lichfield Diocesan Board of Finance | (2,769)                                | -  | (2,769)                |
| At 31 May 2022                                  | <u>-</u>                               | <u>-</u>   | <u>-</u>               |
| <b>Net Book Value</b>                           |  |  |                        |
| At 31 May 2022                                  | <u>-</u>                               | <u>-</u>   | <u>-</u>               |
| At 31 August 2021                               | <u>-</u>                               | <u>-</u>   | <u>-</u>               |

**13. FIXED ASSET INVESTMENTS**

|  | <b>Listed<br/>Securities<br/>£'000</b> | <b>Investment<br/>Properties<br/>£'000</b> | <b>Total<br/>£'000</b> |
|--|--|--|------------------------|
| <b>Market value</b>  |  |  |                        |
| At 1 September 2021  | 4,951                                  | 1,145                                      | 6,096                  |
| Additions  | 254                                    | -  | 254                    |
| Disposals  | -                                      | -  | -                      |
| Revaluations   | (251)                                  | 123  | (128)                  |
| Transfer to Lichfield Diocesan Board of Finance                                  | (4,954)                                | (1,268)                                    | (6,222)                |
| At 31 May 2022   | <u>-</u>                               | <u>-</u>                                   | <u>-</u>               |
| <b>Investments excluding investment properties<br/>at market value comprise:</b> |  |  |                        |
|  |  | <b>2022<br/>£'000</b>                      | <b>2021<br/>£'000</b>  |
| Listed investments   |  | <u>-</u>                                   | <u>4,951</u>           |

All the fixed asset investments are held in the UK.

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED 31 MAY 2022**

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**14. DEBTORS**

|  | <b>2022</b>  | <b>2021</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| <b>Due after more than one year</b>                    |              |              |
| Loan to schools  | -            | 115          |
| <b>Due within one year</b>                             |              |              |
| Trade debtors  | -            | 147          |
| Loans to schools                                       | -            | 18           |
| Devolved Formulae Capital                              | -            | 77           |
| Other debtors  | -            | 9            |
| Prepayments and accrued income                         | -            | 58           |
|  | <u>-</u>     | <u>424</u>   |
|  | <u>-</u>     | <u>424</u>   |
| <b>Loans</b>   | <b>2022</b>  | <b>2021</b>  |
|  | <b>£'000</b> | <b>£'000</b> |
| <b>Due within one year:</b>                            |              |              |
| Loans to schools                                       | -            | 18           |
| <b>Due in over one year:</b>                           |              |              |
| Loans to schools                                       | -            | 115          |
|  | <u>-</u>     | <u>133</u>   |
| <b>Total loans</b>                                     | <u>-</u>     | <u>133</u>   |
|  | <u>-</u>     | <u>133</u>   |
| <b>The aged analysis of these loans is as follows:</b> |              |              |
| <b>To be reimbursed in:</b>                            |              |              |
| 2 – 5 years  | -            | 57           |
| 5 or more years  | -            | 58           |
|  | <u>-</u>     | <u>115</u>   |
| <b>Total loans</b>                                     | <u>-</u>     | <u>115</u>   |
|  | <u>-</u>     | <u>115</u>   |

On 31 May 2022 the following debtors were transferred to the Lichfield Diocesan Board of Finance

|                                   | <b>£'000</b> |
|-----------------------------------|--------------|
| Debtors due in less than one year | 2,498 *      |
| Debtors due in more than one year | 108          |

- This includes the sale proceeds of £2.273M for the former site at Penkhull received in June 2022.

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE PERIOD ENDED 31 MAY 2022**

**15. CREDITORS: amounts falling due within one year**

|                                    | <b>2022</b>  | <b>2021</b>  |
|------------------------------------|--------------|--------------|
|                                    | <b>£'000</b> | <b>£'000</b> |
| Trade creditors                    | -            | 89           |
| Other taxation and social security | -            | -            |
| Other creditors                    | -            | 73           |
| Schools Condition Allocation       | -            | 1,686        |
| Accruals                           | -            | 113          |
|                                    | <u>-</u>     | <u>1,961</u> |
|                                    | <u>-</u>     | <u>1,961</u> |

On 31 May 2022 the following creditors were transferred to the Lichfield Diocesan Board of Finance  
£'000

Creditors due in less than one year 966

**16. STATEMENT OF FUNDS – 2022**

|                                 | <b>Brought forward</b> | <b>Income</b>     | <b>Expenditure</b>  | <b>Transfers in/(out)</b> | <b>Gains/ (losses)/ Revaluation</b> | <b>Transfer To LDBF</b> | <b>Carried Forward</b> |
|---------------------------------|------------------------|-------------------|---------------------|---------------------------|-------------------------------------|-------------------------|------------------------|
|                                 | <b>£'000</b>           | <b>£'000</b>      | <b>£'000</b>        | <b>£'000</b>              | <b>£'000</b>                        | <b>£'000</b>            | <b>£'000</b>           |
| <b>Designated funds</b>         |                        |                   |                     |                           |                                     |                         |                        |
| Section 2 Orders                | 404                    | 8                 | -                   | -                         | (38)                                | (434)                   | -                      |
| Diocesan Schools Fund           | 169                    | 4                 | -                   | -                         | (12)                                | (161)                   | -                      |
| Education Handbook              | 5                      | -                 | -                   | -                         | -                                   | (5)                     | -                      |
|                                 | <u>578</u>             | <u>12</u>         | <u>-</u>            | <u>-</u>                  | <u>(50)</u>                         | <u>(550)</u>            | <u>-</u>               |
| <b>General funds</b>            |                        |                   |                     |                           |                                     |                         |                        |
| General Fund- Revenue reserve   | 2,783                  | 468               | (420)               | 38                        | 2,162                               | (5,021)                 | -                      |
| <b>Total unrestricted Funds</b> | <u>3,361</u>           | <u>480</u>        | <u>(420)</u>        | <u>38</u>                 | <u>2,112</u>                        | <u>(5,571)</u>          | <u>-</u>               |
| <b>Endowment funds</b>          |                        |                   |                     |                           |                                     |                         |                        |
| D H Bates Memorial Trust        | 159                    | 4                 | -                   | (4)                       | (4)                                 | (155)                   | -                      |
| <b>Restricted funds</b>         |                        |                   |                     |                           |                                     |                         |                        |
| General Fund                    |                        |                   |                     |                           |                                     |                         |                        |
| Managed Funds                   | 1,366                  | 55                | (49)                | (19)                      | (6)                                 | (1,347)                 | -                      |
| Section Orders                  | 176                    | -                 | (2)                 | 5                         | (2)                                 | (177)                   | -                      |
| Education Projects              | 2                      | 4                 | -                   | -                         | -                                   | (6)                     | -                      |
| Barchester Fund (UST)           | 2,199                  | 24                | (4)                 | (20)                      | (50)                                | (2,149)                 | -                      |
|                                 | <u>3,743</u>           | <u>83</u>         | <u>(55)</u>         | <u>(34)</u>               | <u>(58)</u>                         | <u>(3,679)</u>          | <u>-</u>               |
| <b>Total of funds</b>           | <u><u>7,263</u></u>    | <u><u>567</u></u> | <u><u>(475)</u></u> | <u><u>-</u></u>           | <u><u>2,050</u></u>                 | <u><u>(9,405)</u></u>   | <u><u>-</u></u>        |

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MAY 2022

16. STATEMENT OF FUNDS – 2021 Comparatives

|                                  | Brought forward<br>£'000 | Income<br>£'000   | Expenditure<br>£'000 | Transfers<br>in/(out)<br>£'000 | Gains/<br>(losses)/<br>Revaluation<br>£'000 | Carried Forward<br>£'000 |
|----------------------------------|--------------------------|-------------------|----------------------|--------------------------------|---|--------------------------|
| <b>Designated funds</b>          |                          |                   |                      |                                |   |                          |
| Section 2 Orders                 | 341                      | 10                | (5)                  | -                              | 58  | 404                      |
| Diocesan Schools Fund            | 143                      | 4                 | -                    | (1)                            | 23  | 169                      |
| Education Handbook               | 5                        | -                 | -                    | -                              | -   | 5                        |
|                                  | <u>489</u>               | <u>14</u>         | <u>(5)</u>           | <u>(1)</u>                     | <u>81</u>                                   | <u>578</u>               |
| <b>General funds</b>             |                          |                   |                      |                                |   |                          |
| General Fund-<br>Revenue reserve | 2,408                    | 493               | (590)                | 21                             | 451   | 2,783                    |
|                                  | <u>2,408</u>             | <u>493</u>        | <u>(590)</u>         | <u>21</u>                      | <u>451</u>                                  | <u>2,783</u>             |
| <b>Total unrestricted funds</b>  | <u>2,897</u>             | <u>507</u>        | <u>(595)</u>         | <u>20</u>                      | <u>532</u>                                  | <u>3,361</u>             |
| <b>Endowment funds</b>           |                          |                   |                      |                                |   |                          |
| D H Bates Memorial<br>Trust      | 136                      | 5                 | -                    | (5)                            | 23  | 159                      |
|                                  | <u>136</u>               | <u>5</u>          | <u>-</u>             | <u>(5)</u>                     | <u>23</u>                                   | <u>159</u>               |
| <b>Restricted funds</b>          |                          |                   |                      |                                |   |                          |
| General Fund                     |                          |                   |                      |                                |   |                          |
| Managed Funds                    | 1,244                    | 56                | (47)                 | -                              | 113   | 1,366                    |
| Section Orders                   | 173                      | 1                 | (1)                  | -                              | 3   | 176                      |
| Education Projects               | 8                        | -                 | (6)                  | -                              | -   | 2                        |
| Barchester Fund (UST)            | 2,062                    | 30                | (24)                 | (15)                           | 146   | 2,199                    |
|                                  | <u>3,487</u>             | <u>87</u>         | <u>(78)</u>          | <u>(15)</u>                    | <u>262</u>                                  | <u>3,743</u>             |
|                                  | <u>3,487</u>             | <u>87</u>         | <u>(78)</u>          | <u>(15)</u>                    | <u>262</u>                                  | <u>3,743</u>             |
| <b>Total of funds</b>            | <u><u>6,520</u></u>      | <u><u>599</u></u> | <u><u>(673)</u></u>  | <u><u>-</u></u>                | <u><u>817</u></u>                           | <u><u>7,263</u></u>      |

## THE LICHFIELD DIOCESAN BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE PERIOD ENDED 31 MAY 2022

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#### 16. STATEMENT OF FUNDS – continued

Apart from the Unrestricted Funds, which are used for its day-to-day activities, the other funds considered as part of the Board's free reserves are the Designated Funds. These are reserves that have been ring fenced for specific purposes, although the Directors of the Board have discretion at any time to transfer the reserves back to the unrestricted category.

However these Designated Funds have on the whole originated either from specific events or from agreement with schools as part of the historical financial policies to protect and further the work of the Board. In accordance with the Accounting Regulations the Board is required to express the purposes of each of the designated funds and these are as follows: -

##### **RE Handbook**

This fund originates from the surplus on the production of the first handbook. The fund is retained to assist with producing and circulating updates of the resource to assist schools in the Diocese.

