

MANCHESTER DIOCESAN BOARD OF EDUCATION

England & Wales · Charity number 530002

Details

Other names	MANCHESTER DIOCESAN COUNCIL FOR EDUCATION
Status	Registered
Legal form	Charitable company
Company number	00618201
Registered	1966-10-03
Register	View on the Charity Commission register

Contact

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Activities

Objects: TO PROMOTE OR ASSIST IN THE PROMOTION OF EDUCATION FOR THE PUBLIC BENEFIT IN THE DIOCESE OF MANCHESTER. THE OBJECTS SHALL BE CARRIED OUT IN ACCORDANCE WITH THE DOCTRINES AND PRINCIPLES OF THE CHURCH OF ENGLAND.

Activities: The principal activity of the Board is to promote the quality of education generally throughout the Diocese of Manchester and in particular through its aided and controlled schools, or otherwise benefit those schools, and to provide as necessary for the maintenance, improvement and extension of aided school buildings.

Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Advocacy/advice/information
- **What:** Education/training, Religious Activities
- **Who:** Children/young People, Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** THE DIOCESE OF MANCHESTER
- Cheshire East
- Cheshire West & Chester
- Lancashire
- Manchester City

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£803,645	£701,760	£7,555,857	10
2023-12-31	£784,668	£692,605	£7,311,612	10
2022-12-31	£810,071	£822,913	£6,680,430	10
2021-12-31	£1,055,437	£693,330	£7,447,390	12
2020-12-31	£671,268	£703,482	£6,276,356	11

Trustees

Name	Role	Appointed
The Right Reverend Mark Davies	Chair	
Canon Jill Pilling		2024-12-17
Dr ADANNA LAZZ-ONYENOB		2019-01-01
Gareth Frank Elswood		2022-11-15
Hilary Jane Henderson		2023-11-21
Karen Luise Sudworth		2022-11-15
Kathryn Margaret Hampson		2024-11-12
Rev DAVID STUART WALKER		2013-11-13
Rev Karen Hopwood-Owen		2016-01-01
Rev Katherine Adele McKie		2022-11-15
Rev Kirsty Hayley Screeton		2024-11-12
Rev Paul Hutchins		2024-12-17

Accounts



MANCHESTER DIOCESAN BOARD OF
EDUCATION
FINANCIAL STATEMENTS FOR THE YEAR
ENDED
31 DECEMBER 2024

Company No. 00618201
Registered Charity No. 530002

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ORGANISATION AND ADMINISTRATION DETAILS

CHAIRMAN	The Right Reverend M Davies
SECRETARY	Deborah Smith
BISHOP OF MANCHESTER	The Right Reverend David Walker
DIRECTORS	The Directors are the members of the Board of Education Details of Board members are given on page 14
REGISTERED OFFICE	St John's House, 155-163 The Rock, Bury BL9 0ND Telephone: 0161 828 1400 Email: ManchesterDBE@manchester.anglican.org
PRINCIPAL OFFICER	Deborah Smith (Director of Education)
BANKERS	Royal Bank of Scotland pl St Ann Street Manchester M60 2SS
AUDITORS	HaysMac LLP 10 Queen Street Place London EC4R 1AG
SOLICITORS	D M Myers LLB (Hons) Diocesan Registry St John House 155-163 The Rock Bury BL9 0ND
INVESTMENT ADVISORS	CCLA Investment Management Ltd One Angel Lane London EC4R 3AB
CONSTITUTION	Manchester Diocesan Board of Education is a Company Limited by Guarantee Registered in England Number 00618201 Registered Charity Number 530002

The Charity is bound by its Memorandum and Articles of Association and by the statutory duties of the Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011.

MISSION STATEMENT

1. Principal Activity

The principal activity of the Manchester Diocesan Board of Education ("MDBE") is to fulfil its statutory duties to:

promote education in the Diocese of Manchester which is consistent with the faith and practice of the Church of England;

- to promote religious education and religious worship in schools in the Diocese;
- to promote church schools in the Diocese and advise governors on any matters;
- to promote co-operation between the Board and other bodies; and
- to advise on the maintenance, improvement and extension of school buildings in Voluntary Aided schools and give permission.

The MDBE advises on the appointment of senior leaders in church schools; it arranges statutory inspections of the Christian distinctiveness of church schools; and it considers giving consent to church schools that wish apply for Academy Orders.

The MDBE is also responsible for the promotion and development of Christian education in parishes, and Christian chaplaincy in institutions of Higher Education.

2. Aims

The aim of the MDBE is to fulfil its statutory duties within the resources available.

The MDBE is a very significant part of the mission of the church in the Diocese of Manchester. The principal aim of the MDBE's work is 'To enable children and young people to encounter the Christian gospel and to grow in faith, through providing for their Christian education and nurture in schools, parishes and other settings'.

The MDBE provides the expertise for the whole Diocese to draw on in relation to:

- mission and evangelism with children and young people;
- faith development;
- religious education in both formal and informal settings;
- spiritual development of children and young people; And
- initiation into the worshipping community.

LEGAL OBJECTS

The legal objects of the company as set out in the Memorandum and Articles of Association are as follows:

1. To be the Diocesan Board of Education for the Diocese of Manchester as at present constituted or as hereafter it may be constituted, and to exercise and perform within that Diocese the rights, functions, powers, duties and obligations given to or imposed upon a Diocesan Board of Education by the Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011, or any Measure passed by the General Synod of the Church of England or Act of Parliament amending or replacing the same or for the purposes of any Measure passed by the said Synod or Act of Parliament for which the Diocesan Conference may appoint the Board to act.
2. To act as Trustees in respect of any land stocks shares funds and securities held in trust for or belonging to any educational foundations or any other charitable foundations having objects which may be similar to or within the scope of the objects of the Board and to do such acts and things as may be necessary or expedient to be done in relation thereto under or by virtue of any scheme or schemes or Trust Deed or Trust Deeds affecting the same.

TRUSTEES' REPORT

Vision and Strategy

The vision of the Diocese of Manchester is to be a worshipping, growing and transforming Christian presence at the heart of every community. Church schools are central to this vision as they seek to be places where Christian values and practices are at the centre of all that happens there. The Manchester Diocesan Board of Education (MDBE) fully supports this vision through its work with Church schools, across the diverse landscape of Greater Manchester and Rossendale.

The vision has three fundamental principles; growing, nurturing and serving, as we strive every day in our local ministry to be a Church for a Different World. MDBE works in partnership with 193 CE schools and diocesan churches to enact and support these principles.

TRUSTEES' REPORT (continued)

Growing: MDBE grows and cultivates healthy relationships with staff and governors across the family of church schools. We encourage good leadership through providing training and advice in areas such as mental health and wellbeing, admissions, Head Teacher recruitment and development as well as effective management of school buildings.

Nurturing: MDBE strives to nurture its relationships with schools, just as we believe, God nurtures His relationships with His children. We support schools in the journeys they have with each of their children, from early years through to sixth form; walking alongside schools during transition points, academic experiences and community events. We work across churches and schools to establish reciprocally beneficial relationships. We communicate with school leaders, staff, governors and clergy teams, uniting us as we work together to lift up the children and young people in schools and churches.

Serving: MDBE seeks to serve schools with love, kindness and action, enacting the commandment to 'Love the Lord your God with all your heart and with all your soul and with all your mind, and love your neighbour as yourself.' (Luke 10:27). We work in communion with people, children and families from all faiths and backgrounds, celebrating the diverse landscape of our great city and region and the communities that come together within it. We help to maintain the Christian distinctiveness of Church of England schools through the facilitation of training and resourcing in the areas of vision and values, Religious Education, Collective Worship and the requirements of SIAMS.

MDBE's overarching vision is for Church of England schools to be places where all involved in can be introduced and supported to reflect on Jesus' promise in John 10:10 that He 'came so that you might have life in all its' fullness.'

Priorities for 2024 and Progress

1. Develop ministry to/for/with children and young people in both churches and schools.

Ensuring that:

- Work with children and young people is central to each deanery's mission
- Opportunities are provided for children and young people to explore faith in schools and churches
- Training and support for lay and clergy equips them for ministry with children and young people
- Identify and develop the ministry gifts of children and young people and facilitate opportunities for them to be used.

Priorities for 2024 and Progress (Continued)

Progress

The Director continued to work with the Diocesan Secretary to redraft the Diocesan strategy, to ensure the commitment to 'Growing Younger' disciples is central to it. The work of the Youth Officer, Children's Officer, ManDio Growing Faith (MDGF) enablers and Children Changing Places (CCPP) team continued to promote discipleship opportunities in schools and churches for children and young people. 275 early years children, 139 primary aged children and 225 secondary aged children were part of a discipleship pathways during 2024.

The second successful bid for CCPP resulted in further recruitment and an expansion of the work and opportunities. A new focus on working with families supported a strategic focus on supporting churches with their ministry. 169 children and adults continued to participate on a family discipleship pathway. Parish engagement was viewed as a priority of the new phase of CCPP with 15 churches engaging in a sustained and significant way with the project and at least 136 young people engaging with youth or worship activities. Opportunities to work with a number of community schools were emerging as a result of the reviewed focus.

Man Dio Growing Faith continued to grow with almost a full team recruited during 2023-24. New discipleship pathways were established, in partnership with the local church such as 'Tuesdays Together' at St Thomas Church, Delph or Arty Annies in St Anne's school with plans to develop into a monthly family worshipping community. 143 adults and children were attending fresh expressions of church with 57 pupils on discipleship pathways in school.

Training for youth and children's ministry teams/members took place in the form of EQUIP and ALM training during the year. Both were very positively received with 25 attending a weekend training residential. The General Lay Training programme included 3 youth ALMs and 4 children ALMs. Momentum continued to build with over 100 children and youth workers attending subsequent Equip training events in Autumn 2024.

This year's Clergy Ministry Day focused on 'Growing Younger' with input from both the national and local diocesan teams. A transition resource, named Beyond, was produced and launched for churches and schools to support children in year 6 as they moved onto secondary school. 58 primary schools across Manchester diocese were involved in delivering this transition resource. Eight fully booked year 6 leavers' services, attended by 5000+ children took place from 17-20 June 2024 in Manchester Cathedral.

We saw the concept of Youth Sacred Spaces as a space for young people to explore their faith and respond also gain momentum. Already established intentionally Christian youth work in churches falls within this definition. The Diocesan Youth Officer supported the establishment of 3 new Youth Sacred Spaces alongside members of the MDGF team. A positive start was made with enthusiastic groups of leaders and young people. Further Youth Sacred Spaces within Manchester South and Stretford,

Progress (Continued)

Salford and Leigh and Rochdale deaneries are at various stages within the planning and construction process with at least 26 Youth Sacred Spaces already in existence across the diocese. Students from Canon Slade High School were involved as young leaders during the successful recent Scargill camp. The DBE team continued to be involved in curates training, with the possibility of expanding this in 2025. Curates also completed Suicide First Aid training led by the Youth Officer. Church based youth services, e.g. YTC (Youth Church Thing) continued to be held within various churches, providing opportunities for young people to serve and lead.

The Spirit Blazers group was established in Bolton with children from 4 schools, initially focusing on gathering children's views on worship. They presented their research findings to members of MDBF and MDBE, as well as Bolton Deanery synod. Interestingly children did not distinguish between collective and corporate worship, recognizing both support their spiritual development. They also led an art project which was presented at Bolton Wanderers FC in July focusing on identity.

Wiggle Worship opportunities continued to grow across the diocese. Schools and churches continued to engage with a highlight being sessions run throughout August at Manchester Cathedral. Education, CCPP and MDGF staff supported various events such as Easter Experience and summer holiday clubs held within churches across the diocese.

Impact: There is evidence of churches, across the traditions, being keen to reinvest or establish children and youth provision that is distinctly Christian. Specific numbers, progress and impact are reported to the Growing Younger, Strategic Programme and DBE boards. Several clergy used the 'Beyond' transition resource to support their work with local schools. The number of schools and pupils attending the year 6 leavers' services was the highest we had ever had. Team members had attended and contributed to the termly Deanery Hub meetings across the diocese, arranged by MDGF enablers. The focus had been on Intergenerational Worship, Engaging with Schools and Starting New Things. Attendance had been promising at these hub meetings, with clergy and lay attending.

2. Develop the distinctive Christian character of CE schools across the diocese.

Ensuring that:

- The 2023 Manchester Diocese RE syllabus is fully embedded in schools (by September 2024)
- CE schools' vision is theologically rooted and appropriate to context
- Collective Worship is inspiring, inclusive and invitational as well as meets national expectations

Priorities for 2024 and Progress (Continued)

Progress: The new Manchester Diocese RE syllabus was launched to Voluntary Aided (VA) schools and academies. A wide variety of training courses have been delivered with over 85% of schools attending more than one training session. Feedback on sessions has been received through virtual evaluations. The average feedback score was 4.9 out of 5 reflecting the relevance and quality of the training provided. Bespoke support for schools expecting SIAMS was provided. Pre-SIAMS visits were carried out, including a focus on RE in school for VA schools in particular. Schools were supported to ensure Collective Worship aligned with and reflected the school's vision and values, in accordance with its Trust deed. Collective Worship training had been delivered several times by members of the DBE team with over 200 attendees in the 23/24 academic year. It is now known as 'Collective Worship: The sell Out Tour' due to how quickly available places are filled once a new date is released. An Introduction to Church School Education course was successfully delivered for staff new to CE schools. Within SIAMS reports schools were recognised for having a distinctly Christian vision and it being at the center of school life. Video Continuous Professional Development (CPD) sessions were produced for all SIAMS Inspection questions to support school awareness of the new 2023 SIAMS framework. These videos have removed the logistical barriers to accessing training. Collectively, the video training sessions for SIAMS have had almost 1500 views. They were also being used in leadership and staff meetings, therefore the exact figures of those engaging with this resource were significantly higher.

New Head Teachers were invited to take part in an induction programme focusing on specific CE school distinctiveness as well as developing themselves as spiritual leaders. 22 new Diocesan Foundation Governors were appointed and a further 25 re-appointed. Work with schools on developing a theologically Christian vision and values had continued through training and individual visits. Collective Worship resources supporting schools in celebrating the Christian festivals were produced with Easter, Pentecost and Harvest resources distributed so far. The school Chaplaincy network remained strong and a valuable source of support and resource, led by the Chaplain at Trinity High School.

Impact: SIAMS reports from 2024 noted children's awareness of a range of religions, including Christianity and other worldviews. This was encouraging as the previous syllabus had limited exploration of faiths other than Christianity. Schools connected with DBE officers before, during and after SIAMS reports. Attendance at CPD sessions remained consistently high with excellent feedback received. 100% of schools inspected during 2024 had been judged to 'be living up to their Christian Foundation' (J1). Spirituality, or a common understanding of this, in schools frequently appeared as an area for development in SIAMS reports. SIAMS reports testified to the value schools placed on collective worship. Several new Head Teachers had been promoted from being a deputy head teacher in a CE school elsewhere in the diocese. This is particularly encouraging.

Priorities for 2024 and Progress (Continued)

3. Develop governance across maintained and academy schools within the diocese.

Ensuring that:

- Senior leaders are equipped to lead in a CE school
- Senior and middle leaders have access to and make effective use of National Professional Qualifications
- Senior leaders have a high level of Biblical literacy

Progress: Through the appointment of a Leadership Adviser who has represented the DBE on the majority of Head Teacher recruitment panels a consistent approach to advice and guidance was applied with DBE representation on all Head Teacher recruitment panels that took place. Participants successfully completed the Christian Leadership course with numbers for 2024-25 course already recruited to. All new Head Teachers received a visit from the DDE, were invited to a new Head Teacher Commissioning service as well as an induction programme. Training for new Head Teachers in VA schools regarding support for buildings and the school estate was delivered. MDBE became a delivery partner for the suite of standard National Professional Qualifications (NPQs) for CE Education Office. We successfully recruited to our allocated numbers and took part in the Ofsted inspection, resulting in an outstanding judgement being awarded. Understanding Christianity training was delivered to various schools, helping to support the development of Biblical literacy of staff and pupils.

Impact: the majority of Head Teacher recruitment processes that took place successfully recruited a substantive Head Teacher with a number recruiting current deputies from within MDBE schools. The Christian Leadership course continued to be popular. Recruitment to NPQs was across the school estate and included staff from CE, RC and community schools. Previously, when run by CE MATs within the diocese, it tended to be more limited to staff from those MATs who enrolled.

4. Develop governance across maintained and academy schools within the diocese.

Ensuring that:

- Ex Officio governors/substitute Ex Officio and Foundation governors are equipped to support CE schools
- Academy members, trustees/directors and Local Advisory Boards understand their respective responsibilities in sustaining the distinctive Christian character of CE schools

Progress: Through the appointment of a Leadership Adviser who has represented the DBE on the majority of Head Teacher recruitment panels a consistent approach to advice and guidance was applied with DBE representation on all Head Teacher recruitment panels that took place. Participants

Progress (Continued)

successfully completed the Christian Leadership course with numbers for 2024-25 course already recruited to. All new Head Teachers received a visit from the DDE, were invited to a new Head Teacher Commissioning service as well as an induction programme. Training for new Head Teachers in VA schools regarding support for buildings and the school estate was delivered. MDBE became a delivery partner for the suite of standard National Professional Qualifications (NPQs) for CE Education Office. We successfully recruited to our allocated numbers and took part in the Ofsted inspection, resulting in an outstanding judgement being awarded. Understanding Christianity training was delivered to various schools, helping to support the development of Biblical literacy of staff and pupils. Termly meetings with the archdeacons highlighted ex Officio vacancies with substitutes agreed as appropriate. Regular updating of governor details continues. Advice regarding reconstitution was offered with 5 schools' Instruments of Government being amended. Several Diocesan School Advisers (DSA) were deployed as Associate Members to support schools where governance would benefit from further development or support. Schools remain committed to a covenantal relationship with MDBE demonstrated through the Service Level Agreement continuing at over 95% buy in throughout 2023-24. The Diocesan Director of Education now represents the Corporate Member, so has direct influence, on 75% of CE academy trusts within MDBE. DSA representatives were involved in a recently established Independent Executive Board (IEB) to support a school where there was an ineffective governing board. Training on governor responsibilities for admissions continued.

Impact: We saw a reduction of Ex Officio governor vacancies as substitutes were appointed by the archdeacons. Attendance by Chairs of Governors at termly Head Teacher and Chair of Governor meetings continued. Positive relationships between schools and DBE continued. Where a member, the DDE is regularly informed of the progress of Trusts, involved in the appointment of new trustees and attends the AGM.

5. Develop racial justice strategy for Diocesan Board of Education

Ensuring that:

- Actions identified within 'Lament to Action'(2021) are addressed
- All staff have access to national DEI initiatives and programmes
- Children and young people understand racial justice

Progress: DBE racial justice strategy was agreed in November 2023. Reflecting on the actions for boards of education within 'Lament to Action' it was clear that most of the actions were outside of the DBE's sphere of influence and authority. Alongside this limited capacity within MDBE was also limited progress. As such the Shades lead was commissioned to work outside of Bolton deanery for ten days to deliver aspects of the racial justice strategy. Training focusing on racial justice and faith was

Progress (Continued)

developed and delivered by the Shades lead for clergy and school staff across the diocese. Thirty-four schools, involving 83 delegates had accessed this training to date. Feedback included such statements as 'This was an amazing session and so thought provoking. I will take away a deeper understanding of what anti-racism really means.' 'This training is groundbreaking and needs to be shared far and wide.' Through the work of Spirit Blazers children have considered issues around identity and acceptance. The Leaders Like Us programme, run by CEEO, was advertised across diocesan schools with various Head Teachers volunteering to act as mentors for participants.

Although a consistent approach to Head Teacher recruitment had been established through the Leadership Development Adviser supporting the majority of these recruitment processes we did not have any applicants from Global Majority Heritage apply for the posts advertised.

Impact: Through the Shades programme pupils continued to work on issues around faith and racial justice. We saw growth in the number of Shades groups being established within schools. Several CE secondary schools took up the offer of a free training session, although this was not as widespread as we would have liked. With the recent recruitment of an additional Shades worker we were confident impact will continue to increase.

6. Develop a net zero carbon strategy for the school estate

Ensuring that:

- Opportunities for schools to become more energy efficient are promoted and adopted by maintained schools and academies
- Children and young people are involved in opportunities towards net zero carbon targets
- Resources to promote net zero targets are prioritise

Progress: We continued to promote the use of green materials within School Condition Award (SCA) works. Green grants were provided for schools in support of projects that would develop carbon neutral work. Two applications for Salix funding were submitted. The Capital Buildings Officer continued to attend relevant national meetings to keep abreast of developments in national strategy towards net zero carbon reduction. There was DBE representation at the Diocesan net zero carbon network. The Planet Savers award, recognizing eco focused work in schools continued to be led by children who set the criteria, assessed submissions and made the awards.

Impact: Net Zero carbon and other eco projects remained an issue that concerned many children and young people. For MDBE our impact was predominantly via the management of the school estate. Schools delivered various building projects and initiatives towards net zero carbon. The prospect of a new 'green' school at St Thomas, Leigh in the not-too-distant future was an exciting development. The initial bid to Salix was unsuccessful, although recently £350K has been awarded to further explore

Progress (Continued)

opportunities for further Salix funding for the school estate.

Other Activities

School improvement

MDBE officers continued to meet with local authorities to identify and plan intervention/support in schools as appropriate. Forty-three SIAMs inspections took place between January – December 2024. All schools inspected were deemed to be ‘living up to its foundation as a church school.’

Between January to December 2024 forty-nine Ofsted inspections took place. Thirty were section 5 with the remainder being section 8. Eight schools received Outstanding, thirty-three schools were awarded Good with eight schools receiving a Requires Improvement judgement.

Self-employed Diocesan Schools Advisors were commissioned, on a sessional basis, to support school leadership and management as appropriate to need.

School buildings

The BOE continued to support the management of the school estate following the principles of the DfE Good Estate management for Schools (<https://www.gov.uk/guidance/good-estate-management-for-schools/the-fundamentals-of-good-estate-management>). In the Manchester Diocese the school estate equates to 70+ Voluntary Aided schools and 100+ Voluntary Controlled, Foundation or Academies. During 2023-2024 the Capital Building's Officer managed the School Condition Allowance (SCA) bidding process of the BOE. Work towards applying the Board's Environmental policy was actioned and the majority of our schools now possess a heat decarbonisation plan. The BOE faced issues with RAAC in school buildings however all schools containing RAAC have had mitigation works with 4 schools receiving the news of full school rebuilds.

2024 SCA Programme of works

In liaison with our School Building Consultants, over 60 bids were assessed with 41 projects being approved. These are listed below in summary form at an overall cost of just over £3.5m. Several of the bids not approved as part of the SCA programme were approved with use of DFC. The vast majority of the approved projects are made up of condition work and the list is based on the Board's priorities of ensuring schools remain safe, dry and warm.

2023-24 SCA Programme of works continued

Project Code	School	Works Agreed
M0055	ST MATTHEWS LITTLE LEVER	CLADDING REPLACEMENT
M0070	ST PETERS FARNWORTH	ROOFING WORKS
M0010	ALL SAINTS FARNWORTH	BOILER REPLACEMENT WORKS
M0105	WALMSLEY PARISH	DDA WORKS AND ACCESSIBILITIES
M0070	ST PETERS FARNWORTH	LED LIGHTING REPLACEMENT
M0150	ST MARYS PRESTWICH	KITCHEN WATER BOILER UPGRADE
M0120	EMMANUEL HOLCOMBE	KITCHEN DAMP AND WATER INGRESS
M0145	ST MARYS HAWKSHAW	FIRE ALARM UPGRADE
M0205	ST MARYS MOSTON	BOILER REPLACEMENT WORKS
M0225	SCHOOL OF THE RESURRECTION	ESSENTIAL RE ROOFING WORKS
M0210	ST PHILIPS HULME	PHASE 1 HEATING REPLACEMENT
M0195	ST ANDREWS LEVENSHULME	REPLACEMENT LED LIGHTING
M0242	HOLY CROSS	ROOFING PHASE 2
M0310	ST MATTHEWS CHADDERTON	KS1 ASSEMBLY HALL PITCHED ROOF
M0330	ST THOMAS MOORSIDE	REPLACEMENT ROOF EYFS
M0235	CHRIST CHURCH CHADDERTON	PROVISION OF STAFF WC AND SITE MANAGERS OFFICE
M0325	ST THOMAS LEESFIELD	NEW EYFS WC, KITCHEN AND SEN PROVISION
M0255	ST AGNES KNOLLS LANE	RE-ROOFING FLAT ROOF AREAS
M0295	ST MARTINS FITTON HILL	HALL FLOOR
M0295	ST MARTINS FITTON HILL	ROOFING WORKS PHASE 2
M0290	ST MARGARETS HOLLINWOOD	SAFEGUARDING
M0350	ALL SAINTS HAMER	PHASE 2 HEATING DISTRIBUTION REPLACEMENT
M0375	ST MICHAELS ALKRINGTON	ROOF MAINTENANCE WORKS
M0365	MILNROW PARISH	FLAT ROOF REPLACEMENT WORKS
M0405	ST PAULS CROMPTON STREET	ROOF REPLACEMENT PHASE 2
M0415	ST PHILIPS SALFORD	ACCESIBLE RAMP AND INTERNAL FINISHES
M0400	ST MARKS WORSLEY	ASBESTOS REMOVAL AND FLAT ROOF WORKS
M0425	ST THOMAS HEATON CHAPEL	ACCESSIBLE WC AND TOILET REFURBISHMENT
M0440	HOLY TRINITY AUL	BOUNDARY WALL REPAIRS
M0460	ST STEPHENS AUDENSHAW	CCTV ACCESS CONTROL FIRE ALARM
M0430	CANON BURROWS	KITCHEN FABRIC REPAIRS

2023-24 SCA Programme of works continued

School Code	School	Works Agreed
M0475	ST MICHAELS FLIXTON	BOILER REPLACEMENT
M0470	ST MARYS DAVEYHULME	BOILER REPLACEMENT
M0485	LEIGH S MARYS	EXTENSION TO FORM NEW KS1 NURTURE ROOM
M0522	LEIGH ST PETERS	REPLACEMENT CIELINGS AND DRAINAGE
M0510	ST MICHAELS HOWEBRIDGE	REPLACEMENT SECURITY RAILINGS TO BOUNDARY
M0175	ST ANNES EDGESIDE	BOILER REPLACEMENT
M0120	EMMANUEL HOLCOMBE	RADON GAS WORKS
M0460	ST STEPHENS AUDENSHAW	MODULAR BUIDLING CLADDING REPAIR
M0325	ST THOMAS LEESFIELD	EMERGENCY BOILER WORKS
m0270	ST JAMES EAST CROMPTON	EMERGENCY BOILER WORKS

During 2024 following the resignation of the project lead for ManDio Growing Faith, the management structure was amended so that one of the Assistant Directors has taken on operational lead. By the end of 2024 a full team of deanery enablers had been appointed.

Financial responsibilities

Public benefit

The trustees confirm that they have complied with the duty under section 4 of the Charities Act 2006 to have due regard to the public benefit guidance issued by the Charity Commission.

The charity is constituted in accordance with the Diocesan Boards of Education Measure 2021, it is a body corporate and a Director of Education is appointed as its secretary.

The MDBE's statutory functions are to:

- Promote, or assist in the promotion of education in the Diocese which is consistent with the faith and
- Practice of the Church of England. It does so by sustaining or growing the proportion of CE places in each local authority (there are approximately 64,000 school places in 193 schools).
- Promote, or assist in the promotion of, religious education and collective worship in CE schools in the Diocese. It does this through responding to curriculum developments, advising schools of such, providing an RE scheme for VA schools that academies often choose to also use, hosting RE hub meetings, providing advisory visits to schools by an RE specialist and having diocesan representation on local SACREs.

Financial Responsibilities (continued)

- Advise the governing bodies of CE schools 'on any matter'. It does so by advising the leadership and management of those schools on a range of matters such as academy development.
- Co-operate with local authorities and other bodies. It does so by meeting regularly with eleven local authorities to identify schools needing support and agreeing strategies to support development in said schools.
- In addition, the MDBE supports work with children and youth in parishes and the Diocese as a whole, as well as supporting chaplaincy provision in the three universities. CE schools, colleges, universities and parishes themselves are open to all those who apply and, in some schools and universities, meet the admission criteria. The CE schools in the Diocese meet the needs of all those who attend, without fear or favour, and whether they are of the Christian faith, other faiths or no faith.

Reserves Policy

The reserves held by the MDBE are mostly restricted, held for the provision of support for schools, using the income generated for staffing and running costs, and capital and other grants. They have arisen primarily from the proceeds of former school sites, interest and investment gains thereon and their use is therefore restricted under S554 of the Education Act 1996. In addition, the MDBE has generated other sources of income from its activities, which are unrestricted. These have been used to support the work of the MDBE.

The Statement of Financial Activities (SOFA) for the year shows net income of £101,885 (2023: net resources expended of £92,063) before net gains and losses on the revaluation of investments. The level of restricted reserves at the year-end was £6,780,457 (2023 - £6,596,660) and of unrestricted reserves was £775,400 (2023 – £714,952). The MDBE has a policy to maintain at least three months' revenue commitment as a working reserve. At the year-end unrestricted reserves were £775,400, which equates to just under twelve-months expenditure. The Trustees are consequently satisfied that an appropriate level of unrestricted reserves are held. The company holds fixed asset investment within restricted funds. The unlisted investments provide investment income. As these are restricted funds, these are not included within the general unrestricted funds.

The Financial Statement illustrated a surplus (before Investment gains) of £101,885. There has been an unrealised gain on Investments of £142,360 making the company's overall position a net surplus of £244,245. The total Reserves on 31 December 2024 now stand at £7.556m (2023: 7.312m).

Financial Responsibilities (continued)

Going Concern

We have made an assessment of the Charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were approved for release.

Having performed our assessment we were able to conclude that the Charity is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis.

In making our assessment we did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the Charity's ability to continue as a going concern.

Investment policy

In accordance with the Memorandum and Articles of Association, the Trustees have the power to invest funds not immediately required in such investment securities or property as may be thought fit by them. The MDBE holds long term surplus funds, which are invested in a broadly based ethical investment fund, and this is currently through the DBF Investment Fund, managed by CCLA. The bid value of these investments increased by 2.29% (2023: increased by 9.4%) Dividends receivable amounted to £173,424 (2023: £170,012) – a yield of 2.73% (2023: 2.99%).

Taxation

The MDBE is a Registered Charity (No. 530002) and as such is not liable to UK Corporation Tax on its charitable activities.

The Trustees have prepared this report in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Structure and Governance

Member Recruitment, Induction and Training

1. The MDBE is governed by the Diocesan Boards of Education Measure 1991 and subsequent 2021 Measure, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011.

Structure and Governance (continued)

2. Members of the Board are appointed or elected within the terms of the Manchester Board of Education Order 2011, i.e. either by (a) the Diocesan Bishop or (b) the Diocesan Synod for Archdeaconry members or (c) the MDBE itself, using the relevant power of co-option. Elections are held each Synod triennial period.
3. The roles and responsibilities of Trustees are described and explained at the first meeting of a new board in a specific induction programme. In addition, further training of Trustees is arranged in relation to education policy development.
4. Members who serve on specific sub-committees and working parties are given training and briefing in these areas e.g. the short-life Investment Sub-Committee, but many are already expert in these fields and selected for this reason.
5. The MDBE itself is responsible for policy decisions and statutory functions in relation to Church of England schools, and monitoring and evaluation of its policies and purposes. The Director of Education published the statutory Annual Review and Report to Diocesan Synod in October 2024.
6. The membership of the MDBE during the period from 1 January 2024 to date of this report is as follows:

Chair: Rt Revd M Davies, Bishop of Middleton

Ex Officio: Rt Revd D S Walker, Bishop of Manchester

Company Secretary: Deborah Smith

Appointed by Bishop

The Rt Revd M Davies

Ms Hilary Henderson

Co-opted Members

Mrs Karen Sudworth

Mr Gareth Ellswood

Mr Eliot Costa-Walker

Mrs Razia Shar – Resigned 17th December 2024

Manchester Archdeaconry

Clergy: Rev'd George Reeves – Resigned 17th December 2024

Rev'd Paul Hutchins – Appointed 17th December 2024

Lay: Canon Dr Addy Lazz-Onyenobi

Structure and Governance (continued)

Bolton Archdeaconry:

Clergy: Revd Adele McKie

Lay: Mr L Yarwood – Resigned 17th December 2024

Canon Jill Pilling – Appointed 17th December 2024

Rochdale Archdeaconry:

Clergy: Revd Jennifer Beaumont – Resigned 19th October 2024

Revd Kirsty Screeton – Appointed 12th November 2024

Lay: Mr Richard Lait – Resigned 12th November 2024

Ms Kathryn Hampson – Appointed 12th November 2024

Salford Archdeaconry:

Clergy: Revd Karen Owen

Lay: Mr Tim Delves – Resigned 12th November 2024

Mr Iain Hodcroft – Appointed 12th November 2024

The following Terms of Reference are agreed for the sub-committees of the Board:

Finance and General Purposes

Membership to include Chair/vice chair of BOE, 2 BOE members and 2 co-opted members

Meetings will be 3 times per year

To scrutinise the financial management of the board through:

- Approving annual budget
- Oversight of management accounts including income and expenditure
- Reviewing reserves and investments
- Agreeing Service Level Agreement contributions

To support human resource management through:

- Receiving staffing reports
- Approving changes to staffing as appropriate

To support estate management through:

- Approval of estate management priorities, associated costs annually including grants to governors towards contributions

Structure and Governance (continued)

- Receiving annual updates on academy estate management
- Approval of the arrangements for the disposal of redundant school properties

Schools Committee

Membership to include Chair of DBE, 2 BOE members and 2 co-opted members

Meetings will be 3 times per year

To promote church schools and receive advice on:

- Appointment of Multi-Academy Trust leaders in CE Multi Academy Trusts, Head Teachers, deputy Head Teachers, in CE schools
- School performance and support, specifically those categorised by Ofsted as below Good
- Appointment of governors to CE schools including information regarding training to support the distinctive Christian nature of CE schools
- Training and development of school leaders related to Religious Education and distinctive Christian character of CE schools
- Support provided to further develop church/school relationships
- Support provided for school organisation
- Support for school admissions
- Ofsted and SIAMS outcomes

The MDBE holds an Academies Committee to consider applications from CE schools for consent to apply for an Academy Order (Academy Act 2010 S 3 iv) or consent to amend the Articles of Association of an existing academy.

Academy Committee

Quorum of 3 members to include Chair/Vice Chair of BOE. Other 2 members will be either members of the BOE or Schools Committee

Meetings will be 3 times a year directly following BOE meetings. Further meetings will be arranged as necessary

To consider and resolve matters relating to:

- Application by a CE school to apply for conversion to academy status

Structure and Governance (continued)

Related Parties

Manchester Diocesan Board of Finance is a Charitable Company limited by guarantee, situated at St John's House, 155-163 The Rock, Bury BL9 0ND. The charity is connected to MDBE by virtue of the fact that the Manchester Diocesan Synod has the power to appoint the majority of the Committee of Management, constituting the Board of Directors for each charity.

The policies and activities of MDBE, within the framework of the Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011, reflect and contribute to the vision and mission of Manchester Diocese which is to be a worshipping, growing and transforming Christian presence at the heart of every community.

MDBE is a shareholder in the trading company, DBE Services Ltd, situated at DBE Services,

Clayton House, Walker Industrial Estate, Walker Road, Guide, Blackburn, BB1 2QE.

MDBE's accommodation is provided by Manchester Diocesan Board of Finance, for which a rent is levied for use of building and services.

Higher Education

The work of the MDBE in relation to higher education is performed by chaplains based at the Universities OF Salford and Bolton. The chaplains also contribute to the BOE's annual report to Synod.

Custodian trusteeship

MDBE holds, as Custodian Trustee, for a number of Parochial and school funds, investments and bank deposits with an aggregate market value of £6,079,455 (2023 - £6,812,525) which are not included in the Statement of Financial Position. This includes monies from the Department for Education, which are held in individual accounts for schools for their building works. These investments are held on behalf of schools and parishes whose charitable purposes are similar to those of the MDBE. These assets are held securely and separately from those of the MDBE that is responsible for their safe custody.

Structure and Governance (continued)

Charity Governance Code

The Charity Governance Code was published to help charities and their trustees develop high standards of governance. The code sets out seven principles and recommended practice. Below are the seven principles with an explanation of how MDBE operates against these principles:

Organisational purpose

The organisational purpose of MDBE is clearly defined in statute and policy decisions made over time. It has identified clear aims under such duties and policies and measures outcomes against those aims. It has a strategic plan and works from a balanced budget with a consistent history of providing a secure financial platform for its operations.

Leadership

The Board provides effective strategic leadership in order to fulfil the purpose of the company and meet its objectives. Its remuneration policy is determined by the employer of officer, the MDBF.

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Integrity

The Board acts with the integrity expected of the charity. Conflicts of interest are declared annually and before each meeting, and gifts and hospitality are recorded.

Decision-making, risk and control

Decisions of the Board are clearly articulated in papers and minutes, and counted votes where necessary. The Board receives a termly risk register and mitigation and control of risks are monitored. Board papers and minutes report movement in the risk register.

The Board does not have an Audit Committee, but it does have a Finance and General Purposes Committee which is separately chaired and meets in tandem with the Board.

Board membership combines representative interests with an appropriate skill mix at both Governing Body and sub-Committee levels.

Structure and Governance (continued)

Board effectiveness

The Board membership combines experience, new and renewed membership. It was 'modernised' through the Manchester DBE Order in August 2011 when membership numbers were reduced from a potential 32 to 12. Sub-committee structures are slim and terms of reference are clear. Meetings are scheduled for the triennium with clear rules about the timing of distribution of papers and minutes. The Board accesses legal, financial and HR services, and financial colleagues form the DBF report to, and attend, relevant meetings.

Diversity

The Board includes members who are from different ethnic and gender backgrounds. Reasonable expenses are paid on an equitable basis to all who attend.

Openness and accountability

The Directors' Report includes a statement of public benefit. Its Minutes are scrutinised by the Bishop's Council. Remuneration details of senior employees are detailed within Note 16 of the 'Notes to the Accounts'.

Principle Risks and Uncertainties

The Trustees have assessed the major risks to which the charity is exposed, in particular, those related to the operations and finances of the MDBE and are satisfied that systems are in place to mitigate exposure to the major risks. A risk register has been a standard agenda item at all MDBE meetings since 2008, with the main ones detailed below:

- 'Academy risks' - of being 'caught-out' by a rush of sponsorships. The risk attached to those academies which we do sponsor remains high and has potentially the highest level of impact.
- A potential financial risk is an impact on income from investment which is factored into our financial risk. There is a minimal employment risk in relation to our schools' workforce.

Structure and Governance (continued)

- There is a reducing risk that the MDBE will not be strategically prepared for any rush of applications for academy status, or that the MDBE is 'forced' to sponsor unsuccessful schools which would subsequently fail. This risk has been reduced, partly owing to the MDBE's clear policy of requesting our existing high-performing academies to take on this role.

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 MDBE. All staff are employed by the MDBF and staff costs recharged to MDBE. The MDBF Staffing Committee acts on behalf of the Trustees on employment practice and development of human resources. The Committee reviews salaries in the MDBF and MDBE, and approves recommendations for salaries in relation to new posts or regrading of posts. The MDBF has a grading structure with 8 pay bands, within each pay band there are 3 increment points. Posts are allocated a grade with increments or a spot grade; some posts span two grades. The MDBF tracks market rates and occasionally takes part in national benchmarking data collection with other Diocese.

Trustee Responsibility for Financial Management

The Trustees are responsible for preparing the Annual Report including the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

Structure and Governance (continued)

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of Information to the Auditors

So far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

In preparing the Trustees' Report, advantage has been taken of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the Board on and signed on its behalf by



MARK DAVIES

Director

Date: 24th June 2025

Independent Auditor's Report to members of MANCHESTER DIOCESAN BOARD OF EDUCATION

Opinion on the financial statements

We have audited the financial statements of The Manchester Diocesan Board of Education for the year ended 31 December 2024 which comprise the Consolidated and Company Statements of Financial Activities, Consolidated and Company Statement of Financial Positions, Consolidated 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 group's and of the parent charitable company's affairs as at 31 December 2024 and of the group's and parent 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

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

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

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

Other information

The 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.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' 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 group and the parent 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 parent charitable company; or
- the parent 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.

Responsibilities of Trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 group or the parent 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.

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 safeguarding vulnerable beneficiaries, health and safety, and employment (including taxation), 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, the Charities Act 2011, Church of England Measures and VAT law.

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 fund accounting, including transfers between funds, and 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;
- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Testing transfers between funds; and
- Cut-off testing in respect of revenue.

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

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

Use of our report

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



Adam Halsey (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, statutory auditor
10 Queen Street Place, London, EC4R 1AG

Date: 4 September 2025

Hays Mac LLP is a limited liability partnership registered in England and Wales (with registered number OC423459).

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure account)
For the year ended 31 December 2024

		Unrestricted Funds 2024	Restricted Funds 2024	Total Funds 2024	Total Funds 2023
	Note	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and Legacies	2	25,233	140,000	165,233	237,714
Income from Charitable Activities	3	319,026		319,026	282,329
Other Trading Activities	4	-	41,000	41,000	41,000
Income from Investments	5	-	278,386	278,386	223,625
TOTAL INCOME AND ENDOWMENTS		344,259	459,386	803,645	784,668
EXPENDITURE ON					
Charitable Activities	6	283,811	417,949	701,760	692,605
TOTAL EXPENDITURE		283,811	417,949	701,760	692,605
NET INCOME/(EXPENDITURE) BEFORE NET GAINS ON INVESTMENTS		60,448	41,437	101,885	92,063
Net gain/(loss) on investments	8	-	142,360	142,360	539,119
NET INCOME		60,448	183,797	244,245	631,182
NET MOVEMENT IN FUNDS		60,448	183,797	244,245	631,182
Balance brought forward 1 January	13	714,952	6,596,660	7,311,612	6,680,430
Balance carried forward 31 December	13	775,400	6,780,457	7,555,857	7,311,612

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

All incoming resources and resources expended are derived from continuing activities.

The notes on pages 30 to 45 form part of these financial statements.

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2024

STATEMENT OF FINANCIAL POSITION As At 31 December 2024

	Note	2024 £	2024 £	2023 £	2023 £
NON-CURRENT ASSETS					
Tangible Assets	7		1		1
Investments	8		6,362,109		6,219,749
			<u>6,362,110</u>		<u>6,219,750</u>
CURRENT ASSETS					
Debtors	9	207,819		176,586	
Cash at Bank and in hand		1,315,972		1,224,613	
Closed School Bank Deposits	10	1,047,958		1,032,981	
Proceeds from sale of Kestor Street		243,856		-	
		<u>2,815,605</u>		<u>2,434,180</u>	
CURRENT LIABILITIES					
Amounts falling due within one year	11	(1,621,858)		(1,342,318)	
NET CURRENT ASSETS					
			<u>1,193,747</u>		<u>1,091,862</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			7,555,857		7,311,612
	12&13		<u>7,555,857</u>		<u>7,311,612</u>
CAPITAL AND ACCUMULATED FUNDS					
Unrestricted funds			775,400		714,952
Restricted funds			6,780,457		6,596,660
	12&13		<u>7,555,857</u>		<u>7,311,612</u>

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

The notes on pages 30 to 45 form part of these financial statements.

Approved by the Board and signed on its behalf on 24th June 2025 by:



MARK DAVIES
Bishop of Middleton – Chairman



DEBORAH SMITH
Diocesan Director of Education and Company Secretary

CASH FLOW STATEMENT

For the year ended 31 December 2024

	2024 £	2023 £
Net Income for the reporting period (as per the statement of financial activities)	101,885	92,063
Dividends, interest from investments	(278,386)	(223,625)
Decrease / (Increase) in debtors	(31,233)	(5,007)
Increase / (Decrease) in creditors	279,541	(91,578)
Net cash (used in) operating activities	71,807	(228,147)
Cash flows from investing activities:		
Dividends and interest from investments	278,386	223,625
Proceeds from sale of investments	-	-
Net cash provided by investing activities	278,386	223,625
	350,193	(4,522)
Cash flows from financing activities:	-	-
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the reporting period	350,193	(4,522)
Cash and cash equivalents at the beginning of the reporting period	2,257,594	2,262,116
Cash and cash equivalents at the end of the reporting period	2,607,787	2,257,594

Cash and cash equivalents includes both Cash at bank and in hand and Closed school bank deposits. See accounting policy 1(e) for an explanation of the closed school bank deposits.

The notes on pages 30 to 45 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102 2nd edition), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

(b) Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income, other than interest arising from the sale proceeds of closed school sites, is included in incoming resources when receivable. Interest that is earned on the sale proceeds of closed school sites is recognised when the relevant sales proceeds are determined. Details of the sales proceeds and accumulated interest on sites awaiting determination are given in note 10 to the accounts.

(c) Resources expended

Resources expended include all expenditure directly related to the objects of the charity (in accordance with SORP 2019) inclusive of any VAT, which cannot be recovered. Grants to schools are considered on the facts of each individual case dependent on the availability of funds at the time. Costs arising from the organisation and running of the charity rather than its charitable objects are shown as governance costs.

(d) Uncapitalised Non-Current Assets

School sites and buildings for the 191 Diocesan schools are included on the Statement of Financial Position at an aggregate nominal value of £1. Additions by the Manchester Diocesan Board of Education to the existing school sites and buildings are written off in the income and expenditure account in the year in which they are incurred. The Manchester Diocesan Board of Education hold the majority of sites only as Trustees for continuing education in the appropriate parish and the Board does not have an absolute title. Sale proceeds will only arise in the event of the Secretary of State for Education agreeing to the closure of a school. The accounting policy in relation to closed school sites is as stated below. In view of the above, it is considered prudent not to include valuations for existing school sites as Non-current assets of this Board.

(e) Closed school sites

Sales proceeds of closed school sites and buildings attributable to the Manchester Diocesan Board of Education (once the correct legal destination of the proceeds has been resolved) are shown in the Statement of Financial Activities on page 28. Until such time as the Board has received the appropriate statutory approvals, proceeds are included in the Statement of Financial Position as a liability (note 10). Only a portion of the sales proceeds will accrue to the Manchester Diocesan Board of Education in due course and it is not possible to predict the value of such proceeds.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

(f) Staff pensions

The Board of Education previously contributed to the Church of England Defined Benefits Scheme (DBS) for staff that is administered through the Manchester Diocesan Board of Finance. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme, which are attributable to the Board. Therefore, in accordance with FRS 102, payments to the scheme are accounted for as for defined contribution schemes and the Board accounts for pension costs based on contributions payable to the scheme in the year. Details of the scheme are given in note 18 to the accounts. The contributions due for the year are disclosed in note 15.

(g) Investments

Investments are shown at their bid value on the date of the Statement of Financial Position. Investments held by the Board as custodian trustee are not included in these accounts (see note 19).

(h) Agency arrangements (Maintenance Scheme Accounts Receivable and Payable)

The charity acts as agent in the collection of grants from government, local authorities and other funds, and payment of approved invoices for school building projects on behalf of certain Church of England schools in the diocese. This income and expenditure is excluded from the income and expenditure of the charity and any balances due from or held on behalf of schools are shown within Accounts Receivable and Payable.

(i) Fund accounting

Funds held by the company are either:

Restricted funds - Funds which may only be used for specific purposes imposed by the settler, donor or legislation.

Unrestricted funds - Funds which may be used for general purposes without any external restriction.

(j) **Legal Status of the Trust** – The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

(k) **Investment in DBE Services** - The MDBE owns 16.7% of the ordinary share capital of DBE Services Ltd and is included at cost. Any surplus share is accounted for in the year it is received.

(l) **Judgements in applying accounting policies and key sources of estimation uncertainty** - In preparing these financial statements the directors have made judgements where appropriate. There are no further material judgements.