##### **Diocesan Schools Fund**

The fund originates from the Salop Schools Fund. The funds are held and income generated is assists with the Administration of the Board - £1500 per annum, the balance being made available to schools for grants towards specific celebration or specific events.

##### **Section 2 Funds**

The capital originates from a variety of Section 2 Orders on the sale at schools. This fund represents the Board proportion of funds.

In addition there are also the following **Restricted Funds**: -

##### **Managed Funds**

This reserve represents funds that have been received, normally from the proceeds of sale. The funds are held as restricted funds to be specifically used at the discretion of the trustees for the area of benefit following Section 554 Order that will direct future use of the funds or where a Section Order has directed their use for specific purposes.

##### **Section Orders**

This fund represents the original sale proceeds of a number of schools pending S554 Orders.

##### **Kings School Fund**

Under the terms of an agreement dated 15th September 1999, in consideration of a gift of a sum of money towards the improvement of King's school, Tettenhall, the Board has undertaken that upon disposal of the site of the school, the Board will repay to the Trustees of the T.C.James Trust a proportion of the net proceeds as the gifted sum bears to the acquisition values of the site (£1.75m) less the cost of improvements and additions made by others to the site and buildings since acquisition. The approximate value of the amount which would be due is £30,000

##### **Education Projects**

This represents funds restricted to various education projects – in particular the Kenya Overseas Project and the Open Door projects (Inspire) used at different sites across the Diocese.

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE PERIOD ENDED 31 MAY 2022**

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**16. STATEMENT OF FUNDS – continued**

**Barchester Loan Fund (Uniform Statutory Trust (UST))**

The funds transferred to the Diocesan Board of Education following Section orders under the various Education Acts. The funds are held to be used to support the work of the Board towards Education in the Diocese of Lichfield.

**Endowment Funds**

**Section Order Funds**

This reserve represents fund held by the Board of Education, pending Section Order Schemes. Once the Scheme is awarded it is likely the Charity Commission will allow the funds to be used for General purposes. This fund is now clear as there are no outstanding orders.

**D H Bates Memorial**

This represents a legacy left to the Diocesan Board of Education with the income available to support the administration costs.

**Analysis of Transfers - 2022**

|   | <b>Unrestricted<br/>£'000</b> | <b>Designated<br/>£'000</b> | <b>Restricted<br/>£'000</b> | <b>Endowment<br/>£'000</b> |
|---|-------------------------------|-----------------------------|-----------------------------|----------------------------|
| Dividends for the work on support of church schools | 18                            | -                           | (14)                        | (4)                        |
| Transfer Charitable Grant                           | 20                            | -                           | (20)                        |                            |
| <b>Total</b>  | <u>38</u>                     | <u>-</u>                    | <u>(34)</u>                 | <u>(4)</u>                 |

**Analysis of Transfers - 2021**

|   | <b>Unrestricted<br/>£'000</b> | <b>Designated<br/>£'000</b> | <b>Restricted<br/>£'000</b> | <b>Endowment<br/>£'000</b> |
|---|-------------------------------|-----------------------------|-----------------------------|----------------------------|
| Dividends for the work on support of church schools | 21                            | (1)                         | (15)                        | (5)                        |
| <b>Total</b>  | <u>21</u>                     | <u>(1)</u>                  | <u>(15)</u>                 | <u>(5)</u>                 |

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE PERIOD ENDED 31 MAY 2022**

**16. STATEMENT OF FUNDS (continued)**

| <b>Summary of Funds<br/>2022</b> | <b>Brought<br/>Forward<br/>£'000</b> | <b>Income<br/>£'000</b> | <b>Expenditure<br/>£'000</b> | <b>Transfers<br/>in/(out)<br/>£'000</b> | <b>Gains/<br/>(losses)/<br/>Revaluation<br/>£'000</b> | <b>Transfer<br/>To the<br/>LDBF<br/>£'000</b> | <b>Carried<br/>forward<br/>£'000</b> |
|----------------------------------|--------------------------------------|-------------------------|------------------------------|---|---|---|--------------------------------------|
| Designated funds                 | 578                                  | 12                      | -                            | -                                       | (50)  | (550)   | -                                    |
| General funds                    | 2,783                                | 468                     | (420)                        | 38                                      | 2,162   | (5,021)                                       | -                                    |
|                                  | <u>3,361</u>                         | <u>480</u>              | <u>(420)</u>                 | <u>38</u>                               | <u>2,112</u>  | <u>(5,571)</u>                                | <u>-</u>                             |
| Endowment funds                  | 159                                  | 4                       | -                            | (4)                                     | (4)   | (155)   | -                                    |
| Restricted funds                 | 3,743                                | 83                      | (55)                         | (34)                                    | (59)  | (3,679)                                       | -                                    |
|                                  | <u>7,263</u>                         | <u>567</u>              | <u>(478)</u>                 | <u>-</u>                                | <u>2,050</u>  | <u>(9,405)</u>                                | <u>-</u>                             |

**Summary of Funds – 2021 Comparatives**

|                  | <b>Brought<br/>Forward<br/>£'000</b> | <b>Income<br/>£'000</b> | <b>Expenditure<br/>£'000</b> | <b>Transfers<br/>in/(out)<br/>£'000</b> | <b>Gains/<br/>(losses)/<br/>Revaluation<br/>£'000</b> | <b>Carried<br/>forward<br/>£'000</b> |
|------------------|--------------------------------------|-------------------------|------------------------------|---|---|--------------------------------------|
| Designated funds | 489                                  | 14                      | (5)                          | (1)                                     | 81  | 578                                  |
| General funds    | 2,408                                | 493                     | (590)                        | 21                                      | 451   | 2,783                                |
|                  | <u>2,897</u>                         | <u>507</u>              | <u>(595)</u>                 | <u>20</u>                               | <u>532</u>  | <u>3,361</u>                         |
| Endowment funds  | 136                                  | 5                       | -                            | (5)                                     | 23  | 159                                  |
| Restricted funds | 3,487                                | 87                      | (78)                         | (15)                                    | 262   | 3,743                                |
|                  | <u>6,520</u>                         | <u>599</u>              | <u>(673)</u>                 | <u>-</u>                                | <u>817</u>  | <u>7,263</u>                         |

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|  | <b>Unrestricted<br/>Funds<br/>£'000</b> | <b>Restricted<br/>funds<br/>£'000</b> | <b>Endowment<br/>Funds<br/>£'000</b> | <b>2022<br/>Total<br/>Funds<br/>£'000</b> |
|--|---|---------------------------------------|--------------------------------------|---|
| Tangible fixed assets                  | -                                       | -                                     | -                                    | -   |
| Fixed asset investments                | 4,027                                   | 1,910                                 | 159                                  | 6,096                                     |
| Debtors due after more than one year   | -                                       | 115                                   | -                                    | 115                                       |
| Current assets                         | 1,295                                   | 1,718                                 | -                                    | 3,013                                     |
| Creditors: due within one year         | (1,961)                                 | -                                     | -                                    | (1,961)                                   |
| Provisions for liabilities and charges | -                                       | -                                     | -                                    | -   |
|  | <u>3,361</u>                            | <u>3,743</u>                          | <u>159</u>                           | <u>7,263</u>                              |

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE PERIOD ENDED 31 MAY 2022**

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**Comparative 2021**

|  | <b>Unrestricted<br/>Funds<br/>£'000</b> | <b>Restricted<br/>funds<br/>£'000</b> | <b>Endowment<br/>Funds<br/>£'000</b> | <b>2021<br/>Total<br/>Funds<br/>£'000</b> |
|--|---|---------------------------------------|--------------------------------------|---|
| Tangible fixed assets                  | -                                       | -                                     | -                                    | -   |
| Fixed asset investments                | 4,027                                   | 1,910                                 | 159                                  | 6,096                                     |
| Debtors due after more than one year   | -                                       | 115                                   | -                                    | 115                                       |
| Current assets                         | 1,295                                   | 1,718                                 | -                                    | 3,013                                     |
| Creditors: due within one year         | (1,961)                                 | -                                     | -                                    | (1,961)                                   |
| Provisions for liabilities and charges | -                                       | -                                     | -                                    | -   |
|  | <u>3,361</u>                            | <u>3,743</u>                          | <u>159</u>                           | <u>7,263</u>                              |

**18. NET CASH FLOW FROM OPERATIONS**

|  | <b>2022<br/>£'000</b> | <b>2021<br/>£'000</b> |
|--|-----------------------|-----------------------|
| Net expenditure for the reporting period (as per the Statement of Financial Activities) before transfer to the Diocesan Board of Finance | (7,263)               | (74)                  |
| Dividends, interest and rents from investments   | (118)                 | (154)                 |
| Depreciation of tangible fixed assets  | -                     | -                     |
| (Increase)/decrease in debtors   | (1,961)               | 48                    |
| Increase/(decrease) in creditors   | 424                   | 636                   |
| Investments transferred to the Diocesan Board of Finance   | 6,096                 | -                     |
| <b>Net cash used in operating activities</b>   | <u>(2,822)</u>        | <u>456</u>            |

**19. PENSION COMMITMENTS**

The Church of England Pensions Board administers pension arrangements for clergy and licensed lay workers. The Lichfield Diocesan Board of Finance participates in this scheme. The Church of England Funded Pensions Scheme is a defined benefit scheme but the Lichfield Diocesan Board of Finance is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with current and former employees of other entities participating in the scheme. The pension cost charge represents contributions payable by the charity to the scheme and amounted to £30,000 (2021: £43,000).

**20. OPERATING LEASE COMMITMENTS**

At 31 May 2022 and 31 August 2020 the charity had no commitments under non-cancellable operating leases.

## THE LICHFIELD DIOCESAN BOARD OF EDUCATION

### BALANCE SHEET TRANSFER (Registered Company Number 00461505)

#### FOR THE PERIOD ENDED 31 MAY 2022

#### 21. Transfer to the Lichfield Diocesan Board of Finance

As referred to in the Trustees Annual report (page 3) and the Accounting Policy note (1.2) on page 14; in accordance with the Synodical Resolution on 28<sup>th</sup> April 2022, with effect from 31 May 2022, all Assets and Liabilities of the Board of Education were transferred a related entity the Lichfield Diocesan Board of Finance. Following this date the Lichfield Diocesan Board of Education has no activities and the entity will be closed in due course.

|   | Notes | 2022<br>£'000 | 2021<br>£'000 |
|---|-------|---------------|---------------|
| <b>Fixed assets</b>                                   |       |               |               |
| Tangible assets                                       | 12    | -             | -             |
| Investments   | 13    | 6,222         | 6,096         |
|   |       | <u>6,222</u>  | <u>6,096</u>  |
| <b>Current assets</b>                                 |       |               |               |
| Debtors   | 14    | 2,606         | 424           |
| Cash at bank  |       | 1,543         | 2,704         |
|   |       | <u>4,149</u>  | <u>3,128</u>  |
| <b>Creditors:</b> Amounts falling due within one year | 15    | (966)         | (1,961)       |
|   |       | <u>3,183</u>  | <u>1,167</u>  |
| <b>Net Current Assets</b>                             |       | <u>3,183</u>  | <u>1,167</u>  |
| <b>Net assets</b>                                     |       | <u>9,405</u>  | <u>7,263</u>  |
| <b>Charity Funds</b>                                  |       |               |               |
| Endowment funds                                       | 17    | 155           | 159           |
| Restricted funds                                      | 17    | 3,679         | 3,743         |
| Unrestricted funds                                    | 17    | 5,571         | 3,361         |
|   |       | <u>9,405</u>  | <u>7,263</u>  |
| <b>Total funds</b>                                    |       | <u>9,405</u>  | <u>7,263</u>  |

#### 22. RELATED PARTIES

There were no related party transactions in the current or preceding accounting periods which require disclosure.