(m) **Going Concern** - We have made an assessment of the Charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were approved for release. Having performed our assessment, we were able to conclude that the Charity is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis. In making our assessment we did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the Charity's ability to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

- (n) **Allocation of Support costs** - As explained in the Annual Report, the MDBE supports Church of England schools in the diocese in a wide range of ways including assisting with building projects, supporting and training governors, and promoting religious education more widely. The allocation between activities fluctuates as necessary. In addition, the Board operates with a small staff and as a result does not consider that keeping formal records of the allocation of support costs between activities would provide significant useful information.
- (o) **Funds held as custodian trustee** - MDBE holds, as Custodian Trustee, for a number of Parochial and school funds, investments and bank deposits, which are not included in the Statement of Financial Position. This includes monies from the Department for Education, which are held in individual accounts for schools for their building works. These investments are held on behalf of schools and parishes whose charitable purposes are similar to those of the DBE. These assets are held securely and separately from those of the Board that is responsible for their safe custody.
- (p) **Financial Instruments** - Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other Receivable 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.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

COMPANY INCOMING RESOURCES – COMPRISING NOTES 2 – 5

		2024 Unrestricted Funds £	2024 Restricted Funds £	2024 Total Funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	2	25,233	140,000	165,233
Income from charitable activities	3	319,026	-	319,026
Other trading activities	4	-	41,000	41,000
Income from investments	5	-	278,386	278,386
TOTAL		344,259	459,386	803,645

		2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	2	97,714	140,000	237,714
Income from charitable activities	3	282,329	-	282,329
Other trading activities	4	-	41,000	41,000
Income from investments	5	-	223,625	223,625
TOTAL		380,043	404,625	784,668

2. DONATIONS AND LEGACIES

	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
Manchester Diocese Synod Funding	-	140,000	140,000	140,000
DBE Services Ltd	25,233		25,233	97,714
TOTAL	25,233	140,000	165,233	237,714

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
RE and other training income	307,568	-	307,568	274,468
Grants received	-	-	-	1,000
Other income	11,458	-	11,458	6,861
TOTAL	319,026	-	319,026	282,329

4. OTHER TRADING ACTIVITIES

	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
Rents received	-	41,000	41,000	41,000

5. INVESTMENT INCOME

	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
Income from investments				
Unquoted	-	173,424	173,424	170,012
Stelfox Trust Income	-	25,547	25,547	25,045
Realised Gain on Investments	-	-	-	-
Interest receivable				
Bank and CBF interest	-	79,415	79,415	28,568
TOTAL	-	278,386	278,386	223,625

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

COMPANY EXPENDITURE – COMPRISING NOTE 6

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £
EXPENDITURE ON			
Charitable Activities	283,811	417,949	701,760
TOTAL	283,811	417,949	701,760
	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
EXPENDITURE ON			
Charitable Activities	283,326	409,279	692,605
TOTAL	283,326	409,279	692,605

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

6. CHARITABLE EXPENDITURE

	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
(a) Grants (note 17)				
Building grants to schools	-	-	-	-
TOTAL	-	-	-	-
	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
(b) Other expenditure				
<i>i.</i> to provide a service:				
Staff salaries, pensions and sub-contractors	169,957	297,678	467,635	399,872
<i>ii.</i> for costs:				
Legal and professional services for school building and sites	6,852	21,000	27,852	1,515
<i>iii.</i> Other overheads	100,680	93,405	194,085	279,952
<i>iv.</i> Provision against doubtful debts	-	-	-	-
<i>v.</i> Christian Leadership expenditure	-	-	-	-
<i>vi.</i> Audit Fees	6,322	5,866	12,188	11,266
	283,811	417,949	701,760	692,605
TOTAL	283,811	417,949	701,760	692,605

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £
(a) Grants (note 17)			
Building grants to schools	-	-	-
TOTAL	-	-	-

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £
(b) Other expenditure			
<i>i.</i> to provide a service:			
Staff salaries, pensions and sub-contractors	153,199	246,673	399,872
<i>ii.</i> for costs:			
Legal and professional services for school building and sites	893	622	1,515
<i>iii.</i> Other overheads	122,592	157,360	279,952
<i>iv.</i> Provision against doubtful debts	-	-	-
<i>v.</i> Christian Leadership expenditure	-	-	-
<i>vi.</i> Audit Fees	6,642	4,624	11,266
	283,326	409,279	692,605
TOTAL	283,326	409,279	692,605

Support costs

Included within the above expenditure are the following support costs:

	2024 £	2023 £
<i>i.</i> Staff salaries, pensions and sub-contractors	133,593	124,475
<i>ii.</i> Legal and professional services for school building and sites	13,209	7,417
<i>iii.</i> Other overheads	66,666	56,241
<i>v.</i> Christian Leadership expenditure	-	-
<i>vi.</i> Audit Fees	12,188	11,265
TOTAL	225,656	199,398

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

7. FREEHOLD AND LONG LEASEHOLD LAND AND BUILDINGS

	2024 £	2023 £
School sites and buildings at nominal value	1	1

Note that there were no capital commitments authorised or contracted for at 31 December 2024 (2023: £nil).

8. INVESTMENTS

	Number	2024 £	Number	2023 £
CBF Investment Fund Shares				
Shares at bid value brought forward	275,145	6,219,737	275,145	5,680,618
Disposal proceeds				-
Unrealised investment gains		142,360		539,119
		<u>6,362,097</u>		<u>6,219,737</u>
Bid value 31 December				
	<u>275,145</u>		<u>275,145</u>	
Historical cost at 31 December		(888,193)		(888,193)
Excess of bid value over cost to date		<u>5,473,904</u>		<u>5,331,544</u>
Investment in DBE Services Ltd		12		12
Total		<u>6,362,109</u>		<u>6,219,749</u>

In 2005 the company purchased twelve ordinary shares of £1 each (a 16.7% shareholding) in DBE Services Ltd. DBE Services Ltd was set up to provide services to schools. This company started to trade on 1 January 2006.

	2024 £	2023 £
The trading activities were:		
Turnover	3,100,897	2,622,339
Cost of Sales, administrative expenses and interest received	(2,008,990)	(2,136,381)
Surplus	<u>1,091,907</u>	<u>485,958</u>
MDBE Share of Surplus (*)	<u>25,233</u>	<u>97,714</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

The MDBE received fees for work done by its staff for DBE Services Ltd of £nil (2023: £nil).

The shares may not be disposed of or charged except in accordance with the provisions of the Shareholders' Agreement.

* Distributable profits attributable to the work done for relevant schools are to be distributed in the proportions to which they arise from the work done for the relevant schools for each shareholder and the remaining distributable profits shall be divided equally between the shareholders.

9. CURRENT DEBTORS

	2024	2023
	£	£
School selling expenses recoverable from future sale proceeds	100,239	100,239
Prepayments and accrued income falling due within one year	88,245	54,955
Other debtors	19,335	21,392
TOTAL	207,819	176,586

10. CLOSED SCHOOL BANK DEPOSITS

	2024	2023
	£	£
Closed school account balances pending determination	1,043,638	1,028,722
Closed school account balances – MDBE Asset	4,320	4,259
TOTAL	1,047,958	1,032,981
Reconciliation of closed school balances:-		
Capital proceeds	702,649	702,648
Accumulated interest	530,989	516,074
Total current liabilities (note 11)	1,233,638	1,218,722
Less funds used for increased working capital	(190,000)	(190,000)
Add closed school account balances – MDBE Asset	4,320	4,259
TOTAL	1,047,958	1,032,981

The closed school balances have arisen primarily from the proceeds of former school sites, interest and investment gains thereon and their use is therefore restricted under S554 of the Education Act 1996.

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

11. CURRENT LIABILITIES

	2024 £	2023 £
General creditors and accruals	96,609	78,390
The Manchester Diocesan Association Church Schools	(1)	(1)
Closed schools - monies held pending determination - (note 10):		
Capital proceeds	702,649	702,649
Accumulated interest	530,989	516,073
Manchester Diocesan Board of Finance	47,131	44,374
HMRC VAT	625	833
Proceeds From Sale of Kestor Street	243,856	-
TOTAL	1,621,858	1,342,318

12. RESERVES

	1 Jan 24 £	Incoming resources £	Resources expended £	Gains/ (Losses) on investments £	31 Dec 24 £
Restricted funds					
For Schools	6,596,660	319,386	(277,949)	142,360	6,780,457
From Synod	-	140,000	(140,000)	-	-
	6,596,660	459,386	(417,949)	142,360	6,780,457
Unrestricted funds					
General	714,952	344,259	(283,811)	-	775,400
TOTAL	7,311,612	803,645	(701,760)	142,360	7,555,857

	1 Jan 23 £	Incoming resources £	Resources expended £	Gains/ (Losses) on investments £	31 Dec 23 £
Restricted funds					
For Schools	6,062,195	264,625	(269,279)	539,119	6,596,660
From Synod	-	140,000	(140,000)	-	-
	6,062,195	404,625	(409,279)	539,119	6,596,660
Unrestricted funds					
General	618,235	380,043	(283,326)	-	714,952
TOTAL	6,680,430	784,668	(692,605)	539,119	7,311,612

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Restricted funds

The restricted funds are held for the provision of support for schools, using the income generated for staffing and running costs, and capital and other grants. They have arisen primarily from the proceeds of former school sites, interest and investment gains thereon and their use is restricted under S554 of the Education Act 1996.

13. ANALYSIS OF 2024 NET ASSETS

	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £
Tangible assets and Investments	-	6,362,110	6,362,110
Net current assets	775,400	418,347	1,193,747
Long Term Liabilities	-	-	-
TOTAL	775,400	6,780,457	7,555,857

ANALYSIS OF 2023 NET ASSETS

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £
Tangible assets and Investments	-	6,219,750	6,219,750
Net current assets	714,952	376,910	1,091,862
Long Term Liabilities	-	-	-
TOTAL	714,952	6,596,660	7,311,612

14. NET INCOMING RESOURCES

	2024 £	2023 £
This is stated after charging:		
Auditors' remuneration:		
External audit	12,120	11,265
and after crediting:		
Rental income	41,000	41,000

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

15. STAFF COSTS

All employee costs are recharged from the Diocesan Board of Finance (see note 18).

	2024 £	2023 £
Salaries	374,057	319,862
Social security costs	39,598	33,588
Pension costs	53,980	46,422
TOTAL	467,635	399,872

The average weekly number of employees during the year was made up as follows:

Office and General Management employees	10	10
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Note that the Directors of the MDBE receive no remuneration or reimbursed expenses for their services as directors. There was 1 employee with total emoluments above £60,000 in 2024 (2023: 1 employee).

EMPLOYEE DETAILS

Employees receiving remuneration in excess of £60,000 are analysed as follows:

	2024 No.	2023 No.
£60,000 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£100,000 - £110,000	-	-
	2024 £	2023 £
Pension contributions to Pension Builder defined benefit scheme	15,329	13,595

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

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 MDBE. During 2024 they were:

Deborah Smith – Director of Education and Company Secretary to the Board

Susie Mapledoram – Assistant Director/Youth Work Officer

Terry Hart - Assistant Director/RE and Christian Distinctiveness Adviser

Louise Morley/ Assistant Director/ Leadership Development Adviser (Effective from 1st August 2024)

Remuneration and pensions for these 4 employees (2023: 3 employees) amounted to £292,651 (2023: £199,711).

16. BUILDING GRANTS TO SCHOOLS

	2024 £	2024 £	2023 £	2023 £
Reconciliation of building grants payable:				
Commitments as at 1 January		-		-
Commitments made in the year			-	
Grants reclaimed in the year	-		-	
Grants payable for the year		-		-
Grants paid during the year		-		-
Building grant commitments at 31 December		-		-

Grants, having been previously approved by the Finance & General-Purpose Committee, are debited to the School Building fund at the time of approval.

There were no grant was awarded in 2024 (2023: Nil). All the grants were credited to schools in the Diocese of Manchester. A full list of individual grants is available on request from the Company Secretary at the Registered Office.

17. RELATED PARTY TRANSACTIONS

Manchester Diocesan Board of Finance

Manchester Diocesan Board of Finance is a Charitable Company limited by guarantee, situated at 155-163 St John's House, The Rock Bury BL9 0ND. The charity is connected to Manchester Diocesan Board of Education by virtue of the fact that Manchester Diocesan Synod has the power to appoint the majority of the Committee of Management, constituting the Board of Directors, for each charity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

For the year ended 31 December 2024, the Manchester Board of Finance ("MDBF") made a budget transfer to the MDBE of £140,000 (2023: £140,000), representing the Synod funding of non-schools work of the Board of Education. Dividend income from the Stelfox Trust of £25,547 (2023: £25,045) was also paid to the MDBE via the MDBF. During the year MDBF incurred costs on behalf of, and subsequently recharged to, the MDBE costs of £585,697 (2023: £519,390) comprising:

	2024	2023
	£	£
Staff costs	467,635	399,872
Central services	42,000	42,000
Accommodation and support cost	76,062	77,518
Total	585,697	519,390

DBE Services

MDBE owns 16.7% of the ordinary share capital of DBE Services Ltd, an entity which commenced trading on 1 January 2006. The company undertakes support work across six northern dioceses. During the year Manchester Diocesan Board of Education received donations totalling £25,233 (2023: £97,714). The Right Reverend Mark Davies served as a Director at DBE Services Limited during 2024.

Trustees

No Trustees (2024: Nil) were reimbursed for travel expenses during the year. During the year, there was £nil paid to Trustees for advice to School Governing Bodies and in relation to projects (2023: £nil).

18. PENSIONS

As the staff are employed by the Manchester Diocesan Board of Finance and recharged to the Manchester Diocesan Board of Education, any pension surplus / deficit is included within the MDBF financial statements.

19. CUSTODIAN HOLDINGS

Manchester Diocesan Board of Education holds, as Custodian Trustee, for a number of Parochial and school funds, investments and bank deposits with an aggregate bid value of £6,079,455 (2023 - £6,812,525), which are not included in the Statement of Financial Position. This includes monies from the Department for Education, which are held in individual accounts for schools for their building works. These investments are held on behalf of schools and parishes whose charitable purposes are similar to those of the MDBE. These assets are held securely and separately from those of the MDBE, which is responsible for their safe custody.

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2024

20. SCHOOL BUILDING & IT PROJECTS

The Manchester Diocesan Board of Education assists diocesan voluntary aided schools with the administration of funding for school building projects and the provision of IT equipment. The MDBE acts as the agent of school governing bodies in receiving funding from the Department for Education, local authorities and other funding sources and settling and matching it with the contractors' costs and professional fees. This activity of the MDBE is not reflected in the Statement of Financial Activities as the transactions are those of the school governing bodies rather than the MDBE. Total expenditure on school building projects and IT equipment during the year was £6,754,254 (2023: 5,184,250).

Accounts



THE CHURCH
OF ENGLAND
Diocese of Manchester

CHURCH
FOR A
DIFFERENT
WORLD

MANCHESTER DIOCESAN BOARD OF
EDUCATION
FINANCIAL STATEMENTS FOR THE YEAR
ENDED
31 DECEMBER 2023

*Company No. 00618201– Registered Charity
No. 530002*

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ORGANISATION AND ADMINISTRATION DETAILS

CHAIRMAN	The Right Reverend M Davies
SECRETARY	Deborah Smith
BISHOP OF MANCHESTER	The Right Reverend David Walker
DIRECTORS	The Directors are the members of the Board of Education Details of Board members are given on page 14
REGISTERED OFFICE	St John's House, 155-163 The Rock, Bury BL9 0ND Telephone: 0161 828 1400 Email: ManchesterDBE@manchester.anglican.org
PRINCIPAL OFFICER	Deborah Smith (Director of Education)
BANKERS	Royal Bank of Scotland plc St Ann Street Manchester M60 2SS
AUDITORS	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
SOLICITORS	D M Myers LLB (Hons) Diocesan Registry St John House 155-163 The Rock Bury BL9 0ND
INVESTMENT ADVISORS	CCLA Investment Management Ltd One Angel Lane London EC4R 3AB
CONSTITUTION	Manchester Diocesan Board of Education is a Company Limited by Guarantee Registered in England Number 00618201 Registered Charity Number 530002

The Charity is bound by its Memorandum and Articles of Association and by the statutory duties of the Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011.

MISSION STATEMENT

1. Principal Activity

The principal activity of the Manchester Diocesan Board of Education ("MDBE") is to fulfil its statutory duties to:

- promote education in the Diocese of Manchester which is consistent with the faith and practice of the Church of England;
- to promote religious education and religious worship in schools in the Diocese;
- to promote church schools in the Diocese and advise governors on any matters;
- to promote co-operation between the Board and other bodies; and
- to advise on the maintenance, improvement and extension of school buildings in Voluntary Aided schools and give permission.

The MDBE advises on the appointment of senior leaders in church schools; it arranges statutory inspections of the Christian distinctiveness of church schools; and it considers giving consent to church schools that wish apply for Academy Orders.

The MDBE is also responsible for the promotion and development of Christian education in parishes, and Christian chaplaincy in institutions of Higher Education.

2. Aims

The aim of the MDBE is to fulfil its statutory duties within the resources available.

The MDBE is a very significant part of the mission of the church in the Diocese of Manchester. The principal aim of the MDBE's work is 'To enable children and young people to encounter the Christian gospel and to grow in faith, through providing for their Christian education and nurture in schools, parishes and other settings'.

The MDBE provides the expertise for the whole Diocese to draw on in relation to:

- mission and evangelism with children and young people;
- faith development;
- religious education in both formal and informal settings;
- spiritual development of children and young people; And
- initiation into the worshipping community.

LEGAL OBJECTS

The legal objects of the company as set out in the Memorandum and Articles of Association are as follows:

1. To be the Diocesan Board of Education for the Diocese of Manchester as at present constituted or as hereafter it may be constituted, and to exercise and perform within that Diocese the rights, functions, powers, duties and obligations given to or imposed upon a Diocesan Board of Education by the Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011, or any Measure passed by the General Synod of the Church of England or Act of Parliament amending or replacing the same or for the purposes of any Measure passed by the said Synod or Act of Parliament for which the Diocesan Conference may appoint the Board to act.

Legal Objects (continued)

2. To act as Trustees in respect of any land stocks shares funds and securities held in trust for or belonging to any educational foundations or any other charitable foundations having objects which may be similar to or within the scope of the objects of the Board and to do such acts and things as may be necessary or expedient to be done in relation thereto under or by virtue of any scheme or schemes or Trust Deed or Trust Deeds affecting the same.

TRUSTEES' REPORT

Vision and Strategy

The vision of the Diocese of Manchester is to be a worshipping, growing and transforming Christian presence at the heart of every community. Church schools are central to this vision as they seek to be places where Christian values and practices are at the centre of all that happens there. The Manchester Diocesan Board of Education (MDBE) fully supports this vision through its work with Church schools, across the diverse landscape of Greater Manchester and Rossendale.

The vision has three fundamental principles; growing, nurturing and serving, as we strive every day in our local ministry to be a Church for a Different World. MDBE works in partnership with 191 CE schools and diocesan churches to enact and support these principles.

Growing: MDBE grows and cultivates healthy relationships with staff and governors across the family of church schools. We encourage good leadership through providing training and advice in areas such as mental health and wellbeing, admissions, Head Teacher recruitment and development as well as effective management of school buildings.

Nurturing: MDBE strives to nurture its relationships with schools, just as we believe, God nurtures His relationships with His children. We support schools in the journeys they have with each of their children, from early years through to sixth form; walking alongside schools during transition points, academic experiences and community events. We work across churches and schools to establish reciprocally beneficial relationships. We communicate with school leaders, staff, governors and clergy teams, uniting us as we work together to lift up the children and young people in schools and churches.

Serving: MDBE seeks to serve schools with love, kindness and action, enacting the commandment to 'Love the Lord your God with all your heart and with all your soul and with all your mind, and love your neighbour as yourself.' (Luke 10:27). We work in communion with people, children and families from all faiths and backgrounds, celebrating the diverse landscape of our great city and region and the communities that come together within it. We help to maintain the Christian distinctiveness of Church of England schools through the facilitation of training and resourcing in the areas of vision and values, Religious Education, Collective Worship and the requirements of SIAMS.

MDBE's overarching vision is for Church of England schools to be places where all involved in can be introduced and supported to reflect on Jesus' promise in John 10:10 that He 'came so that you might have life in all its' fullness.'

Priorities for 2023-24

1. Develop ministry to/for/with children and young people in both churches and schools.

Ensuring that:

- Work with children and young people is central to each deanery's mission
- Opportunities are provided for children and young people to explore faith in schools and churches
- Training and support for lay and clergy equips them for ministry with children and young people
- Identify and develop the ministry gifts of children and young people and facilitate opportunities for them to be used.

2. Develop the distinctive Christian character of CE schools across the diocese.

Ensuring that:

- The 2023 Manchester Diocese RE syllabus is fully embedded in schools (by September 2024)
- CE schools' vision is theologically rooted and appropriate to context
- Collective Worship is inspiring, inclusive and invitational as well as meets national expectations

3. Develop governance across maintained and academy schools within the diocese.

Ensuring that:

- Ex Officio governors/substitute Ex Officio and Foundation governors are equipped to support CE schools
- Academy members, trustees/directors and Local Advisory Boards understand their respective responsibilities in sustaining the distinctive Christian character of CE schools

4. Develop racial justice strategy for Diocesan Board of Education

Ensuring that:

- Actions identified within 'Lament to Action'(2021) are addressed
- All staff have access to national DEI initiatives and programmes
- Children and young people understand racial justice

5. Develop a net zero carbon strategy for the school estate

Ensuring that:

- Opportunities for schools to become more energy efficient are promoted and adopted by maintained schools and academies
- Children and young people are involved in opportunities towards net zero carbon targets
- Resources to promote net zero targets are prioritise

Priorities (continued)

Activities

School improvement

MDBE officers continued to meet with local authorities to identify and plan intervention/support in schools as appropriate. Fifteen SIAMs inspections took place between January – December 2023. Ten schools were awarded Good. Three schools were awarded Excellent.

Between September to December 2023 twenty-nine Section 8 Ofsted inspections took place as well as thirty-six Section 5 inspections. One school received Outstanding in all areas, thirty schools were awarded Good with five schools receiving a Requires Improvement judgement.

Eight self-employed Diocesan Schools Advisors were commissioned, on a sessional basis, to support school leadership and management as appropriate to need.

Religious education and collective worship

Training, advice and support across the school estate continued throughout 2023. A comprehensive training package was developed with sessions being very well received with a high levels of attendance. A training session on developing collective worship within CE schools was so successful it has to date been delivered 3 times, with requests for it to be repeated.

Manchester Diocese Board of Education (MDBE) dedicated a day to improving teachers' knowledge around Judaism, Anti-Semitism and Holocaust Education. The day was one part of an approach researching teacher confidence around Judaism and recognising the need to teach Judaism well as part of the board's commitment to quality and effective Religious Education across our 193 schools. The day involved local Judaism Educators Jeremy Michelson and Vivienne Hunter as well as Judith Hayman from the Campaign Against Anti-Semitism, Ernie Hunter from The Northern Holocaust Education Group and Anna Silver from the Jewish Board of Deputies. With Canon Steve Williams, The Bishop of Manchester's Inter Faith Adviser, attending also. Terry Hart, Assistant Director for Education at MDBE, developed the idea after being made aware of the rise in acts of anti-Semitism in the UK and wanting to be sure that teachers are equipped in ensuring that 'Religious Education does not create aliens and provides a broad curriculum including exploration and experiences of our neighbours we share a street with, as well as our neighbours we share our planet with'. The event was supported by a successful application for a Culham St Gabriel's research grant, exploring the impact of the approach, equipping teachers as an alternative to educators visiting individual schools and speaking to groups of pupils. The immediate findings revealed the event was a success with lots of positive feedback from the participants comments including, 'it was very beneficial to speak to and learn from the people of faith' and 'It's shown my areas for development when teaching this religion.'

A new Diocesan EYFS to KS3 RE syllabus was launched during 2023, having been written in collaboration with RE Today. Understanding Christianity is embedded within the syllabus rather than an optional addition. There was no cost to schools for the syllabus, as the DBE purchased the resource for all diocesan schools, regardless of their status. The syllabus is specific to our context, included KS3, compatible with Understanding Christianity and more cost effective. It is also accessible, inclusive and diverse.

An inaugural Diocesan Re conference was held where renowned author Bob Hartman was the keynote speaker. The day gave opportunity for sharing of good practice, relevant CPD as well as valuable networking for school leaders, clergy and governors.

Activities (continued)

Manchester Diocesan Board of Education were also selected to run the pilot for a fresh approach to Open the Book using a new set of resources created by international author and storyteller, Bob Hartman. Rather than individuals from the church congregation training as storytellers and approaching schools, an approach was designed where school and church explore this together and see how this would work in their collective context.

The Letters of Faith project was also launched in 2023. We are seeking to create a resource to support our teaching of worldviews and inter faith relationships through children's expressions of their faith/views. This is a great opportunity for exploration and spirituality. The foundation of the resource will be a bank of letters from children and young people across our primary and secondary schools. We hope that we can gather a selection of letters representative of the variety of faiths and worldviews across our year groups. The deadline is January 2024. We hope this activity creates some opportunity for reflection, sharing and expression.

Visits to schools continued focussing on need, mainly in areas where an RE Hub had not been active or where schools were expecting SIAMs.

Church School Governance

Following the review of the Board's policy for Foundation Governors we continued to approve Foundation Governor Appointments. Advice and guidance was offered to schools seeking to revise their admissions policies and schools seeking to re-constitute their governing body/change their name. Bespoke advice, briefing and consultation regarding academy development was also provided for individual school governing bodies. Training opportunities were provided to governing bodies concerning upholding the Christian Distinctiveness of Church of England Schools. A comprehensive training and support package for Ex Officio governors and Foundation governors was delivered through virtual means. Sessions explored such areas as Foundation Governor Induction, Distinctive Christian Governance, Ex Officio training and training for current and aspiring Chairs of Governance. Attendance remained high with positive feedback continuing to be received.

The assistant director of education, with responsibility for governance support continued to meet regularly with colleagues responsible for school governance within DBE Services as well as the national CE sector.