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE PERIOD ENDED 31 MAY 2022**

**23. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021**

|  | <b>Unrestricted<br/>Funds<br/>£'000</b> | <b>Restricted<br/>Funds<br/>£'000</b> | <b>Endowment<br/>Funds<br/>£'000</b> | <b>Total<br/>Funds<br/>£'000</b> |
|--|---|---------------------------------------|--------------------------------------|----------------------------------|
| <b>Income</b>  |   |                                       |                                      |                                  |
| Donations  | 31                                      | 36                                    | -                                    | 67                               |
| Other trading activities   | 54                                      | -                                     | -                                    | 54                               |
| Investments  | 99                                      | 50                                    | 5                                    | 154                              |
| <b>Income from<br/>charitable activities:</b>                            |   |                                       |                                      |                                  |
| Promotion of religious<br>Education                                      | 323                                     | 1                                     | -                                    | 324                              |
| <b>Total income</b>  | <u>507</u>                              | <u>87</u>                             | <u>5</u>                             | <u>599</u>                       |
| <b>Expenditure</b>   |   |                                       |                                      |                                  |
| <b>Cost of raising funds:</b>  |   |                                       |                                      |                                  |
| Commercial trading costs   |   |                                       |                                      |                                  |
| Cost of managing properties<br>and events                                | 57                                      | 32                                    | -                                    | 89                               |
| <b>Charitable activities:</b>  |   |                                       |                                      |                                  |
| Promotion of religious<br>Education                                      | 538                                     | 46                                    | -                                    | 584                              |
| <b>Total expenditure</b>   | <u>595</u>                              | <u>78</u>                             | <u>-</u>                             | <u>673</u>                       |
| <b>Net income/(expenditure)<br/>Before investment<br/>gains/(losses)</b> | (88)                                    | 9                                     | 5                                    | (74)                             |
| Net investment gains   | 532                                     | 262                                   | 23                                   | 817                              |
| <b>Net income/(expenditure)</b>  | <u>444</u>                              | <u>271</u>                            | <u>28</u>                            | <u>743</u>                       |
| Transfers between funds  | 20                                      | (15)                                  | (5)                                  | -                                |
| <b>Net movement in funds for<br/>the year</b>                            | <u><u>464</u></u>                       | <u><u>256</u></u>                     | <u><u>23</u></u>                     | <u><u>743</u></u>                |

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

England & Wales - Charity number 528561

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# Accounts

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**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Registered Number: 00461505**  
**Charity Number: 528561**

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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# THE LICHFIELD DIOCESAN BOARD OF EDUCATION

## REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2021

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|                                  |  |   |
|----------------------------------|--|---|
| <b>Trustees</b>                  | Sir Geoff Hampton – to 26 January 2021<br>Revd Preb Michael Metcalf – Chair<br>Revd Preb John Allan<br>Mrs Tracy Cansdale<br>Ms Margaret Everett<br>Dr John Fawn<br>Revd Alison Morris<br>Mr Robert Heath – to 18 September 2021<br>Mrs Gillian James OBE – to 15 June 2021<br>Mr David Morgan - to 26 January 2021<br>Ven Matthew Parker – to 09 January 2022<br>Mr Cyril Randles<br>Mrs Helen Robertson<br>Mr David Smith – from 23 June 2021<br>Ven Megan Smith – from 21 December 2021<br>Mr David Swift – to 24 November 2020 |   |
| <b>Company Registered Number</b> | 00461505   |   |
| <b>Charity Registered Number</b> | 528561   |   |
| <b>Registered Office</b>         | St Mary’s House<br>The Close<br>Lichfield<br>Staffordshire<br>WS13 7LD   |   |
| <b>Company Secretary</b>         | Mr J R L Hill  |   |
| <b>Principal Officers</b>        | Mrs Claire Shaw<br>Mr Stuart Hodson<br>Mr Steve Rayner<br>Mr Andrew Collie<br>Mr Matthew Welton<br>Mr Jonathan Hill<br>Mr Mark Cooper<br>Mrs Alex Wolvers<br>Mrs Vicki Longson<br>Mrs Lynsay Jennings<br>Mrs Paula Lloyd   | Director of Education<br>Legal Secretary of the Board<br>Assistant Director Governance to 30 November 2021<br>Schools Property Manager<br>Assistant Director – Christian Distinctiveness<br>Director of Finance<br>Christian Distinctiveness Adviser to 28 Feb 2021<br>Christian Distinctiveness Adviser<br>Christian Distinctiveness Adviser<br>Business Manager |

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**  
**REFERENCE AND ADMINISTRATIVE DETAILS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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|                             |   |
|-----------------------------|---|
| <b>Independent auditors</b> | Haysmacintyre LLP<br>10 Queen Street Place<br>London<br>EC4R 1AG                                  |
| <b>Bankers</b>              | Lloyds Bank Plc<br>22 Conduit Street<br>Lichfield<br>Staffordshire<br>WD13 6JS                    |
| <b>Legal Advisors</b>       | Underhill Langley and Wrights<br>7 Waterloo Road<br>Wolverhampton<br>WV1 4DW                      |
| <b>Investment Advisors</b>  | CCLA Investment Management Ltd<br>Senator House<br>85 Queen Victoria Street<br>London<br>EC4V 4ET |
| <b>Insurers</b>             | Ecclesiastical Insurance Group<br>Beaufort House<br>Brunswick Road<br>Gloucester<br>GL1 1JZ       |

# THE LICHFIELD DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2021

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It is with great pleasure that the Directors present this annual report for the Diocesan Board of Education (“Board”) for the period 1st September 2020 to 31st August 2021. Like 2019-20, this year has also been marked by the impact of COVID-19, both on our diocesan schools themselves, and also on the ways in which the Board and its staff have been able to work. Since the year end, under the DBE Measure 2021 the Board of Education has transferred all assets and liabilities to the Lichfield Diocesan Board of Finance with effect from 01 June 2022, more detail is given on page 7 of this report.

This report serves two accountability purposes: to report on the proceedings of the Board as a charity to the Charity Commission, and to report on the Board’s activities to the Diocesan Synod, to whom the current DBE is ultimately responsible.

#### Headline points from the Annual Report

- The second diocesan umbrella MAT launched – the Three Spires Trust
- Highly successful virtual School Leaders Conference held
- Peer Support Network established for new Headteachers, used as national model
- Due to the impact of COVID-19 SIAMS inspections were suspended for the year
- Several staff continue in furlough, other staff mainly working from home
- Appointment of an Assistant Director and a School Buildings Officer
- Investments holding up well and exceeding the target % growth

196 Schools (95%) have subscribed to the Service Level Agreement

#### **Public Benefit Statement**

The Directors have considered the Charity Commission guidance on Public Benefit and in particular the specific guidance to charities for the advancement of religion. The objectives of the Board of Education is to promote or assist in the promotion of Education in the Diocese of Lichfield. The objects shall be carried out in accordance with the doctrines and principles of the Church of England.

#### **LICHFIELD DIOCESAN BOARD OF EDUCATION (DBE) - Strategic Plan 2018-21**

The Board’s Strategic Plan for 2018-21 is rooted in the “Church of England’s Vision for Education – ‘Deeply Christian, Serving the Common Good, which consists of four elements:-

- Educating Wisdom, Knowledge and Skills
- Educating for Hope and Aspiration
- Educating for Community and Living Well Together
- Educating for Dignity and Respect

The Board is to focus on:

1. promote an holistic, values-based education (founded on the teachings of Jesus Christ) that is both *distinctive* and *inclusive*;
2. develop our schools that are rooted in their communities, celebrating diversity;
3. honour the history and tradition of individual schools in their local contexts;
4. work *with* and *alongside* converting schools, in order to develop strategies for change and improvement that are relevant and likely to work in a particular school’s context;
5. build on strength; support the weak; enable all members of the school community to flourish.
6. work with partners to ensure that the curriculum and all aspects of school life and experience are appropriate to the needs of the school community;
7. work with partners to ensure sustainable high standards and outcomes for all pupils, so that schools and academies become beacons of good practice that are able to support other schools in turn that need help;
8. build leadership capacity for all staff and pupils.

Within the Strategic Plan the DBE and its officers will seek to bring together three key drivers: the Church of England Vision for Education, the new SIAMS framework, and the diocese’s own strategic aims and direction of travel. The DBE and its officers will work more and more collaboratively with other diocesan teams and will think strategically about each area and key document in order to deliver effective support and challenge for our schools and academies.

## **THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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The Key Strategic Priorities are as follows:-

1. To promote and protect the Christian Character of Church of England schools and academies by delivering and securing our vision and values.
2. To work with our Fresh Expression teams, St Chad's Academy Trust and Parishes to develop our schools and academies as a centre for mission in our diocese.
3. To develop a strategy for small, rural schools and secondary schools in our diocese through structural changes and effective partnerships.
4. To develop strategic relationships with our members, trustees, CEO's and local academy committees within all our MATs across the diocese.
5. To promote and support good governance within our schools and academies.
6. To develop models of chaplaincy within our schools and MATs.
7. To promote and develop character education across our schools and academies.
8. To ensure effective strategic financial planning and safeguarding for all our work to ensure that school buildings provide a high quality learning environment for our students and are environmentally sound.

#### **STRATEGIC PRIORITIES 2022 – 2024**

At the Diocesan Synod in March 2022 a presentation was made setting out the Board's Vision for the next triennial based around the Mission Perspective for the Board.

There were six themes:-

1. Strategic Partnerships for Flourishing Schools and Academy Structures
2. Towards a whole school approach to spiritual wellbeing and mental health.
3. Christian Vision promoted and established by leaders at all levels.
4. High quality Religious Education and Collective Worship.
5. Advocacy – Challenging disadvantage, deprivation and exploitation.
6. Diversity and inclusion is celebrated, with inclusive approaches embedded.

More details will be in the following years report.

#### **Achievements**

In the last financial year to 31 August 2021, the Board has worked and achieved on the following years:-

Key Data for 2020/21

- As of 31 August 2021, there are 206 CofE Schools in the diocese.
- 96 (47%) schools are in MATs.
- There are 27 MATs and 5 SATs which include, or are entirely comprised of, CofE schools in our diocese.

#### **Christian Character**

To promote and protect the Christian Character of Church of England schools and academies by delivering and securing our vision and values.