Support for leadership and management

Termly Head Teacher and Chairs of Governor support meetings took place virtually. Attendance at these meetings continued to remain high with Head Teachers from across the Local Authorities within Manchester Diocese attending. MDBE continued to support Head Teacher recruitment processes in CE schools across the diocese, with successful recruitments being made. New Head Teachers took part in induction sessions with MDBE officers and Board members, delivered virtually. A commissioning service for newly appointed Head Teachers took place in October in Manchester Cathedral. An evensong services for retiring head Teachers also took place at Manchester Cathedral.

The Christian Leadership course ran with seven participants from Manchester Diocese taking part. A celebration service on completion was held in Chester Cathedral. The annual schools conference 'Educating for life together: love your neighbour as yourself' was held in October

Activities (continued)

2023. Keynote speakers included Canon Mark Russel, CEO of The Children's Society and Rev'd Canon Nigel Genders, CEO of CE Education Office.

During 2023 Manchester Diocesan Board of Education became a lead delivery partner for the National Professional Qualifications on behalf of the Church of England Education Office. Application targets were exceeded with a suite of NPQs now being offered to staff within community and CE schools across the region.

School buildings

The BOE continued to support the management of the school estate following the principles of the DfE Good Estate management for Schools (<https://www.gov.uk/guidance/good-estate-management-for-schools/the-fundamentals-of-good-estate-management>). In the Manchester Diocese the school estate equates to 80+ Voluntary Aided schools and 100+ Voluntary Controlled, Foundation or Academies. During 2022-23 the Capital Building's Officer managed the School Condition Allowance (SCA) bidding process of the BOE. Work towards applying the Board's Environmental policy was actioned and the majority of our schools now possess a heat decarbonisation plan. The BOE faced issues with RAAC in school buildings however all schools containing RAAC have had mitigation works and are continuing in face-to-face learning.

2023-24 SCA Programme of works

In liaison with our School Building Consultants, over 60 bids were assessed with 27 projects being approved. These are listed below in summary form at an overall cost of just over £4m. Several of the bids not approved as part of the SCA programme were approved with use of DFC. The vast majority of the approved projects are made up of condition work and the list is based on the Board's priorities of ensuring schools remain safe, dry and warm.

<u>Project</u>	<u>School</u>	<u>Works Agreed</u>
M0030	HORWICH PARISH	STRUCTURAL IMPROVEMENTS TO HALL
M0100	ST THOMAS HALLIWELL	INT/EXT ROOF WORKS
M0110	ST BARTHOLOMEWS	EYFS - ROOFING
M0120	EMMANUEL HOLCOMBE	THERMAL AND VENTILATION UPGRADE TO EYFS
M0130	ST ANDREWS RADCLIFFE	REPAIR AND REPLACE SCHOOL ROOF
M0145	ST MARYS HAWKSHAW	FENCING WORKS
M0165	ST STEPHENS ELTON	SCA 23/24 - PHASE 1 ELECTRICAL REWIRE
M0185	ALL SAINTS NEWTON HEATH	SAFE GUARDING ENTRANCE WORKS
M0195	ST ANDREWS LEVENSHULME	REPLACEMENT GLAZING
M0210	ST PHILIPS HULME	ELECTRICAL REWIRE

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2023

<u>Project</u>	<u>School</u>	<u>Works Agreed</u>
M0250	ST ANNES ROYON	BOILER REPLACEMENT
M0285	ST LUKES CHADDERTON	PHASE 2 - ROOFING REFURBISHMENT
M0295	ST MARTINS FITTON HILL	REPAIR AND REPLACE SCHOOL ROOF
M0310	ST MATHEWS CHADDERTON	HIGH LEVEL BRICKWORK WATER INGRESS
M0310	ST MATHEWS CHADDERTON	SAFEGUARDING IMPROVEMENT WORKS TO KS2 MAIN ENTRANCE
M0315	ST PAULS ROYTON	REPLACE ELECTRICAL INSTALLATIONS
M0315	ST PAULS ROYTON	INSTALLATION OF PHOTOVOLTAICS TO SCHOOL ROOF
M0360	MIDDLETON PARISH	PHASE 3 ROOFING REFURBISHMENT
M0385	ST THOMAS NEWHEY	SAFEGUARD NEW SCHOOL ENTRANCE
M0415	ST PETERS SWINTON	FLAT ROOF REPLACEMENT
M0430	CANON BURROWS	FLAT ROOFING REFURBISHMENT
M0455	ST PETERS AUL	PARTIAL REPLACEMENT OF ROOF COVERINGS
M0480	CHRIST CHURCH PENNINGTON	REPOINTING
M0510	ST MICHAELS HOWE BRIDGE	PRIORITY 2: NEW FIRE ALARM & SECURITY SYSTEMS
M0522	LEIGH ST PETERS	REPLACEMENT VEILINGS LIGHTING IMPROVEMENTS AND VENTILATION

Children's Work

Training for clergy and lay leaders continued throughout 2023. Support for parishes and churches was carried out through visits, delivering sessions to help train and also through signposting members to resources from other organisations and from the Church of England.

A collaborative approach with the Diocesan Youth Officer was taken to help deliver the ALM Children's and Family Elective. Rather than twelve 2-hour sessions we gathered all who were on the ALM and General pathway over a weekend to help train and resource. Fifteen people were either ALM or GP and part of the 'EQUIP' weekend which was attended by 35 people in total. Follow up zoom sessions were done after the weekend and contact has continued through a WhatsApp group and resources are regularly shared through that. A further development since September has been to have 'EQUIP' sessions once every half term, in churches across the diocese, to gather as many as possible to help develop the idea of sharing resources as well as give some specific input on a given subject.

Activities (continued)

Support for paid children's workers has developed slowly with the new Children's officer getting to know them and emails have helped to keep them in the loop with events and training. Support has mainly been through listening and offering to help as needs arise.

Through working with ManDio Growing Faith team and Children's Changing Places team support has been given through deanery Hubs for children's and youth leaders. These have helped to build relationships with paid and volunteer workers across the Diocese and other support and has resulted in further support meetings taking place.

Social media has continued to help with sharing resources, ideas and highlighted various training and events happening for people and churches to be part of. The Facebook page for children and families' resources, X (Twitter) and the addition of a new Instagram account have all been effectively used.

Support for the Church of England primary schools continued and regular collective worship was carried out by the Children's Officer in schools across the Diocese. National initiatives such as Thy Kingdom Come and Follow the Star were promoted and delivered in various schools through leading Collective Worship sessions and Workshops.

A fresh approach was taken with the Year 6 Leavers' celebration services at Manchester Cathedral in June 2023. Working with iSingPop and the wider team at the DBE seven services took place with schools leading the songs with actions, readings from the bible, prayer boxes exchanged and a new 'Big Step Forward' booklet given to every Year 6 pupil across the Diocese. The booklets were filled with advice and wisdom from current year 7s to pass onto those moving into Year 7.

Support of ManDio Growing Faith and Children Changing Places has continued in 2023. This has been through regular meetings, training and delivering workshops together. One key aspect has been the transition work in local schools and a resource for all churches and schools will be used Diocesan wide in 2024 to help with this.

A focus on building relationships with clergy, lay leaders, parishes and schools has been key in 2023 to help the new Children's Officer become established.

Youth Work

Over these last 12 months we have seen some areas of growth, particularly around establishing new projects, recruiting new volunteers and training. The trajectory to increasing the amount of provision for young people in our churches and communities continues to head in the right direction after the end of the pandemic. Our training has been sharpened by the introduction of Equip which seeks to train and develop youth and children's leaders from across the diocese, both full time and volunteer. Equip also sits as the ALM and GLT training provision in children's and youth ministry across the diocese. We have enjoyed both face to face and online training meetings across the year, strengthening the collaboration between Diocesan Youth Officer, Diocesan Children's Officer and MDGF Early Years Adviser. We look forward to developing Equip more broadly and creatively across the diocese over the coming years.

The Diocesan Youth Officer continues to support both satellite youth and children's work teams through chairing appointment panels, attending hubs and sitting on the relevant advisory boards for both Children Changing Places and Man Dio Growing Faith.

The summer of 2023 welcomed another Scargill Camp with over 36 visitors from our link diocese of Tampere. The camp was another great success which included a hard-working group of English young leaders working alongside their Finnish counterparts in planning, entertaining, leading worship and supporting the senior leaders.

Activities (continued)

We continue to support our schools in their Net Carbon Zero aims and developed the next Planet Savers Award for launch in early 2024. We continue to look for and learn from different approaches to climate care from our schools and parishes. The Diocesan Youth Officer continues to sit on the Net Zero Senior Officers Group and the Environmental Working Group.

During 2023 we continued to offer both the One Day and Two Day Youth Mental Health First Aid training. We have developed a new approach to our MHFA delivery in that more schools are booking training on sight for larger numbers of staff. This has had a clear impact in the way in which schools both view mental wellbeing and how they respond to it in both a reactive and proactive way. In October 2023 the Diocesan Youth Officer qualified as a Suicide First Aid Instructor for both adults and CYP courses. These begin to be rolled out in January 2024.

In January 2023 the Youth Officer was invited to facilitate a further day on mental wellbeing with a group of young people from across the Church of Ireland in Dublin. This is part of a 3 year project which seeks to hear the voices of young people around this important area and find ways for churches and communities to support them in being mental health advocates designing and creating the award with a group of pupils. A lecture for 3rd year youth work students studying with South West Youth Ministries at Lee Abbey was also delivered.

Financial responsibilities

Public benefit

The trustees confirm that they have complied with the duty under section 4 of the Charities Act 2006 to have due regard to the public benefit guidance issued by the Charity Commission.

The charity is constituted in accordance with the Diocesan Boards of Education Measure 2021, it is a body corporate and a Director of Education is appointed as its secretary.

The MDBE's statutory functions are to:

- promote, or assist in the promotion of education in the Diocese which is consistent with the faith and practice of the Church of England. It does so by sustaining or growing the proportion of CE places in each local authority (there are approximately 64,000 school places in 193 schools).
- promote, or assist in the promotion of, religious education and collective worship in CE schools in the Diocese. It does this through responding to curriculum developments, advising schools of such, providing an RE scheme for VA schools that academies often choose to also use, hosting RE hub meetings, providing advisory visits to schools by an RE specialist and having diocesan representation on local SACREs.
- advise the governing bodies of CE schools 'on any matter'. It does so by advising the leadership and management of those schools on a range of matters such as academy development.
- co-operate with local authorities and other bodies. It does so by meeting regularly with eleven local authorities to identify schools needing support and agreeing strategies to support development in said schools.

In addition, the MDBE supports work with children and youth in parishes and the Diocese as a whole, as well as supporting chaplaincy provision in the three universities. CE schools, colleges, universities and parishes themselves are open to all those who apply and, in some schools and universities, meet the admission criteria. The CE schools in the Diocese meet the needs of all those who attend, without fear or favour, and whether they are of the Christian faith, other faiths or no faith.

Financial Responsibilities (continued)

Reserves Policy

The reserves held by the MDBE are mostly restricted, held for the provision of support for schools, using the income generated for staffing and running costs, and capital and other grants. They have arisen primarily from the proceeds of former school sites, interest and investment gains thereon and their use is therefore restricted under S554 of the Education Act 1996. In addition, the MDBE has generated other sources of income from its activities, which are unrestricted. These have been used to support the work of the MDBE.

The Statement of Financial Activities (SOFA) for the year shows net income of £92,063 (2022: net resources expended of £12,842) before net gains and losses on the revaluation of investments. The level of restricted reserves at the year-end was £6,596,660 (2022 - £6,062,195) and of unrestricted reserves was £714,952 (2022 – £618,235). The MDBE has a policy to maintain at least three months' revenue commitment as a working reserve. At the year-end unrestricted reserves were £714,952, or twelve months' commitment. The Trustees are consequently satisfied that an appropriate level of unrestricted reserves are held. The company holds fixed asset investment within restricted funds. The unlisted investments provide investment income. As these are restricted funds, these are not included within the general unrestricted funds.

The Financial Statement illustrated a surplus (before Investment gains) of £92,063 which includes the net expenditure in relation to Net Carbon Fund for 2023 of £72,000. The operating surplus excluding Net Carbon Fund and the Re-investment of Reserves is £164,063. There has been an unrealised gain on Investments of £539,119 making the company's overall position a net surplus of £631,182. The total Reserves on 31 December 2023 now stand at £7.312m (2022: £6.68m). There were no management actions arising from the audit report.

Going Concern

We have made an assessment of the Charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were approved for release.

In making our assessment, we considered the financial impact of Covid-19 on our cash flow forecast, performing stress testing of these plans. The forecasts take into consideration the impact of COVID-19 including the potential impact on the company's income streams and the mitigating actions in place to address any reductions in income.

Having performed our assessment we were able to conclude that the Charity is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis.

In making our assessment we did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the Charity's ability to continue as a going concern.

Investment policy

In accordance with the Memorandum and Articles of Association, the Trustees have the power to invest funds not immediately required in such investment securities or property as may be thought fit by them.

The MDBE holds long term surplus funds, which are invested in a broadly based ethical investment fund, and this is currently through the DBF Investment Fund, managed by CCLA. The bid value of these investments increased by 9.4% (2022: decreased by 11.72%). Dividends receivable amounted to £170,012 (2022: £170,046) – a yield of 2.99% (2022: 2.56%).

Financial Responsibilities (continued)

Taxation

The MDBE is a Registered Charity (No. 530002) and as such is not liable to UK Corporation Tax on its charitable activities.

The Trustees have prepared this report in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Structure and Governance

Member Recruitment, Induction and Training

1. The MDBE is governed by the Diocesan Boards of Education Measure 1991 and subsequent 2021 Measure, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011.
2. Members of the Board are appointed or elected within the terms of the Manchester Board of Education Order 2011, i.e. either by (a) the Diocesan Bishop or (b) the Diocesan Synod for Archdeaconry members or (c) the MDBE itself, using the relevant power of co-option. Elections are held each Synod triennial period.

The roles and responsibilities of Trustees are described and explained at the first meeting

3. of a new board in a specific induction programme. In addition, further training of Trustees is arranged in relation to education policy development.
4. Members who serve on specific sub-committees and working parties are given training and briefing in these areas e.g. the short-life Investment Sub-Committee, but many are already expert in these fields and selected for this reason.
5. The MDBE itself is responsible for policy decisions and statutory functions in relation to Church of England schools, and monitoring and evaluation of its policies and purposes.

The Director of Education published the statutory Annual Review and Report to Diocesan Synod in November 2022. This was presented by the Acting Assistant Directors.

6. The membership of the MDBE during the period from 1 January 2023 to date of this report is as follows:

Chair:	Rt Revd M Davies, Bishop of Middleton
Ex Officio:	Rt Revd D S Walker, Bishop of Manchester
Company Secretary:	Deborah Smith
Appointed by Bishop	The Rt Revd M Davies Ms Hilary Henderson (appointed 21 November 2023)
Co-opted Members	Mrs Karen Sudworth Mr Gareth Ellswood

Mr Eliot Costa-Walker

Mrs Razia Shar

Manchester Archdeaconry	Clergy: Rev'd George Reeves Lay: Canon Dr Addy Lazz-Onyenobi
Bolton Archdeaconry	Clergy: Lay: Mr L Yarwood
Rochdale Archdeaconry	Clergy: Lay: Mr Richard Lait
Salford Archdeaconry:	Clergy: Rev'd Karen Owen Lay: Mr Tim Delves

The following Terms of Reference are agreed for the sub-committees of the Board:

Finance and General Purposes

Membership to include Chair/vice chair of BOE, 2 BOE members and 2 co-opted members

Meetings will be 3 times per year

To scrutinise the financial management of the board through:

- Approving annual budget
- Oversight of management accounts including income and expenditure
- Reviewing reserves and investments
- Agreeing Service Level Agreement contributions

To support human resource management through:

- Receiving staffing reports
- Approving changes to staffing as appropriate

To support estate management through:

- Approval of estate management priorities, associated costs annually including grants to governors towards contributions
- Receiving annual updates on academy estate management
- Approval of the arrangements for the disposal of redundant school properties

Schools Committee

Membership to include Chair of DBE, 2 BOE members and 2 co-opted members

Meetings will be 3 times per year

Structure and Governance (continued)

To promote church schools and receive advice on:

- Appointment of Multi-Academy Trust leaders in CE Multi Academy Trusts, Head Teachers, deputy Head Teachers, in CE schools
- School performance and support, specifically those categorised by Ofsted as below Good
- Appointment of governors to CE schools including information regarding training to support the distinctive Christian nature of CE schools
- Training and development of school leaders related to Religious Education and distinctive Christian character of CE schools
- Support provided to further develop church/school relationships
- Support provided for school organisation
- Support for school admissions
- Ofsted and SIAMS outcomes

The MDBE holds an Academies Committee to consider applications from CE schools for consent to apply for an Academy Order (Academy Act 2010 S 3 iv) or consent to amend the Articles of Association of an existing academy.

Academy Committee

Quorum of 3 members to include Chair/Vice Chair of BOE. Other 2 members will be either members of the BOE or Schools Committee Meetings will be 3 times a year directly following BOE meetings. Further meetings will be arranged as necessary to consider and resolve matters relating to:

- Application by a CE school to apply for conversion to academy status

Related Parties

Manchester Diocesan Board of Finance is a Charitable Company limited by guarantee, situated at St John's House, 155-163 The Rock, Bury BL9 0ND. The charity is connected to MDBE by virtue of the fact that the Manchester Diocesan Synod has the power to appoint the majority of the Committee of Management, constituting the Board of Directors for each charity.

The policies and activities of MDBE, within the framework of the Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011, reflect and contribute to the vision and mission of Manchester Diocese which is to be a worshipping, growing and transforming Christian presence at the heart of every community.

MDBE is a shareholder in the trading company, DBE Services Ltd, situated at DBE Services, Clayton House, Walker Industrial Estate, Walker Road, Guide, Blackburn, BB1 2QE.

MDBE's accommodation is provided by Manchester Diocesan Board of Finance, for which a rent is levied for use of building and services.

Higher Education

The work of the MDBE in relation to higher education is performed by chaplains based at the Universities OF Salford and Bolton. The chaplains also contribute to the BOE's annual report to Synod.

Structure and Governance (continued)

Custodian trusteeship

MDBE holds, as Custodian Trustee, for a number of Parochial and school funds, investments and bank deposits with an aggregate market value of £6,812,525 (2022 - £5,309,191) which are not included in the Balance Sheet. This includes monies from the Department for Education, which are held in individual accounts for schools for their building works. These investments are held on behalf of schools and parishes whose charitable purposes are similar to those of the MDBE. These assets are held securely and separately from those of the MDBE that is responsible for their safe custody.

Charity Governance Code

The Charity Governance Code was published to help charities and their trustees develop high standards of governance. The code sets out seven principles and recommended practice. Below are the seven principles with an explanation of how MDBE operates against these principles:

Organisational purpose

The organisational purpose of MDBE is clearly defined in statute and policy decisions made over time. It has identified clear aims under such duties and policies and measures outcomes against those aims. It has a strategic plan and works from a balanced budget with a consistent history of providing a secure financial platform for its operations.

Leadership

The Board provides effective strategic leadership in order to fulfil the purpose of the company and meet its objectives. Its remuneration policy is determined by the employer of officer, the MDBF.

Integrity

The Board acts with the integrity expected of the charity. Conflicts of interest are declared annually and before each meeting, and gifts and hospitality are recorded.

Decision-making, risk and control

Decisions of the Board are clearly articulated in papers and minutes, and counted votes where necessary. The Board receives a termly risk register and mitigation and control of risks are monitored. Board papers and minutes report movement in the risk register.

The Board does not have an Audit Committee, but it does have a Finance and General Purposes Committee which is separately chaired and meets in tandem with the Board.

Board membership combines representative interests with an appropriate skill mix at both Governing Body and sub-Committee levels.

Board effectiveness

The Board membership combines experience, new and renewed membership. It was 'modernised' through the Manchester DBE Order in August 2011 when membership numbers were reduced from a potential 32 to 12. Sub-committee structures are slim and terms of reference are clear. Meetings are scheduled for the triennium with clear rules about the timing of distribution of papers and minutes.

The Board accesses legal, financial and HR services, and financial colleagues form the DBF report to, and attend, relevant meetings.

Structure and Governance (continued)

Diversity

The Board includes members who are from different ethnic and gender backgrounds. Reasonable expenses are paid on an equitable basis to all who attend.

Openness and accountability

The Directors' Report includes a statement of public benefit. Its Minutes are scrutinised by the Bishop's Council. Remuneration details of senior employees are detailed within Note 16 of the 'Notes to the Accounts'.

Principle Risks and Uncertainties

The Trustees have assessed the major risks to which the charity is exposed, in particular, those related to the operations and finances of the MDBE, and are satisfied that systems are in place to mitigate exposure to the major risks. A risk register has been a standard agenda item at all MDBE meetings since 2008, with the main ones detailed below:

- Financial risks remain low despite a period of uncertainty due to Covid 19.
- 'Academy risks' - of being 'caught-out' by a rush of sponsorships. The risk attached to those academies which we do sponsor remains high and has potentially the highest level of impact.
- A potential financial risk is an impact on income from investment which is factored into our financial risk. There is a minimal employment risk in relation to our schools' workforce.
- There is a reducing risk that the MDBE will not be strategically prepared for any rush of applications for academy status, or that the MDBE is 'forced' to sponsor unsuccessful schools which would subsequently fail. This risk has been reduced, partly owing to the MDBE's clear policy of requesting our existing high-performing academies to take on this role.

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 MDBE. All staff are employed by the MDBF and staff costs recharged to MDBE. The MDBF Staffing Committee acts on behalf of the Trustees on employment practice and development of human resources. The Committee reviews salaries in the MDBF and MDBE, and approves recommendations for salaries in relation to new posts or regrading of posts. The MDBF has a grading structure with 8 pay bands, within each pay band there are 3 increment points. Posts are allocated a grade with increments or a spot grade; some posts span two grades. The MDBF tracks market rates and occasionally takes part in national benchmarking data collection with other Diocese.

Trustee Responsibility for Financial Management

The Trustees are responsible for preparing the Annual Report including the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

Structure and Governance (continued)

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of Information to the Auditors

So far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

In preparing the Trustees' Report, advantage has been taken of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the Board on and signed on its behalf by



MARK DAVIES

Director

Date: 25th June 2024

Independent Auditor's Report to members of MANCHESTER DIOCESAN BOARD OF EDUCATION

Opinion on the financial statements

We have audited the financial statements of The Manchester Diocesan Board of Education for the year ended 31 December 2023 which comprise the Consolidated and Company Statements of Financial Activities, Consolidated and Company Balance Sheets, Consolidated 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 group's and of the parent charitable company's affairs as at 31 December 2023 and of the group's and parent 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

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

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

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

Other information

The 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.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' 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 group and the parent 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 parent charitable company; or
- the parent 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.

Responsibilities of Trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 group or the parent 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.

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 safeguarding vulnerable beneficiaries, health and safety, and employment (including taxation), 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, the Charities Act 2011, Church of England Measures and VAT law.

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 fund accounting, including transfers between funds, and 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;
- Challenging assumptions and judgements made by management in their accounting estimates;
- Testing transfers between funds; and
- Cut-off testing in respect of revenue.

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

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

Use of our report

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



Adam Halsey (Senior Statutory Auditor)
For and on behalf of HaysmacIntyre LLP, statutory auditor
10 Queen Street Place, London, EC4R 1AG

Date: 2 July 2024

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2023

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure account) For the year ended 31 December 2023

		Unrestricted Funds 2023	Restricted Funds 2023	Total Funds 2023	Total Funds 2022
	Note	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and Legacies	2	97,714	140,000	237,714	316,877
Income from Charitable Activities	3	282,329	-	282,329	253,481
Other Trading Activities	4	-	41,000	41,000	41,000
Income from Investments	5	-	223,625	223,625	198,713
TOTAL INCOME AND ENDOWMENTS		380,043	404,625	784,668	810,071
EXPENDITURE ON					
Charitable Activities	6	283,326	409,279	692,605	822,913
TOTAL EXPENDITURE		283,326	409,279	692,605	822,913
NET INCOME/(EXPENDITURE) BEFORE NET GAINS ON INVESTMENTS		96,717	(4,654)	92,063	(12,842)
Net gain/(loss) on investments	8	-	539,119	539,119	(754,118)
NET INCOME		96,717	534,465	631,182	(766,960)
NET MOVEMENT IN FUNDS		96,717	534,465	631,182	(766,960)
Balance brought forward 1 January	12 & 13	618,235	6,062,195	6,680,430	7,447,390
Balance carried forward 31 December	12 & 13	714,952	6,596,660	7,311,612	6,680,430

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

All incoming resources and resources expended are derived from continuing activities.

The notes on pages 27 to 42 form part of these financial statements.