- The CDA team provided training on the new SIAMS schedule, What Does It Mean to be a Church School?, Understanding Christianity, Creative RE, RE Assessment, RE Assessment, RE Long Term Planning, Big Frieze Training, RE QLC, Local NATRE Meeting Training – The Importance of Religious Literacy in the Classroom, Spiritual Development, Class Worship, Shaping for Mission – vision setting, Chaplaincy – schools and churches
- Where do Schools fit into the Church's Mission.
- 95% of schools were part of the service level agreement
- The DBE website provided a wide range of guidance materials, policies, educational resources and key documents for schools, clergy and governors <https://www.ldbe.co.uk/>
- The Christian Vision Toolkit, monitoring and evaluation document, was developed

## **THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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##### Mission

To work with our diocesan teams, academy trusts and parishes to develop our schools and academies as a centre for mission in our diocese

- Alex Wolvers now works with St Chad's Academies Trust, the Mission Team and the Diocesan Board of Education. This has resulted in continuity for St Chad's in relation to one CDA working strategically within the diocese.
- 16 New Headteachers registered to join the Peer Support Network with 5 sessions having been delivered.
- Due to COVID-19 the team were unable to run Inspire this year but instead produced training and online CPD to help develop schools as missional hubs that engage in social and environmental action and to be courageous advocates in their local, national and global communities.
- The CDA Team collaborated with Lichfield Cathedral Education Team in writing the Holocaust Memorial resources.

##### Secondary Schools

22<sup>nd</sup> January 2021 saw the formal inauguration of Three Spires Trust, the diocesan trust set up to give a home to CofE secondary schools in the diocese. 1<sup>st</sup> April 2021 saw the two Kidsgrove schools convert into the Trust, followed by St Peter's Collegiate on 1<sup>st</sup> May. Strenuous efforts were expended during the year to seek a viable future within the Trust for The King's School, Wolverhampton, in the teeth of the need for major capital remedial work to make the new school building, funded through the BSF programme, fit for purpose. Fruitful three-way negotiations between the Trust/Diocese, the Regional Schools Commissioner, and Wolverhampton City Council had begun to take place by the year end.

##### **Strategic Relationships**

To develop strategic relationships with MAT Members, Trustees, CEOs and local academy committees within all our MATs across the diocese.

- Engagement with the CEOs of the 32 Academy Trusts continues to improve
- The DBE maintains a good relationship with the Department for Education
- The DDE continues to be a member of the Association of Anglican Directors of Education
- The DBE has representation on 7 local authority SACREs
- The Deputy Director is part of the Church of England Foundation of Educational Leadership which is currently supporting 43 New heads nationally as part of a new DfE initiative.

##### **Governance**

To promote and support good governance within our schools and academies

- The team continued to deliver a range of training to school governors including SIAMS training.
- Team members sit on a number of governing bodies and academy trusts when additional support is required.
- The Team continued to support schools and academies in the recruitment of headteachers and principals.
- A working party was set up to look at the implications of the DBE Measure 2021 and draft a Scheme to come into effect in 2022.

##### **Chaplaincy**

Alex Wolvers to continue to develop models of chaplaincy within our schools and MATs.

# THE LICHFIELD DIOCESAN BOARD OF EDUCATION

## TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

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### Financial Planning

To ensure effective strategic financial planning and safeguarding for all our work to ensure that school buildings provide a high quality learning environment for our students and are environmentally sound.

- The Education Finance Committee continued to monitor budgets and plan strategic priorities.
- The Barchester Committee continued to consider and evaluate the various capital programmes undertaken by the DBE on behalf of its church schools.

### Staff Deployment and Development

Mark Cooper retired in January with the remaining four CDAs delivering the support and visits specified in the service level agreement with schools.

Most CDA visits continued to be delivered remotely via MS Teams.

The Board Team continued to work mostly from home whilst the offices remained closed.

### Reserves Policy

As at the end of the Financial Year to 31 August 2021, the Board had accumulated unrestricted reserves of £3.361M (2020: £2.897M). As there are no Fixed Assets (inc. Property) (2020:£Nil) within this reserve it is deemed that the reserves are sufficient to maintain the current operation of the charity. The policy is to retain an equivalent of at least 50% or six months of the previous year's total expenditure in reserve, the policy figure would be the equivalent of £0.331M (2020 - £0.430M); the Board has more than sufficient unrestricted reserves to satisfy the policy. This will allow the Trustees to consider any future expansion that may be needed in resources as consideration is given to the extra work related to Academies and any further short-term work that may arise from the Governments White Paper on Academisation.

In addition, there are Restricted Reserves in the Charity of £3.743M (2020: £3.487M). There are also some Endowment Funds and at the end of the year the Endowment Reserves were £0.159M (2020: £0.136M).

### Investment Policy

The Charity has an Ethical Investment Policy, following the guidelines and recommendations of the Church Ethical Investment Group. The Board of Education solely uses the CCLA for investment and predominantly the Investment Fund which offers capital growth and a sustainable form of income to support the day to day activities. Capital growth is important to protect the reserves and assets of the Board against inflation.

In the Financial Year to 31 August 2021, there was capital growth of 16.75% (2020: 3.32%) and Investment Income of 3.29% (2020: 3.54%) giving a Total Return of 20.03% (2020: 6.86%). The Diocesan Benchmark as set by the Diocesan investment Group was around 6%, (5% plus CPI Inflation at 1%) so the trustees and directors of the Board are satisfied with their current investment policy. The Diocesan Benchmark changed from 01 January 2021 to 5% plus CPI Inflation so this new rate will be applied in future reports – previously it was 4% plus RPI..

### COVID 19

The Charity Investments in line with Global Markets have seen a sizeable increase in value, Income has held at a good rate of return and with low interest rates around the world, investment have offered a haven, despite the volatility in the global economic market. As inflation raises increased pressure will be place on returns and capital growth in the coming months. The Charity have not been directly affected by the pandemic financially as the sources of income have not been impacted. Investment dividends have held their value in the financial year 2020/21 and funding from the government has not been reduced. Naturally the main impact has been on working conditions. With the Diocesan office closed; remaining officers have been able to successfully work from home and arrange video meetings and conferences, so overall whilst working patterns have had to change COVID 19 has not had an overall effect on the Charity. The offices started to have a phased reopening in January 2022; and it likely meetings and working arrangements will remain in hybridity.

## THE LICHFIELD DIOCESAN BOARD OF EDUCATION

### TRUSTEES' REPORT (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Key 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 Charity. Mrs Claire Shaw as Diocesan Director of Education is recognised as the key personnel. The remuneration of the key personnel are set by the Diocesan Pay and Conditions Committee.

#### DBE Measure

After a period of consultation between the Board and the Lichfield Diocesan Board of Finance; on 12<sup>th</sup> March 2022 Diocesan Synod voted overwhelmingly to move the Board of Education from the Incorporated Charitable Company to a Statutory Sub Committee of the Lichfield Diocesan Board of Finance; in line with the Diocesan Bishop's recommendation under the DBE Measure. This was ratified on 28<sup>th</sup> April 2022 where the formal resolution was approved. The scheme is dated 31<sup>st</sup> May 2022 and as at that date all the Assets and Liabilities will be transferred to the Lichfield Diocesan Board of Finance legal entity. Reference is made to the transfer in the Going Concern note (1.2) on page 14 and Post balance Sheet event (Note 21) on page 32. It is not anticipated that the Vision and Strategy agreed and reported earlier will be affected by this change, as the Strategy was approved by Diocesan Synod in March 2022 and will require Synodical approval for any change.

#### Principal Risks and Uncertainties

The Trustees are responsible for the identification, mitigation and or management of risk. To achieve this, a register of all the risks identified is maintained by the Diocesan Director of Education. Each Risk is assessed and alongside it, a management and mitigation strategy formed. This is subject to review by the Trustees on an annual basis with the responsibility for delivery of the mitigation strategies identified by it, being delegated to the Diocesan Risk and Audit Committee.

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

Schools not being fit for purpose and Litigation or other forms of legal action/exposure:-

- Continued negotiations with the Local Authority who had overseen the project
- Seeking legal advice and ongoing negotiations to try and resolve the issue
- Diocesan Risk and Audit Committee are fully informed of progress and need to approve actions being taken

Government Policy and impact on church schools:-

- Monitoring of proposed legal and regulatory changes including regular liaison with National Institutions, Local Authorities
- Measures to raise the profile of Church schools
- Regular contact with other Diocese and relevant national and regional networks.

COVID 19 and Associated Closure of Offices:-

- Ability for officers to work from home to continue to offer support to schools and staff
- If required a body to review any financial implications, a small finance group called EFACS (Education Finance and Central Services) currently exists
- Policy to oversee the well being of staff during a pandemic; and succession planning should a key officer become unable to work.

IT

- A failure in IT systems as staff work outside the office. Policies remain in place to try and minimise any disruption that may arise from a failure in systems
- Cyber Security remains an increasing risk, with remote working. Firewalls and significant cyber security has been invested, however in a world where cyber risks become more complicated a full cyber security review is scheduled for 2022.

## **THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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#### **TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also directors of the Lichfield Diocesan Board of Education) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. The Trustees are also responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the surplus or deficit for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any 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 company will continue its activities;
- ensure that the accounts comply with current statutory requirements and the Charity's governing document.

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

#### **Auditor**

Haysmacintyre LLP has expressed its willingness to continue as auditors to the Charity.

So far as each trustee is aware, there is no relevant audit information of which the company's auditors are unaware.

Each trustee has taken all reasonable steps in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Trustees have taken the exemptions available to small companies and have not prepared a strategic report.

#### **Acknowledgements**

The Board would wish to pay tribute to those volunteers and members of other departments who give valuable support to the Board's work, particularly the chairs and members of the committees of the Board, who generously gave of their time, and members of the Finance Department at St. Mary's House.

The Trustees Annual Report which includes the Strategic Report was approved by the Trustees on 27 June 2022 and signed on their behalf by:

*M R Metcalf*

**Revd Preb Michael Metcalf**  
**Director/Trustee, Lichfield Diocesan Board of Education**

## INDEPENDENT AUDITORS' REPORT

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

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### **Opinion**

We have audited the financial statements of Lichfield Diocesan Board of Education for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Emphasis of matter – non-going concern basis of accounting**

We draw attention to Note 1.2 on page 14 of the financial statements which discloses the premise upon which the company has prepared its financial statements on a non-going concern basis. Our opinion is not modified in respect of this matter.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and 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:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

## INDEPENDENT AUDITORS' REPORT

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

#### FOR THE YEAR ENDED 31 AUGUST 2021

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- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 7 and 8, 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011 and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the risk of improper revenue recognition. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates such as valuation of the investment properties.

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.

## INDEPENDENT AUDITORS' REPORT

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

### FOR THE YEAR ENDED 31 AUGUST 2021

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

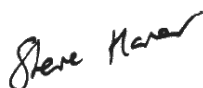
#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### 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.



Steven Harper (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG

**Date: 27 June 2022**

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 AUGUST 2021**

|   | Notes     | Unrestricted<br>Funds<br>2021<br>£'000 | Restricted<br>Funds<br>2021<br>£'000 | Endowment<br>Funds<br>2021<br>£'000 | Total<br>Funds<br>2021<br>£'000 | Total<br>Funds<br>2020<br>£'000 |
|---|-----------|--|--------------------------------------|-------------------------------------|---------------------------------|---------------------------------|
| <b>Income</b>   |           |  |                                      |                                     |                                 |                                 |
| Donations   | 2         | 31                                     | 36                                   | -                                   | 67                              | 154                             |
| Other trading activities                                | 3,4,<br>5 | 54                                     | -                                    | -                                   | 54                              | 76                              |
| Investments   | 6         | 99                                     | 50                                   | 5                                   | 154                             | 158                             |
| <b>Income from charitable activities:</b>               |           |  |                                      |                                     |                                 |                                 |
| Promotion of religious Education                        | 7         | 323                                    | 1                                    | -                                   | 324                             | 362                             |
| <b>Total income</b>                                     |           | <u>507</u>                             | <u>87</u>                            | <u>5</u>                            | <u>599</u>                      | <u>750</u>                      |
| <b>Expenditure</b>                                      |           |  |                                      |                                     |                                 |                                 |
| <b>Cost of raising funds:</b>                           |           |  |                                      |                                     |                                 |                                 |
| Cost of managing properties and events                  | 9         | 57                                     | 32                                   | -                                   | 89                              | 68                              |
| <b>Charitable activities:</b>                           |           |  |                                      |                                     |                                 |                                 |
| Promotion of religious Education                        | 8         | 538                                    | 46                                   | -                                   | 584                             | 792                             |
| <b>Total expenditure</b>                                |           | <u>595</u>                             | <u>78</u>                            | <u>-</u>                            | <u>673</u>                      | <u>860</u>                      |
| <b>Net (expenditure)/income Before investment gains</b> |           | (88)                                   | 9                                    | 5                                   | (74)                            | (110)                           |
| Net investment gains                                    | 13        | 532                                    | 262                                  | 23                                  | 817                             | 167                             |
| <b>Net income/(expenditure)</b>                         |           | <u>444</u>                             | <u>271</u>                           | <u>28</u>                           | <u>743</u>                      | <u>57</u>                       |
| Transfers between funds                                 |           | 20                                     | (15)                                 | (5)                                 | -                               | -                               |
| <b>Net movement in funds for the year</b>               |           | <u>464</u>                             | <u>256</u>                           | <u>23</u>                           | <u>743</u>                      | <u>57</u>                       |
| Total funds at 1 September 2020                         |           | 2,897                                  | 3,487                                | 136                                 | 6,520                           | 6,463                           |
| Total funds at 31 August 2021                           |           | <u>3,361</u>                           | <u>3,743</u>                         | <u>159</u>                          | <u>7,263</u>                    | <u>6,520</u>                    |

Comparatives for each fund are shown in Note 23.

No separate income and expenditure account has been presented on the grounds that the differences between the net income as stated above and the profit for the year for the purposes of the Companies Act 2006 relates solely to the movements on endowment funds as shown above.

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION****BALANCE SHEET (Registered Company Number 00461505)****AS AT 31 AUGUST 2021**

|   |       | 2021         |              | 2020         |              |
|---|-------|--------------|--------------|--------------|--------------|
|   | Notes | £'000        | £'000        | £'000        | £'000        |
| <b>Fixed assets</b>                                   |       |              |              |              |              |
| Tangible assets                                       | 12    |              | -            |              | -            |
| Investments   | 13    |              | 6,096        |              | 5,274        |
|   |       |              | <u>6,096</u> |              | <u>5,274</u> |
| <b>Current assets</b>                                 |       |              |              |              |              |
| Debtors   | 14    | 424          |              | 472          |              |
| Cash at bank  |       | 2,704        |              | 2,099        |              |
|   |       | <u>3,128</u> |              | <u>2,571</u> |              |
| <b>Creditors:</b> Amounts falling due within one year | 15    | (1,961)      |              | (1,325)      |              |
| <b>Net Current Assets</b>                             |       |              | <u>1,167</u> |              | <u>1,246</u> |
| <b>Net assets</b>                                     |       |              | <u>7,263</u> |              | <u>6,520</u> |
| <b>Charity Funds</b>                                  |       |              |              |              |              |
| Endowment funds                                       | 17    |              | 159          |              | 136          |
| Restricted funds                                      | 17    |              | 3,743        |              | 3,487        |
| Unrestricted funds                                    | 17    |              | 3,361        |              | 2,897        |
| <b>Total funds</b>                                    |       |              | <u>7,263</u> |              | <u>6,520</u> |

The financial statements were approved and authorised for issue by the Trustees on 27 June 2022 and signed on their behalf by:

*M R Metcalf*

**Revd Preb Michael Metcalf**

The notes on pages 14 to 32 form part of these financial statements.

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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|  | <b>Note</b> | <b>2021<br/>£'000</b> | <b>2020<br/>£'000</b> |
|--|-------------|-----------------------|-----------------------|
| Cash flows from operating activities                               | 18          | 456                   | (124)                 |
| <b>Cash flows from investing activities</b>                        |             |                       |                       |
| Dividends, interest and rents from investments                     | 6           | 154                   | 158                   |
| Purchase of tangible fixed assets                                  |             | -                     | -                     |
| Proceeds from the sale of tangible fixed assets                    |             | -                     | -                     |
| Net (Purchase)/Sales of investments                                | 8           | (5)                   | (5)                   |
|  |             | <u>149</u>            | <u>153</u>            |
| <b>Change in cash and cash equivalents in the reporting period</b> |             | <u>605</u>            | <u>29</u>             |
| Cash and cash equivalents at the beginning of the reporting period |             | <u>2,099</u>          | <u>2,070</u>          |
| Cash and cash equivalents at the end of the reporting period       |             | <u>2,704</u>          | <u>2,099</u>          |

# THE LICHFIELD DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

---

#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102) Second Edition effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and The Charities (Accounts and Reports) Regulations 2008.

The Lichfield Diocesan Board of Education meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of certain assets. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Statement of financial activities (SOFA) and Balance sheet represent the financial transactions of the charity. The two trading subsidiaries were dormant with effect from 01 September 2018. On the grounds that the trading subsidiaries are dormant consolidated accounts have not been prepared.

##### 1.2 Going concern

In light of the decision of Diocesan Synod in March and April 2022 under the DBE Measure all assets and liabilities of the Company have been transferred in their entirety to the Diocesan board of Finance with effect from 31 May 2022. The Board of Education will then cease to exist, and steps be taken to be removed from the register of companies.

As required by UK accounting standards, the Trustees have prepared the financial statements on the basis that the company is not a going concern. No adjustments have arisen through the adoption of the non-going concern basis of accounting.

##### 1.3 Company status

The charity is a company Limited by Guarantee registered in England and Wales. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The registered office of the company is: St Mary's House, The Close, Lichfield, Staffordshire, WS13 7LD

##### 1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Permanent Endowments are restricted funds that must be retained as trust capital either permanently or subject to a discretionary power to spend capital as income, and where the use of any income or other benefit derived from the capital may be restricted or unrestricted. Investment income, gains and losses are allocated to the appropriate fund.

# THE LICHFIELD DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.5 Income

All income is included in the Statement of financial activities when the charity has entitlement to the funds, receipt is probable and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party. Government grants received in respect of the furlough scheme are accounted for on the accruals basis.

##### 1.6 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

##### 1.7 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, less their estimated residual value, over their expected useful lives on the following bases:

|                               |                               |
|-------------------------------|-------------------------------|
| Leasehold improvements        | - 10 - 50 years straight line |
| Fixtures and fittings         | - 5 - 10 years straight line  |
| Office and computer equipment | - 3 - 5 years straight line   |
| Leasehold land                | - Over the term of the lease  |

Concerning former school buildings and school/teachers houses, these are included at cost. Included are properties in past action orders, under unrestricted funds and future schemes where the valuation is under permanent endowments

##### 1.8 Investment Properties

Properties that are retained either for rental income or held for capital appreciation only, are to be recorded as Investment Properties – following a detailed investigation in a previous accounting period, certain properties were transferred to investment properties. This was done at book cost and the properties revalued by a qualified person within the diocese. For future accounting periods, the revaluation of these properties are now based on the Nationwide All property Index unless factors are noted which indicate an impairment.

##### 1.9 Section Order Funds

Funds that have arisen from past Section Order Schemes are subject to Uniform Trusts set out in Schedule 36 to The Education Act 1966. Prior to 1990, these funds were accounted for under a separate heading, but until 1998 had been included under the General Reserve - Unrestricted Funds. In light of the discussion at a Barchester Meeting in March 1999, these funds have been extracted from the General Reserve and are now accounted for under Restricted Funds. Due to the fact there have been three separate orders, Section 86 (1944 Act). Section 2 (1972 Act). and more recently Section 554 (1996 Act), which all vary slightly, the funds have been subdivided into separate headings dependent on the Section in which the Scheme was approved.

# THE LICHFIELD DIOCESAN BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1. ACCOUNTING POLICIES (continued)

The Uniform Trusts provide that the Board may after payment of any expenses in connection with the administration of the particular trust to apply the capital and income:-

- (a) In or towards the purchase of a site for or the erection, improvement or enlargement of the premises of any relevant school in the area.
- (b) For the maintenance of any relevant school in the area.
- (c) In or towards the purchase of a site for or the erection or improvement or enlargement of the premises of a teacher's house for use in connection with any relevant school in the area and
- (d) For the maintenance of a teacher's house for use in connection with any relevant school in the area

In connection with the administration of the Trust the Board may apply the income as follows:-

- (a) In or towards the provision of advice guidance and resources including materials in connection with any matter related to the management of or education provided at any relevant school in the area
- (b) The provision of services for carrying out any inspection of any relevant school in the area by Part 1 of the Schools Inspection Act 1996 and
- (c) To defray the cost of employing or engaging staff in connection with:-
  - (i) The application of income by the relevant trust assets for either of the purposes referred in sub paragraph  
(a) and (b) above or
  - (ii) The application of capital or income of the relevant trust assets for any of the purposes referred to in paragraph 1 above."

The accounts include future section order funds under permanent endowment funds. Once an order has been approved the funds are then transferred in accordance with the Order.

#### 1.10 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

##### Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

##### Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

##### Cash

Cash at bank and cash 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.

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. ACCOUNTING POLICIES (continued)**

**1.11 Employee benefits**

Pension costs

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

Other employee benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102.