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2023

BALANCE SHEET

For the year ended 31 December 2023

	Note	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS					
Tangible Assets	7		1		1
Investments	8		6,219,749		5,680,630
			<u>6,219,750</u>		<u>5,680,631</u>
CURRENT ASSETS					
Debtors	9	176,586		171,579	
Cash at Bank and in hand		1,224,613		1,241,467	
Closed School Bank Deposits	10	1,032,981		1,020,649	
		<u>2,434,180</u>		<u>2,433,695</u>	
CREDITORS					
Amounts falling due within one year	11	(1,342,318)		(1,433,896)	
		<u></u>		<u></u>	
NET CURRENT ASSETS			<u>1,091,862</u>		<u>999,799</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,311,612</u>		<u>6,680,430</u>
	12 & 13		<u><u>7,311,612</u></u>		<u><u>6,680,430</u></u>
CAPITAL AND ACCUMULATED FUNDS					
Unrestricted funds			708,062		618,235
Restricted funds			6,603,550		6,062,195
	12 & 13		<u><u>7,311,612</u></u>		<u><u>6,680,430</u></u>

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

The notes on pages 27 to 42 form part of these financial statements.

Approved by the Board and signed on its behalf on 25th June 2024 by:



MARK DAVIES
Bishop of Middleton – Chairman



DEBORAH SMITH
Diocesan Director of Education
and Company Secretary

CASH FLOW STATEMENT

For the year ended 31 December 2023

	2023 £	2022 £
Net (expenditure) for the reporting period (as per the statement of financial activities)	92,063	(12,842)
Dividends, interest from investments	(223,625)	(198,713)
Decrease / (Increase) in debtors	(5,007)	(20,326)
Increase / (Decrease) in creditors	(91,578)	110,450
Net cash (used in) operating activities	(228,147)	(121,431)
Cash flows from investing activities:		
Dividends and interest from investments	223,625	198,713
Proceeds from sale of investments	-	-
Net cash provided by investing activities	223,625	198,713
	(4,522)	77,282
Cash flows from financing activities:	-	-
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the reporting period	(4,522)	77,282
Cash and cash equivalents at the beginning of the reporting period	2,262,116	2,184,834
Cash and cash equivalents at the end of the reporting period	2,257,594	2,262,116

Cash and cash equivalents includes both Cash at bank and in hand and Closed school bank deposits. See accounting policy 1(e) for an explanation of the closed school bank deposits.

The notes on pages 27 to 42 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102 2nd edition), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

(b) Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income, other than interest arising from the sale proceeds of closed school sites, is included in incoming resources when receivable. Interest that is earned on the sale proceeds of closed school sites is recognised when the relevant sales proceeds are determined. Details of the sales proceeds and accumulated interest on sites awaiting determination are given in note 10 to the accounts.

(c) Resources expended

Resources expended include all expenditure directly related to the objects of the charity (in accordance with SORP 2019) inclusive of any VAT, which cannot be recovered. Grants to schools are considered on the facts of each individual case dependent on the availability of funds at the time. Costs arising from the organisation and running of the charity rather than its charitable objects are shown as governance costs.

(d) Uncapitalised fixed assets

School sites and buildings for the 191 Diocesan schools are included on the balance sheet at an aggregate nominal value of £1. Additions by the Manchester Diocesan Board of Education to the existing school sites and buildings are written off in the income and expenditure account in the year in which they are incurred. The Manchester Diocesan Board of Education hold the majority of sites only as Trustees for continuing education in the appropriate parish and the Board does not have an absolute title. Sale proceeds will only arise in the event of the Secretary of State for Education agreeing to the closure of a school. The accounting policy in relation to closed school sites is as stated below. In view of the above, it is considered prudent not to include valuations for existing school sites as Fixed Assets of this Board.

(e) Closed school sites

Sales proceeds of closed school sites and buildings attributable to the Manchester Diocesan Board of Education (once the correct legal destination of the proceeds has been resolved) are shown in the Statement of Financial Activities on page 18. Until such time as the Board has received the appropriate statutory approvals, proceeds are included in the balance sheet as a liability (note 10). Only a portion of the sales proceeds will accrue to the Manchester Diocesan Board of Education in due course and it is not possible to predict the value of such proceeds.

(f) Staff pensions

The Board of Education previously contributed to the Church of England Defined Benefits Scheme (DBS) for staff that is administered through the Manchester Diocesan Board of Finance. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme, which are attributable to the Board. Therefore, in accordance with FRS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

102, payments to the scheme are accounted for as for defined contribution schemes and the Board accounts for pension costs based on contributions payable to the scheme in the year. Details of the scheme are given in note 18 to the accounts. The contributions due for the year are disclosed in note 15.

(g) Investments

Investments are shown at their bid value on the date of the balance sheet. Investments held by the Board as custodian trustee are not included in these accounts (see note 19).

(h) Agency arrangements (Maintenance Scheme Debtors and Creditors)

The charity acts as agent in the collection of grants from government, local authorities and other funds, and payment of approved invoices for school building projects on behalf of certain Church of England schools in the diocese. This income and expenditure is excluded from the income and expenditure of the charity and any balances due from or held on behalf of schools are shown within debtors and creditors.

(i) Fund accounting

Funds held by the company are either:

Restricted funds - Funds which may only be used for specific purposes imposed by the settler, donor or legislation.

Unrestricted funds - Funds which may be used for general purposes without any external restriction.

(j) **Legal Status of the Trust** – The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

(k) **Investment in DBE Services** - The MDBE owns 16.7% of the ordinary share capital of DBE Services Ltd and is included at cost. Any surplus share is accounted for in the year it is received.

(l) **Judgements in applying accounting policies and key sources of estimation uncertainty** - In preparing these financial statements the directors have made judgements where appropriate. There are no further material judgements.

(m) **Going Concern** - We have made an assessment of the Charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were approved for release. In making our assessment, we considered the financial impact of Covid-19 on our cash flow forecast, performing stress testing of these plans. Having performed our assessment, we were able to conclude that the Charity is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis. In making our assessment we did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the Charity's ability to continue as a going concern.

(n) **Allocation of Support costs** - As explained in the Annual Report, the MDBE supports Church of England schools in the diocese in a wide range of ways including assisting with building projects, supporting and training governors, and promoting religious education more widely. The allocation between activities fluctuates as necessary. In addition, the Board operates with a small staff and as a result does not consider that keeping formal records of the allocation of support costs between activities would provide significant useful information.

(o) **Funds held as custodian trustee** - MDBE holds, as Custodian Trustee, for a number of Parochial and school funds, investments and bank deposits, which are not included in the Balance Sheet. This includes monies from the Department for Education, which are held in

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

individual accounts for schools for their building works. These investments are held on behalf of schools and parishes whose charitable purposes are similar to those of the DBE. These assets are held securely and separately from those of the Board that is responsible for their safe custody.

- (p) **Financial Instruments** - Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

COMPANY INCOMING RESOURCES – COMPRISING NOTES 2 – 5

		2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	2	97,714	140,000	237,714
Income from charitable activities	3	282,329	-	282,329
Other trading activities	4	-	41,000	41,000
Income from investments	5	-	223,625	223,625
TOTAL		380,043	404,625	784,668

		2022 Unrestricted Funds £	2022 Restricted Funds £	2022 Total Funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	2	33,857	283,020	316,877
Income from charitable activities	3	253,481	-	253,481
Other trading activities	4	-	41,000	41,000
Income from investments	5	-	198,713	198,713
TOTAL		287,338	522,733	810,071

2. DONATIONS AND LEGACIES

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Manchester Diocese Synod Funding	-	140,000	140,000	140,000
Sale of closed school sites	-	-	-	143,020
DBE Services Ltd	97,714	-	97,714	33,857
TOTAL	97,714	140,000	237,714	316,877

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Administration Charges	-	-	-	-
RE and other training income	274,468	-	274,468	248,864
Grants received	1,000	-	1,000	-
Other income	6,861	-	6,861	4,617
TOTAL	282,329	-	282,329	253,481

4. OTHER TRADING ACTIVITIES

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Rents received	-	41,000	-	41,000

5. INVESTMENT INCOME

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Income from investments				
Unquoted	-	170,012	170,012	170,046
Stelfox Trust Income	-	25,045	25,045	25,049
Realised Gain on Investments	-	-	-	-
Interest receivable				
Bank and CBF interest	-	28,568	28,568	3,618
TOTAL	-	223,625	223,625	198,713

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

COMPANY EXPENDITURE – COMPRISING NOTE 6

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Fund 2023 £
EXPENDITURE ON			
Charitable Activities	283,326	409,279	692,605
TOTAL	283,326	409,279	692,605

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
EXPENDITURE ON			
Charitable Activities	206,499	616,414	822,913
TOTAL	206,499	616,414	822,913

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

6. CHARITABLE EXPENDITURE

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
(a) Grants (note 16)				
Building grants to schools	-	-	-	27,463
TOTAL	-	-	-	27,463
(b) Other expenditure				
<i>i.</i> to provide a service:				
Staff salaries, pensions and sub-contractors	153,199	246,673	399,872	404,003
<i>ii.</i> for costs:				
Legal and professional services for school building and sites	893	622	1,515	1,053
<i>iii.</i> Other overheads	122,592	157,360	279,952	379,673
<i>iv.</i> Provision against doubtful debts	-	-	-	-
<i>v.</i> Christian Leadership expenditure	-	-	-	-
<i>vi.</i> Audit Fees	6,642	4,624	11,266	10,721
	283,326	409,279	692,605	795,450
TOTAL	283,326	409,279	692,605	822,913

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £
(a) Grants (note 16)			
Building grants to schools	-	27,463	27,463
TOTAL	-	27,463	27,463
(b) Other expenditure			
<i>i.</i> to provide a service:			
Staff salaries, pensions and sub-contractors	113,209	290,794	404,003
<i>ii.</i> for costs:			
Legal and professional services for school building and sites	-	1,053	1,053
<i>iii.</i> Other overheads	88,693	290,980	379,673
<i>iv.</i> Provision against doubtful debts	-	-	-
<i>v.</i> Christian Leadership expenditure	-	-	-
<i>vi.</i> Audit Fees	4,597	6,124	10,721
	206,499	588,951	795,450
TOTAL	206,499	616,414	822,913

Support costs

Included within the above expenditure are the following support costs:

	2023 £	2022 £
<i>i.</i> Staff salaries, pensions and sub-contractors	124,475	185,074
<i>ii.</i> Legal and professional services for school building and sites	7,417	4,200
<i>iii.</i> Other overheads	56,241	42,441
<i>v.</i> Christian Leadership expenditure	-	-
<i>vi.</i> Audit Fees	11,265	10,721
TOTAL	199,398	242,436

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

7. FREEHOLD AND LONG LEASEHOLD LAND AND BUILDINGS

	2023 £	2022 £
School sites and buildings at nominal value	1	1

Note that there were no capital commitments authorised or contracted for at 31 December 2023 (2022: £nil).

8. INVESTMENTS

	Number	2023 £	Number	2022 £
CBF Investment Fund Shares				
Shares at bid value brought forward	275,145	5,680,618	275,145	6,434,736
Disposal proceeds				-
Unrealised investment gains		539,119		(754,118)
Bid value 31 December		6,219,737		5,680,618
Number of shares at 31 December	275,145		275,145	
Historical cost at 31 December		(888,193)		(888,193)
Excess of bid value over cost to date		5,331,544		4,792,425
Investment in DBE Services Ltd		12		12
Total		6,219,749		5,680,630

In 2005 the company purchased twelve ordinary shares of £1 each (a 16.7% shareholding) in DBE Services Ltd. DBE Services Ltd was set up to provide services to schools. This company started to trade on 1 January 2006.

	2023 £	2022 £
The trading activities were:		
Turnover	2,622,339	2,812,941
Cost of Sales, administrative expenses and interest received	(2,136,381)	(2,387,841)
Surplus	485,958	425,100
MDBE Share of Surplus (*)	97,714	33,857

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

The MDBE received fees for work done by its staff for DBE Services Ltd of £nil (2023: £nil).

The shares may not be disposed of or charged except in accordance with the provisions of the Shareholders' Agreement.

* Distributable profits attributable to the work done for relevant schools are to be distributed in the proportions to which they arise from the work done for the relevant schools for each shareholder and the remaining distributable profits shall be divided equally between the shareholders.

9. DEBTORS

	2023	2022
	£	£
Maintenance scheme debtors	-	-
School selling expenses recoverable from future sale proceeds	100,239	100,239
Prepayments and accrued income falling due within one year	54,955	50,664
Grants awarded, not yet received	-	-
Other debtors	21,392	20,676
TOTAL	176,586	171,579

10. CLOSED SCHOOL BANK DEPOSITS

	2023	2022
	£	£
Closed school account balances pending determination	1,028,722	1,016,441
Closed school account balances – MDBE Asset	4,259	4,208
TOTAL	1,032,981	1,020,649
Reconciliation of closed school balances:-		
Capital proceeds	702,648	702,649
Accumulated interest	516,074	503,792
Total creditor (note 11)	1,218,722	1,206,441
Less funds used for increased working capital	(190,000)	(190,000)
Add closed school account balances – MDBE Asset	4,259	4,208
TOTAL	1,032,981	1,020,649

The closed school balances have arisen primarily from the proceeds of former school sites, interest and investment gains thereon and their use is therefore restricted under S554 of the Education Act 1996.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Maintenance scheme creditors – school creditors	-	-
General creditors and accruals	78,390	189,049
The Manchester Diocesan Association Church Schools	(1)	(1)
Closed schools - monies held pending determination - (note 10):		
Capital proceeds	702,649	702,649
Accumulated interest	516,073	503,792
Manchester Diocesan Board of Finance	44,374	38,407
HMRC VAT	833	-
TOTAL	1,342,318	1,433,896

12. RESERVES

	1 Jan 23 £	Incoming resources £	Resources expended £	Gains/ (Losses) on investments £	31 Dec 23 £
Restricted funds					
For Schools	6,062,195	264,625	(269,279)	539,119	6,596,660
From Synod	-	140,000	(140,000)	-	-
	6,062,195	404,625	(409,279)	539,119	6,596,660
Unrestricted funds					
General	618,235	380,043	(283,326)	-	714,952
TOTAL	6,680,430	784,668	(692,605)	539,119	7,311,612

	1 Jan 22 £	Incoming resources £	Resources expended £	Gains/ (Losses) on investments £	31 Dec 22 £
Restricted funds					
For Schools	6,909,994	382,733	(476,414)	(754,118)	6,062,195
From Synod	-	140,000	(140,000)	-	-
	6,909,994	522,733	(616,414)	(754,118)	6,062,195
Unrestricted funds					
General	537,396	287,338	(206,499)	-	618,235
TOTAL	7,447,390	810,071	(822,913)	(754,118)	6,680,430

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

Restricted funds

The restricted funds are held for the provision of support for schools, using the income generated for staffing and running costs, and capital and other grants. They have arisen primarily from the proceeds of former school sites, interest and investment gains thereon and their use is restricted under S554 of the Education Act 1996.

13. ANALYSIS OF 2023 NET ASSETS

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £
Tangible assets and Investments	-	6,219,750	6,219,750
Net current assets	714,952	376,910	1,091,862
TOTAL	714,952	6,596,660	7,311,612

ANALYSIS OF 2022 NET ASSETS

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £
Tangible assets and Investments	-	5,680,630	5,680,630
Net current assets	618,235	381,564	999,799
TOTAL	618,235	6,062,194	6,680,429

14. NET INCOMING RESOURCES

	2023 £	2022 £
This is stated after charging:		
Auditors' remuneration:		
External audit	11,265	10,721
and after crediting:		
Rental income	41,000	41,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

15. STAFF COSTS

All staff are employees of MDBF and are recharged to MDBE. Amounts recharged were:

	2023 £	2022 £
Salaries	319,862	312,863
Social security costs	33,588	32,817
Pension costs	46,422	58,323
TOTAL	399,872	404,003

The average weekly number of employees during the year was made up as follows:

Office and General Management employees	10	10
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Note that the Directors of the MDBE receive no remuneration or reimbursed expenses for their services as directors. There was 1 employee with total emoluments above £60,000 in 2023 (2022: 1 employee).

EMPLOYEE DETAILS

Employees receiving remuneration in excess of £60,000 are analysed as follows:

	2023 No.	2022 No.
£60,000 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1

	2023 £	2022 £
Pension contributions to Pension Builder defined benefit scheme	13,595	13,152

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 MDBE. During 2023 they were:

Deborah Smith – Director of Education and Company Secretary to the Board
 Susie Mapledoram – Assistant Director/Youth Work Officer
 Terry Hart - Assistant Director/RE and Christian Distinctiveness Adviser

Remuneration and pensions for these 3 employees (2022: 4 employees) amounted to £199,711 (2022: £199,748).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

16. BUILDING GRANTS TO SCHOOLS

	2023 £	2023 £	2022 £	2022 £
Reconciliation of building grants payable:				
Commitments as at 1 January		-		-
Commitments made in the year			27,463	
Grants reclaimed in the year	-		-	
Grants payable for the year				27,463
Grants paid during the year		-		-
Building grant commitments at 31 December		-		27,463

Grants, having been previously approved by the Finance & General Purpose Committee, are debited to the School Building fund at the time of approval.

There were 1 grant was awarded in 2023 (2022: 4). All the grants were credited to schools in the Diocese of Manchester. A full list of individual grants is available on request from the Company Secretary at the Registered Office.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

17. RELATED PARTY TRANSACTIONS

Manchester Diocesan Board of Finance

Manchester Diocesan Board of Finance is a Charitable Company limited by guarantee, situated at 155-163 St John's House, The Rock Bury BL9 0ND. The charity is connected to Manchester Diocesan Board of Education by virtue of the fact that Manchester Diocesan Synod has the power to appoint the majority of the Committee of Management, constituting the Board of Directors, for each charity.

For the year ended 31 December 2023, the Manchester Board of Finance ("MDBF") made a budget transfer to the MDBE of £140,000 (2022: £140,000), representing the Synod funding of non-schools work of the Board of Education. Dividend income from the Stelfox Trust of £25,045 (2022: £25,049) was also paid to the MDBE via the MDBF. During the year MDBF incurred costs on behalf of, and subsequently recharged to, the MDBE costs of £539,728 (2022: £528,969) comprising:

	2023	2022
	£	£
Staff costs	399,872	404,003
Central services	42,000	42,000
Accommodation and support cost	77,518	93,725
Total	<u>519,390</u>	<u>539,728</u>

DBE Services

MDBE owns 16.7% of the ordinary share capital of DBE Services Ltd, an entity which commenced trading on 1 January 2006. The company undertakes support work across six northern dioceses. During the year Manchester Diocesan Board of Education received donations totalling £97,714 (2022: £53,713). The Right Reverend Mark Davies served as a Director at DBE Services Limited during 2023.

Trustees

No Trustees (2023: Nil) were reimbursed for travel expenses during the year. During the year, there was £nil paid to Trustees for advice to School Governing Bodies and in relation to projects (2022: £nil).

18. PENSIONS

As the staff are employed by the Manchester Diocesan Board of Finance and recharged to the Manchester Diocesan Board of Education, any pension surplus / deficit is included within the MDBF financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

19. CUSTODIAN HOLDINGS

Manchester Diocesan Board of Education holds, as Custodian Trustee, for a number of Parochial and school funds, investments and bank deposits with an aggregate bid value of £6,812,525 (2022 - £5,309,191), which are not included in the Balance Sheet. This includes monies from the Department for Education, which are held in individual accounts for schools for their building works. These investments are held on behalf of schools and parishes whose charitable purposes are similar to those of the MDBE. These assets are held securely and separately from those of the MDBE, which is responsible for their safe custody.

20. SCHOOL BUILDING & IT PROJECTS

The Manchester Diocesan Board of Education assists diocesan voluntary aided schools with the administration of funding for school building projects and the provision of IT equipment. The MDBE acts as the agent of school governing bodies in receiving funding from the Department for Education, local authorities and other funding sources and settling and matching it with the contractors' costs and professional fees. This activity of the MDBE is not reflected in the Statement of Financial Activities as the transactions are those of the school governing bodies rather than the MDBE. Total expenditure on school building projects and IT equipment during the year was £5,184,250 (2022: £6,928,995).

Accounts



MANCHESTER DIOCESAN BOARD
OF EDUCATION
FINANCIAL STATEMENTS FOR THE
YEAR ENDED
31 DECEMBER 2022

Company No. 00618201– Registered Charity No. 530002

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ORGANISATION AND ADMINISTRATION DETAILS

CHAIRMAN	The Right Reverend M Davies
SECRETARY	Deborah Smith
BISHOP OF MANCHESTER	The Right Reverend David Walker
DIRECTORS	The Directors are the members of the Board of Education Details of Board members are given on page 14
REGISTERED OFFICE	St John's House, 155-163 The Rock, Bury BL9 0ND Telephone: 0161 828 1400 Email: ManchesterDBE@manchester.anglican.org
PRINCIPAL OFFICER	Deborah Smith (Director of Education)
BANKERS	Royal Bank of Scotland plc St Ann Street Manchester M60 2SS
AUDITORS	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
SOLICITORS	D M Myers LLB (Hons) Diocesan Registry St John House 155-163 The Rock Bury BL9 0ND
INVESTMENT ADVISORS	CCLA Investment Management Ltd One Angel Lane London EC4R 3AB
CONSTITUTION Guarantee	Manchester Diocesan Board of Education is a Company Limited by Registered in England Number 00618201 Registered Charity Number 530002

The Charity is bound by its Memorandum and Articles of Association and by the statutory duties of the Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011.

MISSION STATEMENT

1. Principal Activity

The principal activity of the Manchester Diocesan Board of Education ("MDBE") is to fulfil its statutory duties to:

- promote education in the Diocese of Manchester which is consistent with the faith and practice of the Church of England;
- to promote religious education and religious worship in schools in the Diocese;
- to promote church schools in the Diocese and advise governors on any matters;
- to promote co-operation between the Board and other bodies; and
- to advise on the maintenance, improvement and extension of school buildings in Voluntary Aided schools and give permission.

The MDBE advises on the appointment of senior leaders in church schools; it arranges statutory inspections of the Christian distinctiveness of church schools; and it considers giving consent to church schools that wish apply for Academy Orders.

The MDBE is also responsible for the promotion and development of Christian education in parishes, and Christian chaplaincy in institutions of Higher Education.

2. Aims

The aim of the MDBE is to fulfil its statutory duties within the resources available.

The MDBE is a very significant part of the mission of the church in the Diocese of Manchester. The principal aim of the MDBE's work is 'To enable children and young people to encounter the Christian gospel and to grow in faith, through providing for their Christian education and nurture in schools, parishes and other settings'.

The MDBE provides the expertise for the whole Diocese to draw on in relation to:

- mission and evangelism with children and young people;
- faith development;
- religious education in both formal and informal settings;
- spiritual development of children and young people; And
- initiation into the worshipping community.

LEGAL OBJECTS

The legal objects of the company as set out in the Memorandum and Articles of Association are as follows:

1. To be the Diocesan Board of Education for the Diocese of Manchester as at present constituted or as hereafter it may be constituted, and to exercise and perform within that Diocese the rights, functions, powers, duties and obligations given to or imposed upon a Diocesan Board of Education by the Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011, or any Measure passed by the General Synod of the Church of England or Act of Parliament amending or replacing the same or for the purposes of any Measure passed by the said Synod or Act of

Parliament for which the Diocesan Conference may appoint the Board to act.

2. To act as Trustees in respect of any land stocks shares funds and securities held in trust for or belonging to any educational foundations or any other charitable foundations having objects which may be similar to or within the scope of the objects of the Board and to do such acts and things as may be necessary or expedient to be done in relation thereto under or by virtue of any scheme or schemes or Trust Deed or Trust Deeds affecting the same.

TRUSTEES' REPORT

Vision and Strategy

The vision of the Diocese of Manchester is to be a worshipping, growing and transforming Christian presence at the heart of every community. Church schools are central to this vision as they seek to be places where Christian values and practices are at the centre of all that happens there. The Manchester Diocesan Board of Education (MDBE) fully supports this vision through its work with Church schools, across the diverse landscape of Greater Manchester and Rossendale.

The vision has three fundamental principles; growing, nurturing and serving, as we strive every day in our local ministry to be a Church for a Different World. MDBE works in partnership with 191 CE schools and diocesan churches to enact and support these principles.

Growing: MDBE grows and cultivates healthy relationships with staff and governors across the family of church schools. We encourage good leadership through providing training and advice in areas such as mental health and wellbeing, admissions, Head Teacher recruitment and development as well as effective management of school buildings.

Nurturing: MDBE strives to nurture its relationships with schools, just as we believe, God nurtures His relationships with His children. We support schools in the journeys they have with each of their children, from early years through to sixth form; walking alongside schools during transition points, academic experiences and community events. We work across churches and schools to establish reciprocally beneficial relationships. We communicate with school leaders, staff, governors and clergy teams, uniting us as we work together to lift up the children and young people in schools and churches.