**2. DONATIONS**

|                 | <b>Total<br/>2021<br/>£'000</b> | <b>Total<br/>2020<br/>£'000</b> |
|-----------------|---------------------------------|---------------------------------|
| Donations       | 36                              | 114                             |
| Capitation fees | 31                              | 40                              |
|                 | <hr/>                           | <hr/>                           |
| Donations       | 67                              | 154                             |
|                 | <hr/> <hr/>                     | <hr/> <hr/>                     |

**3. OTHER TRADING ACTIVITIES**

|                        | <b>Total<br/>2021<br/>£'000</b> | <b>Total<br/>2020<br/>£'000</b> |
|------------------------|---------------------------------|---------------------------------|
| Block policy insurance | 40                              | 62                              |
| Other income           | 14                              | 14                              |
|                        | <hr/>                           | <hr/>                           |
|                        | 54                              | 76                              |
|                        | <hr/> <hr/>                     | <hr/> <hr/>                     |

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

**4. INCOME FROM COMMERCIAL TRADING ACTIVITIES**

**Lichfield Diocesan Education Services Limited**

**Company number: 05205291**

The wholly owned subsidiary Lichfield Diocesan Education Services Limited, which is incorporated in England and Wales, pays all of its profits by way of a charitable donation to the charity. Lichfield Diocesan Education Services Limited operates the Service Level Agreement on behalf of the charity, which offers advice and support to both Aided and Controlled Schools within the Diocese on religious education activities and curriculum as well as pastoral support to the staff concerned. The charity owns the entire share capital of 1 ordinary share at £1 each. The trading arm is no longer required as all services and agreements are made in the name of the Parent Company and all operations are within the charitable objective so the subsidiary became dormant with effect from 01 September 2018. A summary of the financial activities undertaken by the subsidiary is set out below.

|  | <b>2021</b>  | <b>2020</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| Turnover   | -            | -            |
| Cost of sales  | -            | -            |
|  | <hr/>        | <hr/>        |
| <b>Gross profit</b>  | -            | -            |
| Administrative expenses  | -            | -            |
| Grant to Lichfield Diocesan Academies Trust                    | -            | -            |
|  | <hr/>        | <hr/>        |
| <b>Operating profit</b>  | -            | -            |
| Other operating income   | -            | -            |
| Gift aid payment to parent                                     | -            | -            |
|  | <hr/>        | <hr/>        |
| <b>Profit for the financial year before and after taxation</b> | -            | -            |
|  | <hr/> <hr/>  | <hr/> <hr/>  |
| <b>Balance sheet</b>   | <b>2021</b>  | <b>2020</b>  |
|  | <b>£'000</b> | <b>£'000</b> |
| Fixed assets   | -            | -            |
| Current assets   | -            | -            |
| Creditors: amounts falling due within one year                 | -            | -            |
|  | <hr/>        | <hr/>        |
| <b>Net assets</b>  | -            | -            |
|  | <hr/> <hr/>  | <hr/> <hr/>  |
| Called up share capital  | -            | -            |
| Profit and loss account  | -            | -            |
|  | <hr/>        | <hr/>        |
| <b>Shareholders' funds</b>                                     | -            | -            |
|  | <hr/> <hr/>  | <hr/> <hr/>  |

Current assets shown above include £ Nil (2020: £Nil) owed by the charity and Creditors: amounts falling due within one year includes £Nil (2020: £Nil) owed to the charity.

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

**5. INCOME FROM COMMERCIAL TRADING ACTIVITIES (continued)**

**Lichfield Diocesan Academies Services Limited**

**Company number: 08384751**

The wholly owned subsidiary Lichfield Diocesan Academies Services Limited, which is incorporated in England and Wales, pays all of its profits by way of a charitable donation to the charity. Lichfield Diocesan Academies Services Limited incorporated on 1 February 2013. Lichfield Diocesan Academies Services Limited provides support services to schools and academies within the diocese. The charity owns the entire share capital of 1 ordinary share at £1 each. The company became dormant from 01 September 2018, with the business contracts transferred to St Chads Academies Trust. A summary of the financial activities undertaken by the subsidiary is set out below.

|   | <b>2021</b>  | <b>2020</b>  |
|---|--------------|--------------|
|   | <b>£'000</b> | <b>£'000</b> |
| Turnover  | -            | -            |
| Cost of sales   | -            | -            |
|   | <hr/>        | <hr/>        |
| <b>Gross profit</b>                                       | -            | -            |
| Administrative expenses                                   | -            | -            |
| Grant Received from Lichfield Diocesan Education Services | -            | -            |
| Grant Received from Parent Company                        | -            | -            |
| Other Operating Income                                    | -            | -            |
|   | <hr/>        | <hr/>        |
| <b>Operating profit</b>                                   | -            | -            |
| Interest receivable                                       | -            | -            |
| Gift aid payment to parent                                | -            | -            |
|   | <hr/>        | <hr/>        |
| <b>Loss on ordinary activities before taxation</b>        | -            | -            |
| Tax on profit on ordinary activities                      | -            | -            |
|   | <hr/>        | <hr/>        |
| Profit for the financial year                             | -            | -            |
|   | <hr/> <hr/>  | <hr/> <hr/>  |
| <b>Balance sheet</b>                                      | <b>2021</b>  | <b>2020</b>  |
|   | <b>£'000</b> | <b>£'000</b> |
| Current assets  | -            | -            |
| Creditors: amounts falling due within one year            | -            | -            |
|   | <hr/>        | <hr/>        |
| <b>Net assets</b>   | -            | -            |
|   | <hr/> <hr/>  | <hr/> <hr/>  |
| Called up share capital                                   | -            | -            |
| Profit and loss account                                   | -            | -            |
|   | <hr/>        | <hr/>        |
| <b>Shareholders' funds</b>                                | -            | -            |
|   | <hr/> <hr/>  | <hr/> <hr/>  |

Creditors: amounts due falling within one year shown above includes £Nil (2020: £Nil) owed to the charity.  
Current Assets above includes £Nil (2020: £Nil) owed by the charity.

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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|  |                                 |                                 |
|--|---------------------------------|---------------------------------|
| <b>6. INVESTMENT INCOME</b>  | <b>Total<br/>2021<br/>£'000</b> | <b>Total<br/>2020<br/>£'000</b> |
| Rent   | 15                              | 14                              |
| Dividends and interest   | 139                             | 144                             |
|  | <u>154</u>                      | <u>158</u>                      |
|  | <u><u>154</u></u>               | <u><u>158</u></u>               |
| <br><b>7. INCOME FROM CHARITABLE ACTIVITIES –<br/>PROMOTION OF RELIGIOUS EDUCATION</b> |                                 |                                 |
|  | <b>Total<br/>2021<br/>£'000</b> | <b>Total<br/>2020<br/>£'000</b> |
| DBF grant  | 132                             | 130                             |
| Project management charges   | 49                              | 56                              |
| Government Furlough Scheme   | -                               | 35                              |
| Other income   | 143                             | 141                             |
|  | <u>324</u>                      | <u>362</u>                      |
|  | <u><u>324</u></u>               | <u><u>362</u></u>               |

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

**8. EXPENDITURE ON CHARITABLE ACTIVITIES – PROMOTION OF RELIGIOUS EDUCATION**

|                               | <b>Direct<br/>Costs<br/>£'000</b> | <b>Support<br/>Costs<br/>£'000</b> | <b>Grant<br/>Expenditure<br/>£'000</b> | <b>Total<br/>2021<br/>£'000</b> |
|-------------------------------|-----------------------------------|------------------------------------|--|---------------------------------|
| Salaries                      | 407                               | -                                  | -                                      | 407                             |
| Officers expenses             | 1                                 | -                                  | -                                      | 1                               |
| Management and administration | -                                 | 80                                 | -                                      | 80                              |
| Legal secretary               | 3                                 | -                                  | -                                      | 3                               |
| Barchester and other grants*  | -                                 | -                                  | 60                                     | 60                              |
| Buildings/Reverter of Sites   | 33                                | -                                  | -                                      | 33                              |
|                               | <u>444</u>                        | <u>80</u>                          | <u>60</u>                              | <u>584</u>                      |

\* Barchester and other grants:

|                   | <b>Direct<br/>Costs<br/>£'000</b> | <b>Support<br/>Costs<br/>£'000</b> | <b>Grant<br/>Expenditure<br/>£'000</b> | <b>Total<br/>2021<br/>£'000</b> |
|-------------------|-----------------------------------|------------------------------------|--|---------------------------------|
| Barchester grants | -                                 | -                                  | -                                      | -                               |
| Other grants      | -                                 | -                                  | 60                                     | 60                              |
|                   | <u>-</u>                          | <u>-</u>                           | <u>60</u>                              | <u>60</u>                       |

**EXPENDITURE ON CHARITABLE ACTIVITIES – PROMOTION OF RELIGIOUS EDUCATION**

**2020 Comparative**

|                               | <b>Direct<br/>Costs<br/>£'000</b> | <b>Support<br/>Costs<br/>£'000</b> | <b>Grant<br/>Expenditure<br/>£'000</b> | <b>Total<br/>2020<br/>£'000</b> |
|-------------------------------|-----------------------------------|------------------------------------|--|---------------------------------|
| Salaries                      | 366                               | -                                  | -                                      | 366                             |
| Officers expenses             | 10                                | -                                  | -                                      | 10                              |
| Management and administration | -                                 | 84                                 | -                                      | 84                              |
| Legal secretary               | 3                                 | 3                                  | -                                      | 6                               |
| Barchester and other grants*  | -                                 | -                                  | 239                                    | 239                             |
| Buildings/Reverter of Sites   | 87                                | -                                  | -                                      | 87                              |
|                               | <u>466</u>                        | <u>87</u>                          | <u>239</u>                             | <u>792</u>                      |

\* Barchester and other grants:

|                   | <b>Direct<br/>Costs<br/>£'000</b> | <b>Support<br/>Costs<br/>£'000</b> | <b>Grant<br/>Expenditure<br/>£'000</b> | <b>Total<br/>2020<br/>£'000</b> |
|-------------------|-----------------------------------|------------------------------------|--|---------------------------------|
| Barchester grants | -                                 | -                                  | 80                                     | 80                              |
| Other grants      | -                                 | -                                  | 159                                    | 159                             |
|                   | <u>-</u>                          | <u>-</u>                           | <u>239</u>                             | <u>239</u>                      |

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

**9. COST OF MANAGING PROPERTIES AND EVENTS**

|                       | <b>Total<br/>2021<br/>£'000</b> | <b>Total<br/>2021<br/>£'000</b> |
|-----------------------|---------------------------------|---------------------------------|
| Insurance             | 42                              | 55                              |
| Events expenditure    | 19                              | 13                              |
| Bad Debts written Off | 26                              | -                               |
| Rent Repairs          | 2                               | -                               |
|                       | <u>89</u>                       | <u>68</u>                       |

**10. NET INCOME/(EXPENDITURE)**

|  | <b>2021<br/>£'000</b> | <b>2020<br/>£'000</b> |
|--|-----------------------|-----------------------|
| This is stated after charging/(crediting):   |                       |                       |
| Depreciation of tangible fixed assets:<br>- owned by the charitable company              | -                     | -                     |
| Devaluation of Tangible Fixed Assets   | -                     | -                     |
| Rental income  | (15)                  | (14)                  |
| Unrealised gain on revaluation   | (817)                 | (167)                 |
| Fees payable to the charity's auditor for the audit<br>of the charity's annual accounts. | 16                    | 13                    |
|  | <u>          </u>     | <u>          </u>     |

During the year, No Trustees received any remuneration (2020: £Nil).

During the year, No Trustees received any benefit in kind (2020: £Nil)

During the year, No Trustees received any reimbursement of expenses (2020: Nil).