Serving: MDBE seeks to serve schools with love, kindness and action, enacting the commandment to 'Love the Lord your God with all your heart and with all your soul and with all your mind, and love your neighbour as yourself.' (Luke 10:27). We work in communion with people, children and families from all faiths and backgrounds, celebrating the diverse landscape of our great city and region and the communities that come together within it. We help to maintain the Christian distinctiveness of Church of England schools through the facilitation of training and resourcing in the areas of vision and values, Religious Education, Collective Worship and the requirements of SIAMS.

MDBE's overarching vision is for Church of England schools to be places where all involved in can be introduced and supported to reflect on Jesus' promise in John 10:10 that He 'came so that you might have life in all its' fullness.'

Priorities for 2022 (progress during 2022 noted in italics)

Key Priority 1 : Ensure provision for children and young people is at the heart of the work within deaneries in order that:

- Work with children and young people within all deaneries is central to their mission.
- Children and young people are an integral part of the church now rather than as potential church members once they reach adulthood.

- Training at all levels reflects the view that children and young people are fully part of the ministry of the church.
- Mission communities make meaningful connections and relationships with all schools, but in particular CE schools within their area.

The ManDio Growing Faith Programme began in August 2022 using monies from Church Commissioners. A programme lead, an Early Years Adviser and 4 Deanery Workers have since been appointed. Working with the Area Deans and agreed Mission Communities they seek to further develop work with Children, young people and their families. There remain vacancies for deanery workers in 3 deaneries. Each post is committed to for 5 years.

Children Changing Places Project is now in year 4 out of 5. The project continues to meet its targets in terms of numbers of children and young people engaged in discipleship pathways.

Diocesan Children & Youth Officers continue to advise and support both the Children Changing Places Project and ManDio Growing Faith Programme as well as other parishes and Mission Communities across the Diocese in their work with children and young people.

Key Priority 2: Support schools in having a strong identity in terms of Christian vision and values so that:

- Schools are able to provide education provision which remains true to their trust deed
- Young people who attend a Church school understand the tenants of the Christian faith and who Jesus is
- All who relate to the school are able to connect with opportunity to experience 'life in all its fullness'
- Support for schools and school leaders is targeted towards supporting development and understanding of the school's Christian vision
- Church schools and their leaders deepen, articulate and live out their Christian distinctiveness

Following a comprehensive consultation the Service Level Agreement (SLA) between schools and BOE was repurposed focusing on a covenant relationship. It highlights the Christian relational connection and inter-dependant nature of the Diocesan family of schools. 186/191 schools are actively engaged. Support for schools continued with the CPD offer being enlarged in response to specific need. Both the one and two day Mental Health and Wellbeing courses continued to be offered to schools. Schools due to be inspected under SIAMS in 2022-23 received a half day support visit from a Diocesan Schools Adviser with follow up visits/support from the RE and Christian Distinctiveness Officer as appropriate. All Head Teacher recruitment processes benefitted from a member of the Diocesan staff or a DSA supporting governors throughout the process. New Head Teachers received a visit from the Director, were invited to attend the new Head Teacher Evensong event at Manchester Cathedral and were encouraged to take part in the Diocesan Head Teacher induction process.

Key Priority 3: Support the diocesan net zero targets through working with schools to develop energy efficiency in order that:

- Schools are as energy efficient as is possible, given budget and other constraints. Management of the school estate will include a high priority on promoting carbon reduction systems, as appropriate.
- Young people and children who attend CE schools are participating in and leading on environmental projects as appropriate. Our belief is that our children and young people will want to fully engage and will only accept an authentic commitment by adults to this huge issue for humanity. Therefore, within the Christian context of Manchester's CE schools, it is vital that we

enable children and young people to drive the change to protect God's creation.

MDBE continues to have representation as part of the Diocesan Environmental Group ensuring joined up thinking. The BOE commitment to fund carbon neutral work provides grants to schools to pay for a 'Heat Decarbonisation Survey' undertake on school buildings and developments. The CE centrally have produced an energy footprint tool for schools to use to accurately calculate their carbon footprint. All schools were encouraged to continue to use the energy footprint tool. A termly Eco Resource to support further thinking and developments was released to school leaders from January 2022. BOE's asset management plan cited a commitment to supporting schools to become carbon neutral whilst acknowledging the complexities of this. The plan reflects BOE's Environmental Policy, approved in March 2022. Young leaders from both primary and secondary schools also met to discuss the issue of the environment. The Planet Savers award was established and led by a group of young people. The awards were presented to schools at the beginning of 2023.

Continued partnering with DBE Services ensured School Condition Allowance funded projects in our VA schools include elements of carbon reduction in line with the Heat Decarbonisation Plans.

Key Priority 4: Equip and resource school governors to effectively fulfil their role as ex officio or foundation governor with CE schools so that:

- Foundation governors have a full understanding of the commitment and responsibility of the role as a vocation.
- Ex officio governors are able to fully support schools through an understanding of how schools support the mission and ministry of the CE church.
- All involved in school governance are able to access appropriate training and support as necessary.

A review of DBE appointed Foundation governors took place with vacancies highlighted in February 2022. Recruitment of school governors continues to be a challenge nationally as well as within MDBE. Plans are afoot for a recruitment drive encouraging churches, parishes and Mission Communities to view being a school governor as both a vocation and calling. The role and influence it carries is directly linked to diocesan vision to see a Christian presence in all communities.

Key Priority 5: MDBE processes and systems enable support for our work with schools so that:

- Best use is made of appropriate databases to collate data in order to report to BOE and associated committees
- IT systems are used to complete collaborative work between MDBE staff
- Estate management accesses effective external support regarding management of building projects

Angel Solutions Perspectives system has been adopted as our main schools database. It enables the sharing of reports, notes of visits, SIAMS reports as well as Ofsted updates, with all team and DSAs having access to it. Teams systems is used as a system for collaborative work across MDBE staff and Diocesan Schools Advisers. TEAMS has become the department's preferred method of virtual communication and meetings, and Event Bright is used for all bookings for all events and training which will greatly streamline administration and finance tasks. Financial management systems were reviewed internally in collaboration with MDBF officers and more efficient processes established. Historical M code issues have now been fully resolved and monthly finance meetings take place to ensure any financial processing issues are addressed promptly.

Officers' and staff individual performance objectives were agreed to achieve the above priorities and were reviewed throughout the year.

Activities

School improvement

MDBE officers continued to meet with local authorities to identify and plan intervention/support in schools as appropriate. Six SIAMS inspections took place between January – December 2022. Five schools were awarded Good, including one where Religious Education was graded as Excellent. One school was awarded Excellent in all areas.

Between September to December 2022 nineteen Section 8 Ofsted inspections took place as well as fifteen Section 5 inspections. One school received Outstanding in all areas, twenty seven schools were awarded Good with six schools receiving a Requires Improvement judgement.

Eight self-employed Diocesan Schools Advisors were commissioned, on a sessional basis, to support school leadership and management as appropriate to need.

Religious education and collective worship

Training, advice and support across the school estate continued throughout 2022. Teacher development sessions were very well received with positive attendance. Secondary schools requested that the Introduction to Christianity course be delivered to cohorts of staff as they have larger numbers of new colleagues, we supported where capacity allows.

Visits to schools focussing on need, mainly in areas where an RE Hub had not been active. Other work included providing training sessions on the use of artefacts, Christian Distinctiveness and delivering INSET on Evaluating the Effectiveness of the School Vision, Mission & Values. As part of the 'Love Thy Neighbour' work, we collaborated with the Campaign Against Anti-Semitism and delivered training sessions to teachers welcomed the resource and the support offered. The resource was also launched to the neighbouring dioceses through the DBE RE Adviser's network. A review of the resource by the Diocesan RE lead was published in RE Today, the National Association of Teachers of RE (NATRE) professional quarterly.

The Diocesan RE lead became part of the Northern Holocaust Education Group as a panel member to assess new holocaust educators and resources before they are released into schools. Links have also been made with the Manchester Jewish Museum exploring how more support can be given to our schools as they teach other faiths. This was a national need highlighted in the SIAMS Annual Review 21/22. To complement the training session on SEND & RE, a guidance document, 'Sacred & Sensory' was created and released. This document aimed to support teachers on the potential of reflection spaces to meet the sensory needs of pupils with SEND. In addition to the first eco resources, A further document providing guidance on Eco themed Collective Worship, 'Let the Earth Rejoice' was released as part of the 2022 annual schools' conference. Such documents were also released for wider use by surrounding dioceses and have been distributed through the RE Adviser's regional network.

Church School Governance

Following the review of the Board's policy for Foundation Governors we continued to approve Foundation Governor appointments. Advice and guidance was offered to schools seeking to revise their admissions policies and schools seeking to re-constitute their governing body/change their name. Bespoke advice, briefing and consultation regarding academy development was also provided for individual school governing bodies. Training opportunities were provided to governing bodies concerning upholding the Christian Distinctiveness of Church of England Schools. A comprehensive training and support package for Ex Officio governors and Foundation governors was delivered through virtual means. Sessions explored such areas as Foundation Governor induction, Distinctive Christian Governance, Ex Officio training and training for current and aspiring Chairs of Governance. Attendance remained high with positive feedback continuing to be received. June 2022 saw the second

Annual Governor conference. This time it was delivered in partnership with Liverpool, York, Leeds, Blackburn and Carlisle Dioceses with the focus being on recruiting and developing diversity on Governing Bodies.

Also, during 2021-22 a network for Chairs of Governors was established with regular online meetings taking place. The Governance Officer continued to meet regularly with colleagues responsible for school governance within DBE Services as well as the national CE sector.

Support for leadership and management

Termly Head Teacher and Chairs of Governor support meetings continued to take place virtually. Attendance at these meetings continued to remain high with Head Teachers from across the Local Authorities within Manchester Diocese attending. New Head Teachers took part in induction sessions with MDBE officers and Board members, delivered virtually with a commissioning service for newly appointed Head Teachers taking place in October in Manchester Cathedral. Evensong Services for both new and retiring head Teachers took place at Manchester Cathedral.

MDBE supported Head Teacher recruitment processes in CE schools across the diocese, with successful recruitments being made. The Christian Leadership course ran with seven participants from Manchester Diocese taking part. A celebration service on completion was held in Blackburn Cathedral. The annual schools conference 'Deeply Christian: Serving the Common Good' was held in October 2022. Key note speakers included Dr Margaret James and Dr Ann Casson

School buildings

The BOE continued to support the management of the school estate following the principles of the DfE Good Estate management for Schools (<https://www.gov.uk/guidance/good-estate-management-for-schools/the-fundamentals-of-good-estate-management>). In the Manchester Diocese the school estate equates to 85+ Voluntary Aided schools and 100+ Voluntary Controlled, Foundation or Academies. During 2021-22 we further developed our relationship with DBE Services as they co-managed the School Condition Allowance (SCA) programme alongside officers of the BOE. During the year training continued to be delivered to VA schools regarding good estate management and the process of applying for SCA funding. Work towards applying the Board's Environmental policy was actioned. Monies were released from Reserves and Investment funds in order to commission and pay for Carbon Neutral Surveys for all Diocesan schools.

2022-23 SAC Programme of works

Working with DBE Services and in liaison with our School Building Consultants, over 75 bids were assessed with 41 projects being approved. These are listed below in summary form at an overall cost of just over £5.4m. Several of the bids not approved for SCA use were approved with use of DFC. The vast majority of the approved projects are made up of condition work and the list is based on the priority of keeping schools warm, dry and safe.

We continued to work in partnership with DBE Services, who assist the Board of Education in the approval, monitoring, and sign off, of all SCA projects.

Bolton

M0030	Horwich Parish	Replace heating pipe work ASHP for kitchen
M0055	St Matthew Little Lever	Phase 2 (21/22) works to heating distribution
M0090	St Stephens All Martyrs	Toilets
M0100	St Thomas Halliwell	Roofing

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M0105	Walmsley	Gas upgrade
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Bury

M0120	Emmanuel Holcombe	Structural repair
M0135	St Hilda Prestwich	New doors, entry system safeguarding
M0155	St Pauls Bury	Roof repairs and external and internal remodel
M0165	St Stephen's Bury	Safeguarding: Pedestrian and vehicle entrance
M0170	Bury High	Safeguarding: Car parking etc.

Lancashire

M0175	St Anne's Waterfoot	Replace windows doors facias
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Manchester

M0200	St James Birch	Canopy of EYFS
M0205	St Mary Moston	New windows doors single and double glazed
M0210	St Philips Hulme	Roofing

Oldham

M0242	Holy Cross	Roofing
M0250	St Anne's Royton	Corridor reroofing/thermal upgrade
M0255	St Agnes Lees	Gas connection
M0255	St Agnes Lees	New doors existing not compliant
M0260	St Hilda's Oldham	Roof leaks
M0285	St Lukes Chadderton	Mew consumer unit and mains
M0290	St Mararet's Hollinwood	Mezzanine floor
M0290	St Margaret's Hollinwood	New classroom
M0300	St Mary's Greenfield	New boiler
M0310	St Matthew's Chadderton	Heating system replacement
M0325	St Thomas Leesfield	Kitchen ventilation

Rochdale

M0360	Middleton Parish	Roofing
M0368	St John's Thornham	Roofing
M0375	St Michaels Alkrington	Safeguarding: New perimeter fence
M0380	St Michael's Bamford	Roofing
M0385	St Thomas Newhay	Roofing

Salford

M0388	Christ Church Eccles	Classroom
M0388	Christ Church Eccles	Internal alterations
M0400	St Mark's Worsley	Electrical infrastructure
M0415	St Peter's Swinton	Roof works

Tameside

M0430	Canon Burrows	Roofing
M0440	Holy Trinity Ashton	Roofing
M0450	St Mary Droylsden	Windows-replace single glazed
M0455	St Peter's Ashton	Replace oil fired boilers
M0460	St Stephen's Audenshaw	Muga and Forest school learning area

Wigan

M0510	St Michael's Howe Bridge	Repairs to Chimney, gable and other repairs
M0522	St Peter's Leigh	Int/Ext condition works

Children's Work

Tailored training and support for ordinands, lay readers and parishes continued throughout 2022. It was a joy to deliver much of this in person once again.

The ALM Children's Ministry elective 2021-22 was reviewed in order to reflect the priorities of the Diocese as a whole, and formed the basis of Diocesan wide training to which all were invited to. Fourteen candidates undertook the ALM or Lay Module pathway which is a record number. Churches continued to be supported through individual meetings, contacts and the continuing development of a Facebook page, Padlet pages and the existing Twitter account with resources and information. Such resources included those encouraging worship at home as well as those to enhance wellbeing. Support for employed workers continued through online and in person meetings and individual conversations. Support continued to be offered to the 'Moving Up' transition group in the Shaw plurality.

The Family Worship and Beyond fund established as a result of funding from the Board of Education's Reserves and Investment Committee continued to accept applications at given points during the year and make awards as appropriate. Grants made totalled £5750 and varied from £250 - £750. Activities included the establishment of new mid-week worship including 'Creative Church' and 'Outdoor Church', supporting existing missional worship activities for early years family and a discretionary grant made to support children and young people with additional needs during worship.

The churches/parishes that received grants during the year were St Paul, Oldham, Atherton and Hindsford, Levenshulme, St Luke's Heywood, Christ Church Pennington, Holcombe and Hawkshaw, St Andrew Hillock, St Lawrence Denton, St Andrew Radcliffe.

The Worship 2 Go collective worship resource was provided to schools throughout the first half of the academic year on a half-termly basis with 'specials' at certain times of the year such as church festivals. Year 6 Leavers' services were held at Manchester Cathedral in June 2022.

The Growing Faith Peer support Network for senior school staff, clergy and governors continued to be facilitated by the Children's Officer from January to July 2022. Sessions included 'Nurturing Ambition', 'Culture' and 'All things Eco'. The network was attended in total, by 18 different senior school staff, clergy and governors.

Primary Chaplaincy continued to progress with more interest being shown. Following the lead of a CE Multi-Academy Trust, the development of pupils as peer primary chaplains is continuing to further develop. An Authorised Lay Minister who undertook the Children's Elective became a volunteer chaplain in two primary schools.

Support was offered to Rochdale Deanery as they developed a primary school pupil led, eco consultation group which will feed back to the deanery synod.

Regular contact with colleagues in other Northern dioceses was maintained and the Children's Officer, as co-chair of the National Executive of Children and Youth Advisers navigated the network through some national church changes. The Children's Officer stepped down from this role in July 2022.

Youth Work

Over 2022 we began to see youth work provision return to our churches and youth work projects, as groups and sessions begin again face to face. This has been a significant time of transition for churches who both continued their youth work online and for those whose are restarting their groups after little or no engagement during lockdown. The regular Youth Worker's catch up and Live Youth Worker Conversations met, however, some training continued online. The Youth Officer continues to meet both face to face and online with employed workers around the diocese, with diocesan colleagues in the Northern Province and other youth work colleagues. Given the changing landscape of youth work in the diocese over the previous year, 2022 was an opportunity to help parishes rethink their work with young people, support appointments and advise on existing projects and proposals. The Youth Officer continued to sit on the Children Changing Places Board and during the spring and summer term offered a day a week in Canon Slade CE High School to support the chaplaincy there.

Over the summer of 2022 the Youth Officer was involved in running the Tampere/Manchester Confirmation Camp at Scargill House, where a group of 33 Finns joined us for the week, and was also part of the leadership team at the Middle Park Camp led by the youth work project, HAFWAY, who are based in Bolton and have links with many of our CE schools and parishes in that area.

During the course of 2022 the Youth Officer worked with the Children's Officer and Deputy Director of Education in co-creating an Eco award with children and young people from some of our Church of England primary and secondary schools. This included a visit by the Young Christian Climate network to some of our schools and a day at Whalley Abbey designing and creating the award with a group of pupils. A lecture for 3rd year youth work students studying with South West Youth Ministries at Lee Abbey was also delivered.

Over 2022 we continued to offer both the One Day and Two Day Youth Mental Health First Aid training. We trained almost 200 people over the year and continue to offer out this important course next year, enjoying now the opportunity to now deliver these courses both online and face to face. In the next year we will look to offer these courses to schools directly to enable them to train up to 16 members of their school community at a time. In Spring 2022 the Youth Officer developed a new element to our mental health Renew resource suite in a Headteachers' Mental Health Update. This contains resources, reflections and stories from schools around the diocese on this key area. In April 2022 the Youth Officer was invited to facilitate a day on mental wellbeing with a group of young people from across the Church of Ireland in Dublin. This is part of a 3 year project which seeks to hear the voices of young people around this important area and find ways for churches and communities to support them in being mental health advocates.

Financial responsibilities

Public benefit

The trustees confirm that they have complied with the duty under section 4 of the Charities Act 2006 to have due regard to the public benefit guidance issued by the Charity Commission.

The charity is constituted in accordance with the Diocesan Boards of Education Measure 2021, it is a body corporate and a Director of Education is appointed as its secretary.

The MDBE's statutory functions are to:

- promote, or assist in the promotion of education in the Diocese which is consistent with the faith and practice of the Church of England. It does so by sustaining or growing the proportion of CE places in each local authority (there are approximately 58,000 school places in 192 schools).
- promote, or assist in the promotion of, religious education and collective worship in CE schools in the Diocese. It does this through responding to curriculum developments, advising schools of such, providing an RE scheme for VA schools that academies often choose to also use, hosting RE hub meetings, providing advisory visits to schools by an RE specialist and having diocesan representation on local SACREs.
- advise the governing bodies of CE schools 'on any matter'. It does so by advising the leadership and management of those schools on a range of matters such as academy development.
- co-operate with local authorities and other bodies. It does so by meeting regularly with eleven local authorities to identify schools needing support and agreeing strategies to support development in said schools.

In addition, the MDBE supports work with children and youth in parishes and the Diocese as a whole, as well as supporting chaplaincy provision in the three universities. CE schools, colleges, universities and parishes themselves are open to all those who apply and, in some schools and universities, meet the admission criteria. The CE schools in the Diocese meet the needs of all those who attend, without fear or favour, and whether they are of the Christian faith, other faiths or no faith.

Reserves Policy

The reserves held by the MDBE are mostly restricted, held for the provision of support for schools, using the income generated for staffing and running costs, and capital and other grants. They have arisen primarily from the proceeds of former school sites, interest and investment gains thereon and their use is therefore restricted under S554 of the Education Act 1996. In addition, the MDBE has generated other sources of income from its activities, which are unrestricted. These have been used to support the work of the MDBE.

The Statement of Financial Activities (SOFA) for the year shows net expenditure of £12,842 (2021: net resources income of £362,107) before net gains and losses on the revaluation of investments. The level of restricted reserves at the year-end was £6,062,195 (2021 - £6,909,994) and of unrestricted reserves was £618,235 (2021 - £537,396). The MDBE has a policy to maintain at least three months' revenue commitment as a working reserve. At the year-end unrestricted reserves were £618,235, or nine months' commitment. The Trustees are consequently satisfied that an appropriate level of unrestricted reserves are held. The company holds fixed asset investment within restricted funds. The unlisted investments provide investment income. As these are restricted funds, these are not included within the general unrestricted funds.

The Financial Statement illustrated a deficit (before Investment gains) of £12,842 which includes the net expenditure in relation to Net Carbon Fund for 2022 of £175,500 and also net expenditure from the Special Projects of £16,782. The operating surplus excluding Net Carbon Fund and Special Projects

Reserves is £179,439. There has been an unrealised loss on Investments of £754,118 making the company's overall position a net deficit of £766,960. The Total Reserves on 31 December 2022 now stand at £6.680m (2021: £7.447m).

Going Concern

We have made an assessment of the Charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were approved for release.

In making our assessment, we considered the financial impact of Covid-19 on our cash flow forecast, performing stress testing of these plans. The forecasts take into consideration the impact of COVID-19 including the potential impact on the company's income streams and the mitigating actions in place to address any reductions in income.

Having performed our assessment we were able to conclude that the Charity is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis.

In making our assessment we did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the Charity's ability to continue as a going concern.

Investment policy

In accordance with the Memorandum and Articles of Association, the Trustees have the power to invest funds not immediately required in such investment securities or property as may be thought fit by them.

The MDBE holds long term surplus funds, which are invested in a broadly based ethical investment fund, and this is currently through the DBF Investment Fund, managed by CCLA. The bid value of these investments decreased by 11.72% (2021: Increased by 14.4%). Dividends receivable amounted to £170,046 (2021: £176,264) – a yield of 2.99% (2021: 2.56%).

Taxation

The MDBE is a Registered Charity (No. 530002) and as such is not liable to UK Corporation Tax on its charitable activities.

The Trustees have prepared this report in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Structure and Governance

Member Recruitment, Induction and Training

1. The MDBE is governed by the Diocesan Boards of Education Measure 1991 and subsequent 2021 Measure, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011.
2. Members of the Board are appointed or elected within the terms of the Manchester Board of Education Order 2011, i.e. either by (a) the Diocesan Bishop or (b) the Diocesan Synod for Archdeaconry members or (c) the MDBE itself, using the relevant power of co-option. Elections are held each Synod triennial period.
3. The roles and responsibilities of Trustees are described and explained at the first meeting of a new board in a specific induction programme. In addition, further training of Trustees is arranged in relation to education policy development.

- Members who serve on specific sub-committees and working parties are given training and briefing in these areas e.g. the short-life Investment Sub-Committee, but many are already expert in these fields and selected for this reason.
- The MDBE itself is responsible for policy decisions and statutory functions in relation to Church of England schools, and monitoring and evaluation of its policies and purposes.
- The Director of Education published the statutory Annual Review and Report to Diocesan Synod in November 2022. This was presented by the Acting Assistant Directors.

The membership of the MDBE during the period from 1 January 2022 to 31 August 2022 was as follows:

Chair:	Rt Revd M Davies, Bishop of Middleton
Ex Officio:	Rt Revd D S Walker, Bishop of Manchester
Company Secretary:	Deborah Smith
Appointed by Bishop	The Rt Revd M Davies
	Mr H Williams OBE Vice Chair until August 31 2022
Co-opted Members:	Revd P Williamson until August 31 2022
	Revd M Cox until August 31 2022
	Mr G Walczak until August 31 2022

Manchester Archdeaconry

Clergy:	Revd Canon F Sher
Lay:	Canon Dr Addy Lazz- Onyenobi

Bolton Archdeaconry

Clergy:	Revd Canon Dr Chris Bracegirdle
Lay:	Mr L Yarwood

Rochdale Archdeaconry

Clergy:	Revd Rachel Damaris Battershell
Lay:	Mr Richard Lait

Salford Archdeaconry:

Clergy:	Revd Karen Owen
Lay:	Mr Peter Wright

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2022

The membership of the MDBE during the period from 1 September 2022 to date of this report is as follows:

Chair:	Rt Revd M Davies, Bishop of Middleton
Ex Officio:	Rt Revd D S Walker, Bishop of Manchester
Company Secretary:	Deborah Smith
Appointed by Bishop	The Rt Revd M Davies
	Vacancy
Co-opted Members:	Mrs Karen Sudworth
	Mr Gareth Ellswood
	Mr Eliot Costa-Walker
	Mrs Razia Shar (appointed 28 March 2022)

Manchester Archdeaconry

Clergy:	Rev'd George Reeves
Lay:	Canon Dr Addy Lazz-Onyenobi

Bolton Archdeaconry

Clergy:	Revd Adele McKie
Lay:	Mr L Yarwood

Rochdale Archdeaconry

Clergy:	Revd Jenni Beaumont
Lay:	Mr Richard Lait

Salford Archdeaconry:

Clergy:	Revd Karen Hopwood-Owen
Lay:	Mr Tim Delves

The following Terms of Reference are agreed for the sub-committees of the Board:

Finance and General Purposes

Membership to include Chair/vice chair of BOE, 2 BOE members and 2 co-opted members

Meetings will be 3 times per year

To scrutinise the financial management of the board through:

- Approving annual budget
- Oversight of management accounts including income and expenditure
- Reviewing reserves and investments
- Agreeing Service Level Agreement contributions

To support human resource management through:

- Receiving staffing reports
- Approving changes to staffing as appropriate

To support estate management through:

- Approval of estate management priorities, associated costs annually including grants to governors towards contributions
- Receiving annual updates on academy estate management
- Approval of the arrangements for the disposal of redundant school properties

Schools Committee

Membership to include Chair of DBE, 2 BOE members and 2 co-opted members

Meetings will be 3 times per year

To promote church schools and receive advice on:

- Appointment of Multi-Academy Trust leaders in CE Multi Academy Trusts, Head Teachers, deputy Head Teachers, in CE schools
- School performance and support, specifically those categorised by Ofsted as below Good
- Appointment of governors to CE schools including information regarding training to support the distinctive Christian nature of CE schools
- Training and development of school leaders related to Religious Education and distinctive Christian character of CE schools
- Support provided to further develop church/school relationships
- Support provided for school organisation
- Support for school admissions
- Ofsted and SIAMS outcomes

The MDBE holds an Academies Committee to consider applications from CE schools for consent to apply for an Academy Order (Academy Act 2010 S 3 iv) or consent to amend the Articles of Association of an existing academy.

Academy Committee

Quorum of 3 members to include Chair/Vice Chair of BOE. Other 2 members will be either members of the BOE or Schools Committee

Meetings will be 3 times a year directly following BOE meetings. Further meetings will be arranged as necessary

To consider and resolve matters relating to:

- Application by a CE school to apply for conversion to academy status

Related Parties

Manchester Diocesan Board of Finance is a Charitable Company limited by guarantee, situated at St John's House, 155-163 The Rock, Bury BL9 0ND. The charity is connected to MDBE by virtue of the fact that the Manchester Diocesan Synod has the power to appoint the majority of the Committee of Management, constituting the Board of Directors for each charity.

The policies and activities of MDBE, within the framework of the Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011, reflect and contribute to the vision and mission of Manchester Diocese which is to be a worshipping, growing and transforming Christian presence at the heart of every community.

MDBE is a shareholder in the trading company, DBE Services Ltd, situated at DBE Services, Clayton House, Walker Industrial Estate, Walker Road, Guide, Blackburn, BB1 2QE.

MDBE's accommodation is provided by Manchester Diocesan Board of Finance, for which a rent is levied for use of building and services.

Higher Education

The work of the MDBE in relation to higher education is performed by chaplains based at the Universities of Manchester, Salford and Bolton. Their work in Manchester is scrutinised by the governing body of St Peter's House and in Bolton by the Vice-Principal's Faith and Spirituality Sub-Group (Bolton) The chaplains also contribute to the BOE's annual report to Synod.

Custodian trusteeship

MDBE holds, as Custodian Trustee, for a number of Parochial and school funds, investments and bank deposits with an aggregate market value of £5,309,191 (2021 - £6,737,455) which are not included in the Balance Sheet. This includes monies from the Department for Education, which are held in individual accounts for schools for their building works. These investments are held on behalf of schools and parishes whose charitable purposes are similar to those of the MDBE. These assets are held securely and separately from those of the MDBE that is responsible for their safe custody.

Charity Governance Code

The Charity Governance Code was published to help charities and their trustees develop high standards of governance. The code sets out seven principles and recommended practice. Below are the seven principles with an explanation of how MDBE operates against these principles:

Organisational purpose

The organisational purpose of MDBE is clearly defined in statute and policy decisions made over time. It has identified clear aims under such duties and policies and measures outcomes against those aims. It has a strategic plan and works from a balanced budget with a consistent history of providing a secure financial platform for its operations.

Leadership

The Board provides effective strategic leadership in order to fulfil the purpose of the company and meet its objectives. Its remuneration policy is determined by the employer of officer, the MDBF.

Integrity

The Board acts with the integrity expected of the charity. Conflicts of interest are declared annually and before each meeting, and gifts and hospitality are recorded.

Decision-making, risk and control

Decisions of the Board are clearly articulated in papers and minutes, and counted votes where necessary. The Board receives a termly risk register and mitigation and control of risks are monitored. Board papers and minutes report movement in the risk register.

The Board does not have an Audit Committee, but it does have a Finance and General Purposes Committee which is separately chaired and meets in tandem with the Board.

Board membership combines representative interests with an appropriate skill mix at both Governing Body and sub-Committee levels.

Board effectiveness

The Board membership combines experience, new and renewed membership. It was 'modernised' through the Manchester DBE Order in August 2011 when membership numbers were reduced from a potential 32 to 12. Sub-committee structures are slim and terms of reference are clear. Meetings are scheduled for the triennium with clear rules about the timing of distribution of papers and minutes.

The Board accesses legal, financial and HR services, and financial colleagues form the DBF report to, and attend, relevant meetings..

Diversity

The Board includes members who are from different ethnic and gender backgrounds. Reasonable expenses are paid on an equitable basis to all who attend.

Openness and accountability

The Directors' Report includes a statement of public benefit. Its Minutes are scrutinised by the Bishop's Council. Remuneration details of senior employees are detailed within Note 16 of the 'Notes to the Accounts'.

Principle Risks and Uncertainties

The Trustees have assessed the major risks to which the charity is exposed, in particular, those related to the operations and finances of the MDBE, and are satisfied that systems are in place to mitigate exposure to the major risks. A risk register has been a standard agenda item at all MDBE meetings since 2008, with the main ones detailed below:

- Financial risks remain low despite a period of uncertainty due to Covid 19.
- 'Academy risks' - of being 'caught-out' by a rush of sponsorships. The risk attached to those academies which we do sponsor remains high and has potentially the highest level of impact.
- A potential financial risk is an impact on income from investment which is factored into our financial risk. There is a minimal employment risk in relation to our schools' workforce.
- There is a reducing risk that the MDBE will not be strategically prepared for any rush of applications for academy status, or that the MDBE is 'forced' to sponsor unsuccessful schools which would subsequently fail. This risk has been reduced, partly owing to the MDBE's clear policy of requesting our existing high-performing academies to take on this role.

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 MDBE. All staff are employed by the MDBF and staff costs recharged to MDBE. The MDBF Staffing Committee acts on behalf of the Trustees on employment practice and development of human resources. The Committee reviews salaries in the MDBF and MDBE, and approves recommendations for salaries in relation to new posts or regrading of posts. The MDBF has a grading structure with 8 pay bands, within each pay band there are 3 increment points. Posts are allocated a grade with increments or a spot grade; some posts span two grades. The MDBF tracks market rates and occasionally takes part in national benchmarking data collection with other Diocese.

Trustee Responsibility for Financial Management

The Trustees are responsible for preparing the Annual Report including the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom

Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of Information to the Auditors

So far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information

In preparing the Trustees' Report, advantage has been taken of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the Board on 20th June 2023 and signed on its behalf by



MARK DAVIES

Director

Date: 20th June 2023

Independent Auditor's Report to members of MANCHESTER DIOCESAN BOARD OF EDUCATION

Opinion on the financial statements

We have audited the financial statements of The Manchester Diocesan Board of Education for the year ended 31 December 2022 which comprise the Consolidated and Company Statements of Financial Activities, Consolidated and Company Balance Sheets, Consolidated 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 group's and of the parent charitable company's affairs as at 31 December 2022 and of the group's and parent 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

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

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

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

Other information

The 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.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' 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 group and the parent 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 parent charitable company; or
- the parent 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.

Responsibilities of Trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 group or the parent 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.

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 safeguarding vulnerable beneficiaries, health and safety, and employment (including taxation), 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, the Charities Act 2011, Church of England Measures and VAT law.

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 fund accounting, including transfers between funds, and 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.

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

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

Use of our report

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



Adam Halsey (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, statutory auditor
10 Queen Street Place, London, EC4R 1AG

31 August 2023

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2022

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure account) For the year ended 31 December 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
INCOME AND ENDOWMENTS FROM					
Donations and Legacies	2	33,857	283,020	316,877	505,349
Income from Charitable Activities	3	253,481	-	253,481	248,069
Other Trading Activities	4	-	41,000	41,000	41,000
Income from Investments	5	-	198,713	198,713	261,019
TOTAL INCOME AND ENDOWMENTS		287,338	522,733	810,071	1,055,437
EXPENDITURE ON					
Charitable Activities	6	206,499	616,414	822,913	693,330
TOTAL EXPENDITURE		206,499	616,414	822,913	693,330
NET INCOME/(EXPENDITURE) BEFORE NET GAINS ON INVESTMENTS		80,839	(93,681)	(12,842)	362,107
Net gain/(loss) on investments	8	-	(754,118)	(754,118)	808,927
NET INCOME		80,839	(847,799)	(766,960)	1,171,034
NET MOVEMENT IN FUNDS		80,839	(847,799)	(766,960)	1,171,034
Balance brought forward 1 January	12 & 13	537,396	6,909,994	7,447,390	6,276,356
Balance carried forward 31 December	12 & 13	618,235	6,062,195	6,680,430	7,447,390

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

All incoming resources and resources expended are derived from continuing activities.

The notes on pages 27 to 42 form part of these financial statements.

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2022

BALANCE SHEET

For the year ended 31 December 2022

	Note	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Tangible Assets	7		1		1
Investments	8		5,680,630		6,434,748
			<u>5,680,631</u>		<u>6,434,749</u>
CURRENT ASSETS					
Debtors	9	171,579		151,253	
Cash at Bank and in hand		1,241,467		1,166,400	
Closed School Bank Deposits	10	1,020,649		1,018,434	
		<u>2,433,695</u>		<u>2,336,087</u>	
CREDITORS					
Amounts falling due within one year	11	(1,433,896)		(1,323,446)	
NET CURRENT ASSETS			<u>999,799</u>		<u>1,012,641</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,680,430</u>		<u>7,447,390</u>
	12 & 13		<u>6,680,430</u>		<u>7,447,390</u>
CAPITAL AND ACCUMULATED FUNDS					
Unrestricted funds			618,235		537,396
Restricted funds			6,062,195		6,909,994
	12 & 13		<u>6,680,430</u>		<u>7,447,390</u>

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

The notes on pages 27 to 42 form part of these financial statements.

Approved by the Board and signed on its behalf on 20th June 2023 by:

+ Mark Middleton

MARK DAVIES
Bishop of Middleton – Chairman

D Smith

DEBORAH SMITH
Diocesan Director of Education
and Company Secretary

CASH FLOW STATEMENT

For the year ended 31 December 2022

	2022 £	2021 £
Net (expenditure) for the reporting period (as per the statement of financial activities)	(12,842)	362,107
Dividends, interest from investments	(198,713)	(261,019)
Decrease / (Increase) in debtors	(20,326)	230,990
Increase / (Decrease) in creditors	110,450	(1,086,664)
Net cash (used in) operating activities	(121,431)	(754,586)
Cash flows from investing activities:		
Dividends and interest from investments	198,713	261,019
Proceeds from sale of investments	-	438,117
Net cash provided by investing activities	198,713	699,136
	77,282	(55,450)
Cash flows from financing activities:	-	-
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the reporting period	77,282	(55,450)
Cash and cash equivalents at the beginning of the reporting period	2,184,834	2,240,284
Cash and cash equivalents at the end of the reporting period	2,262,116	2,184,834

Cash and cash equivalents includes both Cash at bank and in hand and Closed school bank deposits. See accounting policy 1(e) for an explanation of the closed school bank deposits.

The notes on pages 27 to 42 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102 2nd edition), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

(b) Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income, other than interest arising from the sale proceeds of closed school sites, is included in incoming resources when receivable. Interest that is earned on the sale proceeds of closed school sites is recognised when the relevant sales proceeds are determined. Details of the sales proceeds and accumulated interest on sites awaiting determination are given in note 10 to the accounts.

(c) Resources expended

Resources expended include all expenditure directly related to the objects of the charity (in accordance with SORP 2019) inclusive of any VAT, which cannot be recovered. Grants to schools are considered on the facts of each individual case dependent on the availability of funds at the time. Costs arising from the organisation and running of the charity rather than its charitable objects are shown as governance costs.

(d) Uncapitalised fixed assets

School sites and buildings for the 191 Diocesan schools are included on the balance sheet at an aggregate nominal value of £1. Additions by the Manchester Diocesan Board of Education to the existing school sites and buildings are written off in the income and expenditure account in the year in which they are incurred. The Manchester Diocesan Board of Education hold the majority of sites only as Trustees for continuing education in the appropriate parish and the Board does not have an absolute title. Sale proceeds will only arise in the event of the Secretary of State for Education agreeing to the closure of a school. The accounting policy in relation to closed school sites is as stated below. In view of the above, it is considered prudent not to include valuations for existing school sites as Fixed Assets of this Board.

(e) Closed school sites

Sales proceeds of closed school sites and buildings attributable to the Manchester Diocesan Board of Education (once the correct legal destination of the proceeds has been resolved) are shown in the Statement of Financial Activities on page 18. Until such time as the Board has received the appropriate statutory approvals, proceeds are included in the balance sheet as a liability (note 10). Only a portion of the sales proceeds will accrue to the Manchester Diocesan Board of Education in due course and it is not possible to predict the value of such proceeds.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

(f) Staff pensions

The Board of Education previously contributed to the Church of England Defined Benefits Scheme (DBS) for staff that is administered through the Manchester Diocesan Board of Finance. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme, which are attributable to the Board. Therefore, in accordance with FRS 102, payments to the scheme are accounted for as for defined contribution schemes and

the Board accounts for pension costs based on contributions payable to the scheme in the year. Details of the scheme are given in note 18 to the accounts. The contributions due for the year are disclosed in note 15.

(g) Investments

Investments are shown at their bid value on the date of the balance sheet. Investments held by the Board as custodian trustee are not included in these accounts (see note 19).

(h) Agency arrangements (Maintenance Scheme Debtors and Creditors)

The charity acts as agent in the collection of grants from government, local authorities and other funds, and payment of approved invoices for school building projects on behalf of certain Church of England schools in the diocese. This income and expenditure is excluded from the income and expenditure of the charity and any balances due from or held on behalf of schools are shown within debtors and creditors.

(i) Fund accounting

Funds held by the company are either:

Restricted funds - Funds which may only be used for specific purposes imposed by the settler, donor or legislation.

Unrestricted funds - Funds which may be used for general purposes without any external restriction.

(j) Legal Status of the Trust – The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

(k) Investment in DBE Services - The MDBE owns 16.7% of the ordinary share capital of DBE Services Ltd and is included at cost. Any surplus share is accounted for in the year it is received.

(l) Judgements in applying accounting policies and key sources of estimation uncertainty - In preparing these financial statements the directors have made judgements where appropriate. There are no further material judgements.

(m) Going Concern - We have made an assessment of the Charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were approved for release. In making our assessment, we considered the financial impact of Covid-19 on our cash flow forecast, performing stress testing of these plans. Having performed our assessment, we were able to conclude that the Charity is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis. In making our assessment we did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the Charity's ability to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

- (n) **Allocation of Support costs** - As explained in the Annual Report, the MDBE supports Church of England schools in the diocese in a wide range of ways including assisting with building projects, supporting and training governors, and promoting religious education more widely. The allocation between activities fluctuates as necessary. In addition, the Board operates with a small staff and as a result does not consider that keeping formal records of the allocation of support costs between activities would provide significant useful information.
- (o) **Funds held as custodian trustee** - MDBE holds, as Custodian Trustee, for a number of Parochial and school funds, investments and bank deposits, which are not included in the Balance Sheet. This includes monies from the Department for Education, which are held in individual accounts for schools for their building works. These investments are held on behalf of schools and parishes whose charitable purposes are similar to those of the DBE. These assets are held securely and separately from those of the Board that is responsible for their safe custody.
- (p) **Financial Instruments** - Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

COMPANY INCOMING RESOURCES – COMPRISING NOTES 2 – 5

		2022 Unrestricted Funds £	2022 Restricted Funds £	2022 Total Funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	2	33,857	283,020	316,877
Income from charitable activities	3	253,481	-	253,481
Other trading activities	4	-	41,000	41,000
Income from investments	5	-	198,713	198,713
TOTAL		287,338	522,733	810,071

		2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total Funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	2	365,349	140,000	505,349
Income from charitable activities	3	241,466	6,603	248,069
Other trading activities	4	-	41,000	41,000
Income from investments	5	-	261,019	261,019
TOTAL		606,815	448,622	1,055,437

2. DONATIONS AND LEGACIES

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Manchester Diocese Synod Funding	-	140,000	140,000	140,000
Sale of closed school sites	-	143,020	143,020	311,636
DBE Services Ltd	33,857	-	33,857	53,713
TOTAL	33,857	283,020	316,877	505,349

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted	Restricted	Total	Total
	2022	2022	2022	2021
	£	£	£	£
Administration Charges	-	-	-	8,583
RE and other training income	248,864	-	248,864	231,083
Grants received	-	-	-	-
Other income	4,617	-	4,617	8,403
TOTAL	253,481	-	253,481	248,069

4. OTHER TRADING ACTIVITIES

	Unrestricted	Restricted	Total	Total
	2022	2022	2022	2021
	£	£	£	£
Rents received	-	41,000	41,000	41,000

5. INVESTMENT INCOME

	Unrestricted	Restricted	Total	Total
	2022	2022	2022	2021
	£	£	£	£
Income from investments				
Unquoted	-	170,046	170,046	174,650
Stelfox Trust Income	-	25,049	25,049	24,315
Realised Gain on Investments	-	-	-	61,882
Interest receivable				
Bank and CBF interest	-	3,618	3,618	172
TOTAL	-	198,713	198,713	261,019

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

COMPANY EXPENDITURE – COMPRISING NOTE 6

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Fund 2022
EXPENDITURE ON			
Charitable Activities	206,499	616,414	822,913
TOTAL	<u>206,499</u>	<u>616,414</u>	<u>822,913</u>

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
EXPENDITURE ON			
Charitable Activities	329,712	363,618	693,330
TOTAL	<u>329,712</u>	<u>363,618</u>	<u>693,330</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

6. CHARITABLE EXPENDITURE

	Unrestricted	Restricted	Total	Total
	2022	2022	2022	2021
	£	£	£	£
(a) Grants (note 16)				
Building grants to schools	-	27,463	27,463	40,005
TOTAL	-	27,463	27,463	40,005
(b) Other expenditure				
<i>i.</i> to provide a service:				
Staff salaries, pensions and sub-contractors	113,209	290,794	404,003	429,439
<i>ii.</i> for costs:				
Legal and professional services for school building and sites	-	1,053	1,053	917
<i>iii.</i> Other overheads	88,693	290,980	379,673	212,161
<i>iv.</i> Provision against doubtful debts	-	-	-	1,495
<i>v.</i> Christian Leadership expenditure	-	-	-	-
<i>vi.</i> Audit Fees	4,597	6,124	10,721	9,313
	206,499	588,951	795,450	653,325
TOTAL	206,499	616,414	822,913	693,330

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £
(a) Grants (note 16)			
Building grants to schools	-	40,005	40,005
TOTAL	-	40,005	40,005
(b) Other expenditure			
<i>i.</i> to provide a service:			
Staff salaries, pensions and sub-contractors	184,846	244,593	429,439
<i>ii.</i> for costs:			
Legal and professional services for school building and sites	612	305	917
<i>iii.</i> Other overheads	136,960	75,201	212,161
<i>iv.</i> Provision against doubtful debts	1,076	419	1,495
<i>v.</i> Christian Leadership expenditure	-	-	-
<i>vi.</i> Audit Fees	6,218	3,095	9,313
	329,712	323,613	653,325
TOTAL	329,712	363,618	693,330

Support costs

Included within the above expenditure are the following support costs:

	2022 £	2021 £
<i>i.</i> Staff salaries, pensions and sub-contractors	185,074	192,451
<i>ii.</i> Legal and professional services for school building and sites	4,200	6,671
<i>iii.</i> Other overheads	42,441	56,101
<i>v.</i> Christian Leadership expenditure	-	-
<i>vi.</i> Audit Fees	10,721	9,313
TOTAL	242,436	264,536

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

7. FREEHOLD AND LONG LEASEHOLD LAND AND BUILDINGS

	2022 £	2021 £
School sites and buildings at nominal value	1	1

Note that there were none capital commitments authorised but not contracted for at 31 December 2022 (2021: £nil).

8. INVESTMENTS

	Number	2022 £	Number	2021 £
CBF Investment Fund Shares				
Shares at bid value brought forward	275,145	6,434,736	296,572	6,063,927
Disposal proceeds		-	(21,427)	(438,118)
Unrealised investment gains		(754,118)		808,927
		<u>5,680,618</u>		<u>6,434,736</u>
Bid value 31 December				
Number of shares at 31 December	<u>275,145</u>		<u>275,145</u>	
Historical cost at 31 December		(888,193)		(888,193)
		<u>4,792,425</u>		<u>5,546,543</u>
Excess of bid value over cost to date				
		<u>12</u>		<u>12</u>
Investment in DBE Services Ltd				
Total		<u>5,680,630</u>		<u>6,434,748</u>

In 2005 the company purchased twelve ordinary shares of £1 each (a 16.7% shareholding) in DBE Services Ltd. DBE Services Ltd was set up to provide services to schools. This company started to trade on 1 January 2006.

	2022 £	2021 £
The trading activities were:		
Turnover	2,812,941	2,622,339
Cost of Sales, administrative expenses and interest	(2,387,841)	(2,136,381)
	<u>425,100</u>	<u>485,958</u>
Surplus		
	<u>33,857</u>	<u>53,713</u>
MDBE Share of Surplus (*)		

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

The MDBE received fees for work done by its staff for DBE Services Ltd of £nil (2021: £nil).

The shares may not be disposed of or charged except in accordance with the provisions of the Shareholders' Agreement.

* Distributable profits attributable to the work done for relevant schools are to be distributed in the proportions to which they arise from the work done for the relevant schools for each shareholder and the remaining distributable profits shall be divided equally between the shareholders.

9. DEBTORS

	2022 £	2021 £
Maintenance scheme debtors	-	-
School selling expenses recoverable from future sale proceeds	100,239	69,654
Prepayments and accrued income falling due within one year	50,664	55,330
Other debtors	20,676	26,269
TOTAL	171,579	151,253

10. CLOSED SCHOOL BANK DEPOSITS

	2022 £	2021 £
Closed school account balances pending determination	1,016,441	1,014,235
Closed school account balances – MDBE Asset	4,208	4,199
TOTAL	1,020,649	1,018,434
Reconciliation of closed school balances:-		
Capital proceeds	702,649	702,649
Accumulated interest	503,792	501,586
Total creditor (note 11)	1,206,441	1,204,235
Less funds used for increased working capital	(190,000)	(190,000)
Add closed school account balances – MDBE Asset	4,208	4,199
TOTAL	1,020,649	1,018,434

The closed school balances have arisen primarily from the proceeds of former school sites, interest and investment gains thereon and their use is therefore restricted under S554 of the Education Act 1996.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Maintenance scheme creditors – school creditors	-	-
General creditors and accruals	189,049	80,265
The Manchester Diocesan Association Church Schools	(1)	(1)
Closed schools - monies held pending determination - (note 10):		
Capital proceeds	702,649	702,649
Accumulated interest	503,792	501,586
Manchester Diocesan Board of Finance	38,407	38,946
HMRC VAT	-	1
TOTAL	1,433,896	1,323,446

12. RESERVES

	1 Jan 22 £	Incoming resources £	Resources expended £	(Losses) on investments £	31 Dec 22 £
Restricted funds					
For Schools	6,909,994	382,733	(476,414)	(754,118)	6,062,195
From Synod	-	140,000	(140,000)	-	-
	6,909,994	522,733	(616,414)	(754,118)	6,062,195
Unrestricted funds					
General	537,396	287,338	(206,499)	-	618,235
TOTAL	7,447,390	810,071	(822,913)	(754,118)	6,680,430

	1 Jan 21 £	Incoming resources £	Resources expended £	Gains on investments £	31 Dec 21 £
Restricted funds					
For Schools	6,016,063	308,622	(223,618)	808,927	6,909,994
From Synod	-	140,000	(140,000)	-	-
	6,016,063	448,622	(363,618)	808,927	6,909,994
Unrestricted funds					
General	260,293	606,815	(329,712)	-	537,396
TOTAL	6,276,356	1,055,437	(693,330)	808,927	7,447,390

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

Restricted funds

The restricted funds are held for the provision of support for schools, using the income generated for staffing and running costs, and capital and other grants. They have arisen primarily from the proceeds of former school sites, interest and investment gains thereon and their use is restricted under S554 of the Education Act 1996.