**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

**12. TANGIBLE FIXED ASSETS**

|                                   | <b>Freehold<br/>Property<br/>£'000</b> | <b>Office and<br/>Computer<br/>Equipment<br/>£'000</b> | <b>Total<br/>£'000</b> |
|-----------------------------------|--|--|------------------------|
| <b>Cost</b>                       |  |  |                        |
| At 01 September 2020              | 2,769                                  | -  | 2,769                  |
| Additions                         | -                                      | -  | -                      |
| Disposals                         | -                                      | -  | -                      |
| Transfer to Investment Properties | -                                      | -  | -                      |
|                                   | <u>2,769</u>                           | <u>-</u>   | <u>2,769</u>           |
| At 31 August 2021                 | <u>2,769</u>                           | <u>-</u>   | <u>2,769</u>           |
| <b>Depreciation</b>               |  |  |                        |
| At 01 September 2020              | 2,769                                  | -  | 2,769                  |
| Charge for the year               | -                                      | -  | -                      |
| Disposals                         | -                                      | -  | -                      |
|                                   | <u>2,769</u>                           | <u>-</u>   | <u>2,769</u>           |
| At 31 August 2021                 | <u>2,769</u>                           | <u>-</u>   | <u>2,769</u>           |
| <b>Net Book Value</b>             |  |  |                        |
| At 31 August 2021                 | <u>-</u>                               | <u>-</u>   | <u>-</u>               |
| At 31 August 2020                 | <u>-</u>                               | <u>-</u>   | <u>-</u>               |

**13. FIXED ASSET INVESTMENTS**

|  | <b>Listed<br/>Securities<br/>£'000</b> | <b>Investment<br/>Properties<br/>£'000</b> | <b>Total<br/>£'000</b> |
|--|--|--|------------------------|
| <b>Market value</b>  |  |  |                        |
| At 1 September 2020  | 4,232                                  | 1,042                                      | 5,274                  |
| Additions  | 5                                      | -  | 5                      |
| Disposals  | -                                      | -  | -                      |
| Revaluations   | 714                                    | 103  | 817                    |
|  | <u>4,951</u>                           | <u>1,145</u>                               | <u>6,096</u>           |
| At 31 August 2021  | <u>4,951</u>                           | <u>1,145</u>                               | <u>6,096</u>           |
| <b>Investments excluding investment properties<br/>at market value comprise:</b> |  |  |                        |
|  |  | <b>2021<br/>£'000</b>                      | <b>2020<br/>£'000</b>  |
| Listed investments   |  | <u>4,951</u>                               | <u>4,232</u>           |

All the fixed asset investments are held in the UK.

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**14. DEBTORS**

|  | <b>2021</b>       | <b>2020</b>       |
|--|-------------------|-------------------|
|  | <b>£'000</b>      | <b>£'000</b>      |
| <b>Due after more than one year</b>                    |                   |                   |
| Loan to schools  | 115               | 128               |
| <b>Due within one year</b>                             |                   |                   |
| Trade debtors  | 147               | 161               |
| Loans to schools                                       | 18                | 14                |
| Devolved Formulae Capital                              | 77                | 32                |
| Other debtors  | 9                 | 22                |
| Prepayments and accrued income                         | 58                | 115               |
|  | <u>424</u>        | <u>472</u>        |
|  | <u><u>424</u></u> | <u><u>472</u></u> |
| <b>Loans</b>   | <b>2021</b>       | <b>2020</b>       |
|  | <b>£'000</b>      | <b>£'000</b>      |
| <b>Due within one year:</b>                            |                   |                   |
| Loans to schools                                       | 18                | 14                |
| <b>Due in over one year:</b>                           |                   |                   |
| Loans to schools                                       | 115               | 128               |
|  | <u>133</u>        | <u>142</u>        |
| <b>Total loans</b>                                     | <u><u>133</u></u> | <u><u>142</u></u> |
| <b>The aged analysis of these loans is as follows:</b> |                   |                   |
| <b>To be reimbursed in:</b>                            |                   |                   |
| 2 – 5 years  | 57                | 60                |
| 5 or more years  | 58                | 68                |
|  | <u>115</u>        | <u>128</u>        |
| <b>Total loans</b>                                     | <u><u>115</u></u> | <u><u>128</u></u> |

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

| <b>15. CREDITORS: amounts falling due within one year</b> |  | <b>2021<br/>£'000</b> | <b>2020<br/>£'000</b> |
|---|--|-----------------------|-----------------------|
| Trade creditors   |  | 89                    | 432                   |
| Other taxation and social security                        |  | -                     | -                     |
| Other creditors   |  | 73                    | 120                   |
| Schools Condition Allocation                              |  | 1,686                 | 654                   |
| Accruals  |  | 113                   | 119                   |
|   |  | <u>1,961</u>          | <u>1,325</u>          |

| <b>16. STATEMENT OF FUNDS – 2021</b> | <b>Brought forward<br/>£'000</b> | <b>Income<br/>£'000</b> | <b>Expenditure<br/>£'000</b> | <b>Transfers in/(out)<br/>£'000</b> | <b>Gains/(losses)/<br/>Revaluation<br/>£'000</b> | <b>Carried Forward<br/>£'000</b> |
|--------------------------------------|----------------------------------|-------------------------|------------------------------|-------------------------------------|--|----------------------------------|
| <b>Designated funds</b>              |                                  |                         |                              |                                     |  |                                  |
| Section 2 Orders                     | 341                              | 10                      | (5)                          | -                                   | 58   | 404                              |
| Diocesan Schools Fund                | 143                              | 4                       | -                            | (1)                                 | 23   | 169                              |
| Education Handbook                   | 5                                | -                       | -                            | -                                   | -  | 5                                |
|                                      | <u>489</u>                       | <u>14</u>               | <u>(5)</u>                   | <u>(1)</u>                          | <u>81</u>  | <u>578</u>                       |
| <b>General funds</b>                 |                                  |                         |                              |                                     |  |                                  |
| General Fund-<br>Revenue reserve     | 2,408                            | 493                     | (590)                        | 21                                  | 451  | 2,783                            |
| <b>Total unrestricted funds</b>      | <u>2,897</u>                     | <u>507</u>              | <u>(595)</u>                 | <u>20</u>                           | <u>532</u>                                       | <u>3,361</u>                     |
| <b>Endowment funds</b>               |                                  |                         |                              |                                     |  |                                  |
| D H Bates Memorial<br>Trust          | 136                              | 5                       | -                            | (5)                                 | 23   | 159                              |
| <b>Restricted funds</b>              |                                  |                         |                              |                                     |  |                                  |
| General Fund                         |                                  |                         |                              |                                     |  |                                  |
| Managed Funds                        | 1,244                            | 56                      | (47)                         | -                                   | 113  | 1,366                            |
| Section Orders                       | 173                              | 1                       | (1)                          | -                                   | 3  | 176                              |
| Education Projects                   | 8                                | -                       | (6)                          | -                                   | -  | 2                                |
| Barchester Fund (UST)                | 2,062                            | 30                      | (24)                         | (15)                                | 146  | 2,199                            |
|                                      | <u>3,487</u>                     | <u>87</u>               | <u>(78)</u>                  | <u>(15)</u>                         | <u>262</u>                                       | <u>3,743</u>                     |
| <b>Total of funds</b>                | <u>6,520</u>                     | <u>599</u>              | <u>(673)</u>                 | <u>-</u>                            | <u>817</u>                                       | <u>7,263</u>                     |

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

16. STATEMENT OF FUNDS – 2020 Comparatives

|                                  | Brought forward<br>£'000 | Income<br>£'000   | Expenditure<br>£'000 | Transfers<br>in/(out)<br>£'000 | Gains/<br>(losses)/<br>Revaluation<br>£'000 | Carried Forward<br>£'000 |
|----------------------------------|--------------------------|-------------------|----------------------|--------------------------------|---|--------------------------|
| <b>Designated funds</b>          |                          |                   |                      |                                |   |                          |
| Section 2 Orders                 | 320                      | 9                 | -                    | -                              | 12  | 341                      |
| Diocesan Schools Fund            | 134                      | 4                 | -                    | (1)                            | 6   | 143                      |
| Education Handbook               | 5                        | -                 | -                    | -                              | -   | 5                        |
|                                  | <u>459</u>               | <u>13</u>         | <u>-</u>             | <u>(1)</u>                     | <u>18</u>                                   | <u>489</u>               |
| <b>General funds</b>             |                          |                   |                      |                                |   |                          |
| General Fund-<br>Revenue reserve | 2,351                    | 587               | (627)                | 12                             | 85  | 2,408                    |
|                                  | <u>2,351</u>             | <u>587</u>        | <u>(627)</u>         | <u>12</u>                      | <u>85</u>                                   | <u>2,408</u>             |
| <b>Total unrestricted funds</b>  | <u>2,810</u>             | <u>600</u>        | <u>(627)</u>         | <u>11</u>                      | <u>103</u>                                  | <u>2,897</u>             |
| <b>Endowment funds</b>           |                          |                   |                      |                                |   |                          |
| D H Bates Memorial<br>Trust      | 130                      | 5                 | -                    | (5)                            | 6   | 136                      |
|                                  | <u>130</u>               | <u>5</u>          | <u>-</u>             | <u>(5)</u>                     | <u>6</u>                                    | <u>136</u>               |
| <b>Restricted funds</b>          |                          |                   |                      |                                |   |                          |
| General Fund                     |                          |                   |                      |                                |   |                          |
| Managed Funds                    | 1,262                    | 108               | (151)                | -                              | 25  | 1,244                    |
| Section Orders                   | 171                      | 1                 | -                    | -                              | 1   | 173                      |
| Education Projects               | 4                        | 6                 | (2)                  | -                              | -   | 8                        |
| Kings, Tettenhall                | 2,086                    | 30                | (80)                 | (6)                            | 32  | 2,062                    |
| Barchester Fund (UST)            | <u>3,523</u>             | <u>145</u>        | <u>(233)</u>         | <u>(6)</u>                     | <u>58</u>                                   | <u>3,487</u>             |
|                                  | <u>3,523</u>             | <u>145</u>        | <u>(233)</u>         | <u>(6)</u>                     | <u>58</u>                                   | <u>3,487</u>             |
| <b>Total of funds</b>            | <u><u>6,463</u></u>      | <u><u>750</u></u> | <u><u>(860)</u></u>  | <u><u>-</u></u>                | <u><u>167</u></u>                           | <u><u>6,520</u></u>      |

## THE LICHFIELD DIOCESAN BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 16. STATEMENT OF FUNDS – continued

Apart from the Unrestricted Funds, which are used for its day-to-day activities, the other funds considered as part of the Board's free reserves are the Designated Funds. These are reserves that have been ring fenced for specific purposes, although the Directors of the Board have discretion at any time to transfer the reserves back to the unrestricted category.

However these Designated Funds have on the whole originated either from specific events or from agreement with schools as part of the historical financial policies to protect and further the work of the Board. In accordance with the Accounting Regulations the Board is required to express the purposes of each of the designated funds and these are as follows: -

##### **RE Handbook**

This fund originates from the surplus on the production of the first handbook. The fund is retained to assist with producing and circulating updates of the resource to assist schools in the Diocese.

##### **Diocesan Schools Fund**

The fund originates from the Salop Schools Fund. The funds are held and income generated is assists with the Administration of the Board - £1500 per annum, the balance being made available to schools for grants towards specific celebration or specific events.

##### **Section 2 Funds**

The capital originates from a variety of Section 2 Orders on the sale at schools. This fund represents the Board proportion of funds.

In addition there are also the following **Restricted Funds**: -

##### **Managed Funds**

This reserve represents funds that have been received, normally from the proceeds of sale. The funds are held as restricted funds to be specifically used at the discretion of the trustees for the area of benefit following Section 554 Order that will direct future use of the funds or where a Section Order has directed their use for specific purposes.

##### **Section Orders**

This fund represents the original sale proceeds of a number of schools pending S554 Orders.

##### **Kings School Fund**

Under the terms of an agreement dated 15th September 1999, in consideration of a gift of a sum of money towards the improvement of King's school, Tettenhall, the Board has undertaken that upon disposal of the site of the school, the Board will repay to the Trustees of the T.C.James Trust a proportion of the net proceeds as the gifted sum bears to the acquisition values of the site (£1.75m) less the cost of improvements and additions made by others to the site and buildings since acquisition. The approximate value of the amount which would be due is £30,000

##### **Education Projects**

This represents funds restricted to various education projects – in particular the Kenya Overseas Project and the Open Door projects (Inspire) used at different sites across the Diocese.

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

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**16. STATEMENT OF FUNDS – continued**

**Barchester Loan Fund (Uniform Statutory Trust (UST))**

The funds transferred to the Diocesan Board of Education following Section orders under the various Education Acts. The funds are held to be used to support the work of the Board towards Education in the Diocese of Lichfield.

**Endowment Funds**

**Section Order Funds**

This reserve represents fund held by the Board of Education, pending Section Order Schemes. Once the Scheme is awarded it is likely the Charity Commission will allow the funds to be used for General purposes. This fund is now clear as there are no outstanding orders.

**D H Bates Memorial**

This represents a legacy left to the Diocesan Board of Education with the income available to support the administration costs.

**Analysis of Transfers - 2021**

|   | <b>Unrestricted<br/>£'000</b> | <b>Designated<br/>£'000</b> | <b>Restricted<br/>£'000</b> | <b>Endowment<br/>£'000</b> |
|---|-------------------------------|-----------------------------|-----------------------------|----------------------------|
| Dividends for the work on support of church schools | 21                            | (1)                         | (15)                        | (5)                        |
| <b>Total</b>  | <u>21</u>                     | <u>(1)</u>                  | <u>(15)</u>                 | <u>(5)</u>                 |

**Analysis of Transfers - 2020**

|   | <b>Unrestricted<br/>£'000</b> | <b>Designated<br/>£'000</b> | <b>Restricted<br/>£'000</b> | <b>Endowment<br/>£'000</b> |
|---|-------------------------------|-----------------------------|-----------------------------|----------------------------|
| Dividends for the work on support of church schools | 12                            | (1)                         | (6)                         | (5)                        |
| <b>Total</b>  | <u>12</u>                     | <u>(1)</u>                  | <u>(6)</u>                  | <u>(5)</u>                 |

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

16. STATEMENT OF FUNDS (continued)

| Summary of Funds<br>2021 | Brought<br>forward<br>£'000 | Income<br>£'000 | Expenditure<br>£'000 | Transfers<br>in/(out)<br>£'000 | Gains/<br>(losses)/<br>Revaluation<br>£'000 | Carried<br>forward<br>£'000 |
|--------------------------|-----------------------------|-----------------|----------------------|--------------------------------|---|-----------------------------|
| Designated funds         | 489                         | 14              | (5)                  | (1)                            | 81  | 578                         |
| General funds            | 2,408                       | 493             | (590)                | 21                             | 451   | 2,783                       |
|                          | <u>2,897</u>                | <u>507</u>      | <u>(595)</u>         | <u>20</u>                      | <u>532</u>                                  | <u>3,361</u>                |
| Endowment funds          | 136                         | 5               | -                    | (5)                            | 23  | 159                         |
| Restricted funds         | 3,487                       | 87              | (78)                 | (15)                           | 262   | 3,743                       |
|                          | <u>6,520</u>                | <u>599</u>      | <u>(673)</u>         | <u>-</u>                       | <u>817</u>                                  | <u>7,263</u>                |

Summary of Funds – 2020 Comparatives

|                  | Brought<br>forward<br>£'000 | Income<br>£'000 | Expenditure<br>£'000 | Transfers<br>in/(out)<br>£'000 | Gains/<br>(losses)/<br>Revaluation<br>£'000 | Carried<br>forward<br>£'000 |
|------------------|-----------------------------|-----------------|----------------------|--------------------------------|---|-----------------------------|
| Designated funds | 459                         | 13              | -                    | (1)                            | 18  | 489                         |
| General funds    | 2,351                       | 587             | (627)                | 12                             | 85  | 2,408                       |
|                  | <u>2,810</u>                | <u>600</u>      | <u>(627)</u>         | <u>11</u>                      | <u>103</u>                                  | <u>2,897</u>                |
| Endowment funds  | 130                         | 5               | -                    | (5)                            | 6   | 136                         |
| Restricted funds | 3,523                       | 145             | (233)                | (6)                            | 58  | 3,487                       |
|                  | <u>6,463</u>                | <u>750</u>      | <u>(860)</u>         | <u>-</u>                       | <u>167</u>                                  | <u>6,520</u>                |

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

|  | Unrestricted<br>Funds<br>£'000 | Restricted<br>funds<br>£'000 | Endowment<br>Funds<br>£'000 | 2021<br>Total<br>Funds<br>£'000 |
|--|--------------------------------|------------------------------|-----------------------------|---------------------------------|
| Tangible fixed assets                  | -                              | -                            | -                           | -                               |
| Fixed asset investments                | 4,027                          | 1,910                        | 159                         | 6,096                           |
| Debtors due after more than one year   | -                              | 115                          | -                           | 115                             |
| Current assets                         | 1,295                          | 1,718                        | -                           | 3,013                           |
| Creditors: due within one year         | (1,961)                        | -                            | -                           | (1,961)                         |
| Provisions for liabilities and charges | -                              | -                            | -                           | -                               |
|  | <u>3,361</u>                   | <u>3,743</u>                 | <u>159</u>                  | <u>7,263</u>                    |

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**  
**Comparative 2020**

|  | <b>Unrestricted<br/>Funds<br/>£'000</b> | <b>Restricted<br/>funds<br/>£'000</b> | <b>Endowment<br/>Funds<br/>£'000</b> | <b>2020<br/>Total<br/>Funds<br/>£'000</b> |
|--|---|---------------------------------------|--------------------------------------|---|
| Tangible fixed assets                  | -                                       | -                                     | -                                    | -   |
| Fixed asset investments                | 3,491                                   | 1,647                                 | 136                                  | 5,274                                     |
| Debtors due after more than one year   | -                                       | 128                                   | -                                    | 128                                       |
| Current assets                         | 731                                     | 1,712                                 | -                                    | 2,443                                     |
| Creditors: due within one year         | (1,325)                                 | -                                     | -                                    | (1,325)                                   |
| Provisions for liabilities and charges | -                                       | -                                     | -                                    | -   |
|  | <u>2,897</u>                            | <u>3,487</u>                          | <u>136</u>                           | <u>6,520</u>                              |

**18. NET CASH FLOW FROM OPERATIONS**

|   | <b>2021<br/>£'000</b> | <b>2020<br/>£'000</b> |
|---|-----------------------|-----------------------|
| Net expenditure for the reporting period (as per the Statement of Financial Activities) | (74)                  | (110)                 |
| Dividends, interest and rents from investments  | (154)                 | (158)                 |
| Depreciation of tangible fixed assets   | -                     | -                     |
| (Increase)/decrease in debtors  | 48                    | (67)                  |
| Increase/(decrease) in creditors  | 636                   | 211                   |
| <b>Net cash used in operating activities</b>  | <u>456</u>            | <u>(124)</u>          |

**19. PENSION COMMITMENTS**

The Church of England Pensions Board administers pension arrangements for clergy and licensed lay workers. The Lichfield Diocesan Board of Finance participates in this scheme. The Church of England Funded Pensions Scheme is a defined benefit scheme but the Lichfield Diocesan Board of Finance is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with current and former employees of other entities participating in the scheme. The pension cost charge represents contributions payable by the charity to the scheme and amounted to £43,000 (2020: £40,000).

**20. OPERATING LEASE COMMITMENTS**

At 31 August 2021 and 31 August 2020 the charity had no commitments under non-cancellable operating leases.

**21. POST BALANCE EVENTS**

As referred to in the Trustees Annual report (page 7) and the Accounting Policy note (1.2) on page 14; in accordance with the Synodical Resolution on 28<sup>th</sup> April 2022, with effect from 31 May 2022, all Assets and Liabilities of the Board of Education were transferred a related entity the Lichfield Diocesan Board of Finance.

**22. RELATED PARTIES**

There were no related party transactions in the current or preceding accounting periods which require disclosure.

**THE LICHFIELD DIOCESAN BOARD OF EDUCATION**

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

**23. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020**

|  | <b>Unrestricted<br/>Funds<br/>£'000</b> | <b>Restricted<br/>Funds<br/>£'000</b> | <b>Endowment<br/>Funds<br/>£'000</b> | <b>Total<br/>Funds<br/>£'000</b> |
|--|---|---------------------------------------|--------------------------------------|----------------------------------|
| <b>Income</b>  |   |                                       |                                      |                                  |
| Donations  | 69                                      | 85                                    | -                                    | 154                              |
| Other trading activities   | 76                                      | -                                     | -                                    | 76                               |
| Investments  | 99                                      | 54                                    | 5                                    | 158                              |
| <b>Income from<br/>charitable activities:</b>                            |   |                                       |                                      |                                  |
| Promotion of religious<br>Education                                      | 356                                     | 6                                     | -                                    | 362                              |
| <b>Total income</b>  | <u>600</u>                              | <u>145</u>                            | <u>5</u>                             | <u>750</u>                       |
| <b>Expenditure</b>   |   |                                       |                                      |                                  |
| <b>Cost of raising funds:</b>  |   |                                       |                                      |                                  |
| Commercial trading costs   | -                                       |                                       | -                                    | -                                |
| Cost of managing properties<br>and events                                | 66                                      | 2                                     | -                                    | 68                               |
| <b>Charitable activities:</b>  |   |                                       |                                      |                                  |
| Promotion of religious<br>Education                                      | 561                                     | 231                                   | -                                    | 792                              |
| <b>Total expenditure</b>   | <u>627</u>                              | <u>233</u>                            | <u>-</u>                             | <u>860</u>                       |
| <b>Net income/(expenditure)<br/>Before investment<br/>gains/(losses)</b> | (27)                                    | (88)                                  | 5                                    | (110)                            |
| Net investment gains   | 103                                     | 58                                    | 6                                    | 167                              |
| <b>Net income/(expenditure)</b>  | <u>76</u>                               | <u>(30)</u>                           | <u>11</u>                            | <u>57</u>                        |
| Transfers between funds  | 11                                      | (6)                                   | (5)                                  | -                                |
| <b>Net movement in funds for<br/>the year</b>                            | <u><u>87</u></u>                        | <u><u>(36)</u></u>                    | <u><u>6</u></u>                      | <u><u>57</u></u>                 |