13. ANALYSIS OF 2022 NET ASSETS

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £
Tangible assets and Investments	-	5,680,631	5,680,631
Net current assets	618,235	381,564	999,799
TOTAL	618,235	6,062,195	6,680,430

ANALYSIS OF 2021 NET ASSETS

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £
Tangible assets and Investments	-	6,434,748	6,434,748
Net current assets	537,396	475,246	1,012,642
TOTAL	537,396	6,909,994	7,447,390

14. NET INCOMING RESOURCES

	2022 £	2021 £
This is stated after charging:		
Auditors' remuneration:		
External audit	10,721	9,313
and after crediting:		
Rental income	41,000	41,000

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

15. STAFF COSTS

All staff are employees of MDBF and are recharged to MDBE. Amounts recharged were:

	2022	2021
	£	£
Salaries	312,863	332,460
Social security costs	32,817	33,356
Pension costs	58,323	63,623
TOTAL	404,003	429,439

The average weekly number of employees during the year was made up as follows:

Office and General Management employees	10	12
---	----	----

Note that the Directors of the MDBE receive no remuneration or reimbursed expenses for their services as directors. There was 1 employee with total emoluments above £60,000 in 2022 (2021: 1 employee).

EMPLOYEE DETAILS

Employees receiving remuneration in excess of £60,000 are analysed as follows:

	2022	2021
	No.	No.
£60,000 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1

	2022	2021
	£	£
Pension contributions to Pension Builder defined benefit scheme	13,152	13,056

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

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 MDBE. During 2022 they were:

Deborah Smith – Director of Education and Company Secretary to the Board

Liam Eaglestone – Deputy Director of Education (Resigned 8th August 2022)

Susie Mapledoram – Acting Assistant Director/Youth Work Officer (Promoted 1st August 2022)

Karen Beal – Children’s Officer (Transferred to DBF - 1st August 2022)

Ruth Gent – Senior Admin & Governance Officer

Terry Hart - Acting Assistant Director/RE and Christian Distinctiveness Adviser

(Promoted 1st August 2022)

Leona Brooks - Acting Capital Buildings Officer (Promoted 1st August 2022)

Remuneration and pensions for these employees in the 8 posts (2022: 6 posts) amounted to £312,074 (2021: £271,795)

16. BUILDING GRANTS TO SCHOOLS

	2022 £	2022 £	2021 £	2021 £
Reconciliation of building grants payable:				
Commitments as at 1 January		-		-
Commitments made in the year	27,463		40,005	
Grants reclaimed in the year	-		-	
Grants payable for the year		27,463		40,005
Grants paid during the year		-		-
Building grant commitments at 31 December		27,463		40,005

Grants, having been previously approved by the Finance & General Purpose Committee, are debited to the School Building fund at the time of approval.

There were 1 grant was awarded in 2022 (2021: 4). All the grants were credited to schools in the Diocese of Manchester. A full list of individual grants is available on request from the Company Secretary at the Registered Office.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

17. RELATED PARTY TRANSACTIONS

Manchester Diocesan Board of Finance

Manchester Diocesan Board of Finance is a Charitable Company limited by guarantee, situated at 90 Deansgate, Manchester, M3 2GH. The charity is connected to Manchester Diocesan Board of Education by virtue of the fact that Manchester Diocesan Synod has the power to appoint the majority of the Committee of Management, constituting the Board of Directors, for each charity.

For the year ended 31 December 2022, the Manchester Board of Finance ("MDBF") made a budget transfer to the MDBE of £140,000 (2021: £140,000), representing the Synod funding of non-schools work of the Board of Education. Dividend income from the Stelfox Trust of £25,049 (2021: £24,311) was also paid to the MDBE via the MDBF. During the year MDBF incurred costs on behalf of, and subsequently recharged to, the MDBE costs of £539,728 (2021: £528,969) comprising:

	2022	2021
	£	£
Staff costs	404,003	429,439
Central services	135,725	99,530
Total	539,728	528,969

Manchester Diocesan Church House Company

Manchester Diocesan Board of Education's accommodation is provided by Manchester Diocesan Church House Company Ltd (which is a subsidiary of Manchester Diocesan Board of Finance) for a service charge of £13,771 (2021: £14,462), which is included in the Manchester Diocesan Board of Finance's recharges.

DBE Services

MDBE owns 16.7% of the ordinary share capital of DBE Services Ltd, an entity which commenced trading on 1 January 2006. The company undertakes support work across six northern dioceses. During the year Manchester Diocesan Board of Education received donations totalling £33,857 (2021: £53,713). The Right Reverend Mark Davies served as a Director at DBE Services Limited during 2022.

Trustees

No Trustees (2021: Nil) were reimbursed for travel expenses during the year. During the year, there was £nil paid to Trustees for advice to School Governing Bodies and in relation to projects (2021: £520 paid to one Trustee).

18. PENSIONS

As the staff are employed by the Manchester Diocesan Board of Finance and recharged to the Manchester Diocesan Board of Education, any pension surplus / deficit is included within the MDBF financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

19. CUSTODIAN HOLDINGS

Manchester Diocesan Board of Education holds, as Custodian Trustee, for a number of Parochial and school funds, investments and bank deposits with an aggregate bid value of £5,309,191 (2021: £6,737,455), which are not included in the Balance Sheet. This includes monies from the Department for Education, which are held in individual accounts for schools for their building works. These investments are held on behalf of schools and parishes whose charitable purposes are similar to those of the MDBE. These assets are held securely and separately from those of the MDBE, which is responsible for their safe custody.

20. SCHOOL BUILDING & IT PROJECTS

The Manchester Diocesan Board of Education assists diocesan voluntary aided schools with the administration of funding for school building projects and the provision of IT equipment. The MDBE acts as the agent of school governing bodies in receiving funding from the Department for Education, local authorities and other funding sources and settling and matching it with the contractors' costs and professional fees. This activity of the MDBE is not reflected in the Statement of Financial Activities as the transactions are those of the school governing bodies rather than the MDBE. Total expenditure on school building projects and IT equipment during the year was £6,928,995 (2021: £4,335,546).

Accounts

**MANCHESTER DIOCESAN BOARD OF EDUCATION
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021**

Company No. 00618201– Registered Charity No. 530002

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MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2021

ORGANISATION AND ADMINISTRATION DETAILS

CHAIRMAN	The Right Reverend M Davies
SECRETARY	Deborah Smith
BISHOP OF MANCHESTER	The Right Reverend David Walker
DIRECTORS	The Directors are the members of the Board of Education Details of Board members are given on page 10
REGISTERED OFFICE	Church House, 90 Deansgate, Manchester, M3 2GH Telephone: 0161 828 1400 Fax: 0161 828 1484 Email: ManchesterDBE@manchester.anglican.org
PRINCIPAL OFFICER	Deborah Smith (Director of Education)
BANKERS	Royal Bank of Scotland plc St Ann Street Manchester M60 2SS
AUDITORS	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
SOLICITORS	Ms Jane Monks, LL.B (Notary Public) Diocesan Registry 90 Deansgate Manchester M3 2GH
INVESTMENT ADVISORS	CCLA Investment Management Ltd Senator House 85 Queen Victoria Street London EC4V 4ET
CONSTITUTION	Manchester Diocesan Board of Education is a Company Limited by Guarantee Registered in England Number 00618201 Registered Charity Number 530002

The Charity is bound by its Memorandum and Articles of Association and by the statutory duties of the Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011.

MISSION STATEMENT

1. Principal Activity

The principal activity of the Manchester Diocesan Board of Education ("MDBE") is to fulfil its statutory duties to:

- promote education in the Diocese of Manchester which is consistent with the faith and practice of the Church of England;
- to promote religious education and religious worship in schools in the Diocese;
- to promote church schools in the Diocese and advise governors on any matters;
- to promote co-operation between the Board and other bodies; and
- to advise on the maintenance, improvement and extension of school buildings in Voluntary Aided schools and give permission.

The MDBE advises on the appointment of senior leaders in church schools; it arranges statutory inspections of the Christian distinctiveness of church schools; and it considers giving consent to church schools that wish apply for Academy Orders.

The MDBE is also responsible for the promotion and development of Christian education in parishes, and Christian chaplaincy in institutions of Higher Education.

2. Aims

The aim of the MDBE is to fulfil its statutory duties within the resources available.

The MDBE is a very significant part of the mission of the church in the Diocese of Manchester. The principal aim of the MDBE's work is 'To enable children and young people to encounter the Christian gospel and to grow in faith, through providing for their Christian education and nurture in schools, parishes and other settings'.

The MDBE provides the expertise for the whole Diocese to draw on in relation to:

- mission and evangelism with children and young people;
- faith development;
- religious education in both formal and informal settings;
- spiritual development of children and young people; And
- initiation into the worshipping community.

LEGAL OBJECTS

The legal objects of the company as set out in the Memorandum and Articles of Association are as follows:

1. To be the Diocesan Board of Education for the Diocese of Manchester as at present constituted or as hereafter it may be constituted, and to exercise and perform within that Diocese the rights, functions, powers, duties and obligations given to or imposed upon a Diocesan Board of Education by the Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011, or any Measure passed by the General Synod of the Church of England or Act of Parliament amending or replacing the same or for the purposes of any Measure passed by the said Synod or Act of Parliament for which the Diocesan Conference may appoint the Board to act.
2. To act as Trustees in respect of any land stocks shares funds and securities held in trust for or belonging to any educational foundations or any other charitable foundations having objects which may be similar to or within the scope of the objects of the Board and to do such acts and things as may be necessary or expedient to be done in relation thereto under or by virtue of any scheme or schemes or Trust Deed or Trust Deeds affecting the same.

TRUSTEES' REPORT

VISION AND STRATEGIC AIMS

The vision of the Diocese of Manchester is to be a worshipping, growing and transforming Christian presence at the heart of every community. Church schools are central to this vision as they seek to be places where Christian values and practices are at the centre of all that happens there. The Manchester Diocesan Board of Education (MDBE) fully supports this vision through its work with Church schools, across the diverse landscape of Greater Manchester and Rossendale.

The vision has three fundamental principles; growing, nurturing and serving, as we strive every day in our local ministry to be a Church for a Different World. MDBE works in partnership with 191 CE schools and diocesan churches to enact and support these principles.

Growing: MDBE grows and cultivates healthy relationships with staff and governors across the family of church schools. We encourage good leadership through providing training and advice in areas such as mental health and wellbeing, admissions, Head Teacher recruitment and development as well as effective management of school buildings.

Nurturing: MDBE strives to nurture its relationships with schools, just as we believe, God nurtures His relationships with His children. We support schools in the journeys they have with each of their children, from early years through to sixth form; walking alongside schools during transition points, academic experiences and community events. We work across churches and schools to establish reciprocally beneficial relationships. We communicate with school leaders, staff, governors and clergy teams, uniting us as we work together to lift up the children and young people in schools and churches.

Serving: MDBE seeks to serve schools with love, kindness and action, enacting the commandment to 'Love the Lord your God with all your heart and with all your soul and with all your mind, and love your neighbour as yourself.' (Luke 10:27). We work in communion with people, children and families from all faiths and backgrounds, celebrating the diverse landscape of our great city and region and the communities that come together within it. We help to maintain the Christian distinctiveness of Church of England schools through the facilitation of training and resourcing in the areas of vision and values, Religious Education, Collective Worship and the requirements of SIAMS.

MDBE's overarching vision is for Church of England schools to be places where all involved in can be introduced and supported to reflect on Jesus' promise in John 10:10 that He 'came so that you might have life in all its' fullness.'

PRIORITIES FOR THE YEAR

Key Priority 1 : Ensure provision for children and young people is at the heart of the work within deaneries in order that:

- Work with children and young people within all deaneries is central to their mission.
- Children and young people are an integral part of the church now rather than as potential church members once they reach adulthood.
- Training at all levels reflects the view that children and young people are fully part of the ministry of the church.
- Mission communities make meaningful connections and relationships with all schools, but in particular CE schools within their area.

Key Priority 2: Support schools in having a strong identity in terms of Christian vision and values so that:

- Schools are able to provide education provision which remains true to their trust deed
- Young people who attend a Church school understand the tenants of the Christian faith and who Jesus is
- All who relate to the school are able to connect with opportunity to experience 'life in all its fullness'
- Support for schools and school leaders is targeted towards supporting development and understanding of the school's Christian vision
- Church schools and their leaders deepen, articulate and live out their Christian distinctiveness

Key Priority 3: Support the diocesan net zero targets through working with schools to develop energy efficiency in order that:

- Schools are as energy efficient as is possible, given budget and other constraints. Management of the school estate will include a high priority on promoting carbon reduction systems, as appropriate.

TRUSTEES' REPORT

PRIORITIES FOR THE YEAR (continued)

- Young people and children who attend CE schools are participating in and leading on environmental projects as appropriate. Our belief is that our children and young people will want to fully engage and will only accept an authentic commitment by adults to this huge issue for humanity. Therefore, within the Christian context of Manchester's CE schools, it is vital that we enable children and young people to drive the change to protect God's creation.

Key Priority 4: Equip and resource school governors to effectively fulfil their role as ex officio or foundation governor with CE schools so that:

- Foundation governors have a full understanding of the commitment and responsibility of the role as a vocation.
- Ex officio governors are able to fully support schools through an understanding of how schools support the mission and ministry of the CE church.
- All involved in school governance are able to access appropriate training and support as necessary.

Key Priority 5: MDBE processes and systems enable support for our work with schools so that:

- Best use is made of appropriate databases to collate data in order to report to BOE and associated committees
- IT systems are used to complete collaborative work between MDBE staff
- Estate management accesses effective external support regarding management of building projects

Officers' and staff individual performance objectives identify strategies to achieve the above priorities and are reviewed throughout the year.

Grant making policies

MDBE awards grants to schools that have made applications for support with the governors' liabilities for capital building projects. The level of grant is determined following consideration of the relevant information and the availability of funds. The MDBE gives other grants to promote statutory functions laid down in the Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Advice re school improvement and school place planning

MDBE officers meet with local authorities to identify and plan intervention in schools causing concern.

Ofsted and SIAMs inspections were restarted in September 2021 following a period of suspension due to Covid 19 restrictions.

- Between September to December 2021 16 Ofsted inspections took place.
- Two schools retained an Outstanding judgement.
- Nine schools retained a good inspection judgement.
- Two schools previously judged Requires Improvement received a Good judgement.
- One school previously judged Good received a Requires Improvement judgement.
- One school retained its' Requires Improvement judgement.
- In 2021 there was no published data regarding school standards and pupil achievement due to the restrictions caused by Covid-19.
- One Statutory Inspections of Anglican and Methodist Schools (SIAMs) took place between September 2021 and 31st December 2021.
- The school received a Good judgement
- 14 self-employed Diocesan Schools Advisors were commissioned, on a sessional basis, to support school leadership and management as appropriate to need.

TRUSTEES' REPORT

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Advice re religious education and collective worship

- Providing training, advice and support across the school estate regarding implementation and use of the Understanding Christianity approach and resource continued throughout 2021.
- Supporting schools to manage the percentage of curriculum time allocated for the teaching of Christianity to ensure statutory entitlement is fulfilled.
- Training to support teachers' scrutiny of pupils' work, development of RE Audit, evaluation of teaching and learning as well as policies and assessment.
- Advising on the national Statement of Entitlement for RE and providing guidance and training on Christian ethos and Christian distinctiveness.
- Relationship, Health and Sex Education advice was requested by a number of schools as well as advice and signposting to diocesan policy, national documents and CE approved resources.
- Love Thy Neighbour, (Campaign Against Anti-Semitism) resource and the combined recently developed lesson plan, was also shared with Heads and SLT.
- Support for schools in preparation for SIAMS continued through supporting schools to articulate the school's Christian vision. Guidance on ways to undertake Self – Evaluation was also a focus of advice, support and training.
- Virtual termly RE Hub meetings took place. The opportunity to share individuals' thoughts, feelings and responses to the challenges they faced and to evaluate ideas for the way forward was appreciated.

Advice to governing bodies

- Advice and guidance offered to schools seeking to revise their admissions policies and schools seeking to re-constitute their governing body/change their name.
- Bespoke advice, briefing and consultation re academy development was given to individual school governing bodies.
- Advice and guidance was provided to governing bodies considering federation with another school, and potential changes to Instruments of Government.
- Advice and guidance was provided on request to governing bodies on complaints procedures, parental rights to withdraw children from RE and/or collective worship, and to governing bodies concerned about new requirements for Relationships Education.
- Advice and support for schools continued following on from the 2020 requirement to complete an application for variances to admission policies in respect of faith based over subscription criteria.
- Training opportunities were provided to governing bodies concerning upholding the Christian Distinctiveness of Church of England Schools.

Support for leadership and management

- Head Teacher cluster and support meetings continued to take place virtually due to covid 19 ongoing restrictions. Attendance at these meetings continued to remain high with Head Teachers from across the Local Authorities within Manchester Diocese attending.
- New and acting Head Teachers in post during 2020 – 21 took part in induction sessions with MDBE officers and Board members, delivered virtually with a commissioning service for newly appointed Head Teachers taking place in October in Manchester Cathedral.. Unfortunately, during 2020 – 21 we were unable to hold our Evensong Service for both new and retiring head Teachers at Manchester Cathedral.
- MDBE supported seventeen Head Teacher recruitment processes in CE schools across the diocese, with 16 successful recruitments being made. The remaining school continued with acting Head Teacher arrangements through Autumn term 2021.
- Although the Christian Leadership course did not take place during 2021 a virtual celebration was held for successful participants of the 2019-20 programme.

TRUSTEES' REPORT

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Support for leadership and management (continued)

- In partnership with Church of England Education Office Peer Support Networks for senior leaders ran 2021. These focussed on wellbeing, specifically that of the senior leaders in school, diversity and inclusion, becoming trauma informed and on Growing Faith/Faith at home.
- A conference for school leaders and clergy involved with schools took place entitled 'In the Beginning....God made...' The conference focussed on eco issues and the diocesan carbon neutral commitments.
- The inaugural governors conference also took place. It was entitled 'Life in all its' fullness.... Celebrating Diversity – Enabling Flourishing. The conference focused on governor's responsibilities to cherish diversity and inclusion through policy and practice.

School buildings

- 87 projects were approved by the Education and Skills Funding Agency (ESFA) and the MDBE.

DFC & None Grant Aided work cost	£ 794,179.00
SCA work cost	£3,893,606.68
Totalling	£4,687,785.68
- An SCA carryover of £1,075,734.81 occurred due to some 2021 SCA projects being pushed into 2022 due to Covid factors and supply chain issues.
- Projects for the year focused on works to improve the condition of schools. Capital building projects have included amongst others:

All Saints Farnworth	Roof
Horwich Parish	Toilets
St George Westhoughton	Toilets
St Matthew Little Lever	Boiler
St Saviours Ringley	Electrical
St Thomas Westhoughton	Roof
Walmsley Parish	Roof
St Bartholomews Westhoughton	Windows
Emmanuel Holcombe	External alterations
Bury St Stephen	Fire Doors
St James Birch	Toilets
St Saviour Collyhurst	Kitchen
Christ Church Chadderton	DDA access
Royton St Annes	Boiler
St Agnes Lees	Electrical
St Hilda Oldham	Fire doors
St Hughs Holts	Heating

TRUSTEES' REPORT

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

School buildings (continued)

East Crompton St James	Roof
Chadderton St Lukes	Heating pipe work
Fitton Hill St Martins	Safeguarding
Fitton Hill St Martins	Nursery
Greenfield St Mary	Roof
St Matthew Chadderton	Roof Phase 2
St Paul's Royton	Roof
St Thomas Leesfield	Boiler
Leesfield St Thomas	Roof Phase 2
Moorside St Thomas	Curtain wall
Hamer All Saints	Drainage
Middleton	Fire doors
Milnrow Parish	Fire upgrade
Heywood St Margaret	Stage and cellar
St Michaels Alkrington	Fire doors
Newhey St Thomas	heating
Newhey St Thomas	Roof
Christ Church Eccles	Refurbishment of circulation space/stairwells
Godfey Ermen	Boiler
St Pauls Walkden	Re roof
Ashton Holy Trinity	kitchen
Mossley St George	Kitchen
Daveyhulme St Mary	Roof
Flixton St Micheals	Fire doors
Pennington Christ Church	Boiler
St Marys Leigh	Boundary Wall
St Marys Leigh	Security
Astley St Stephen	New office

TRUSTEES' REPORT

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Children's work

- Support and consultancy was offered in parishes for new and existing children's and family work including best practice and the appointment of employed and volunteer workers and those already in post. Regular meetings for employed workers were established.
- Training in children's ministry was delivered in parishes, through the ALM Children's and other Electives and Lay Module and through a series of Diocesan wide training events
- Admission of baptised children to Communion before Confirmation and intergenerational worship were promoted.
- Support and advice was offered to the Children Changing Places Project
- Contributions to Diocesan strategy continued through advice to the Transformation programme and membership of the More Than Sunday planning and delivery team
- The Family worship and Beyond grant fund was administered
- Networking and consultation with ecumenical and national colleagues continued.
- Resources for children's ministry were maintained and updated and contributions made to the School Newsletter
- A training session in Children's Ministry was developed and delivered for All Saints training College
- A workshop on Children's Spirituality was delivered in one primary school in the Diocese and to an IME cohort along with a training morning hosted virtually by the Education Department
- Social media presence continued to support children's ministry and work in schools and parishes
- Diocesan Education Leaders Programme was completed
- Invitation was made and accepted to join a Diocesan school Multi Academy Trust as a trustee
- Attendance at boards continued
- Year 6 Leavers' services were developed be delivered remotely by schools
- Weekly Faith at Home resources and classroom collective worship was developed and delivered
- Wellbeing/retreat days for primary school staff and MHFA one day training were held and promoted
- Growing Faith Peer Support Network continued
- Eco work amongst primary school age children was begun including plans for a schools Eco award

Youth work

- After the departure of our Diocesan Mental Wellbeing Youth Worker, the decision was made to train up 2 further members of staff as Youth Mental Health First Aid Instructors (the Diocesan Youth Officer and Project Manager of Children Changing Places). They completed their training in February 2021 and the Diocesan Youth Officer went on to upskill to deliver the One Day MHFA course in July 2021.
- Supported a new mental health exploration in Greater Manchester called #BeeWell
- Continued support and engagement with Children Changing Places team, including the appointment of two new Chaplaincy Assistants.
- Continue to serve on the Diocesan Safeguarding Panel
- Delivered training for youth work students for South West Youth Ministries, St Mellitus Training College and Sheffield Youth and Children's Training event, and presented a paper with a Finnish colleague at the International Study of Youth Ministry Conference online.
- Developed and regularly updated Facebook youth work resource page and increased Twitter engagement
- Continued to support the secondary chaplaincy team by attending meetings and supporting them with resources.

TRUSTEES' REPORT

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Youth work (continued)

- Continued to provide support more broadly across the North West and North East with Youth Work Conversations in partnership with other Youth Officers
- Training and consultancy on appointments of parish youth workers was provided and supported, and continue to meet with employed youth workers from across the diocese.
- Started work with colleagues on our Eco response from the Education Department including 2 days of work in schools in September 2021
- Supported the consultancy of Mission Communities for young people and young adults in the Diocese through several online events
- Supported the filming of the Children's Society Christingle Service for 2021 at Bolton Parish Church

Public benefit

The trustees confirm that they have complied with the duty under section 4 of the Charities Act 2006 to have due regard to the public benefit guidance issued by the Charity Commission.

The charity is constituted in accordance with the Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011.; it is a body corporate and a Director of Education is appointed as its secretary.

The MDBE's statutory functions are to:

- promote, or assist in the promotion of education in the Diocese which is consistent with the faith and practice of the Church of England. It does so by sustaining or growing the proportion of CE places in each local authority (there are 58,000 school places in 191 schools).
- promote, or assist in the promotion of, religious education and collective worship in CE schools in the Diocese. It does this through responding to curriculum developments, advising schools of such, providing an RE scheme for VA schools that academies often choose to also use, hosting RE hub meetings, providing advisory visits to schools by an RE specialist and having diocesan representation on local SACREs.
- advise the governing bodies of CE schools 'on any matter'. It does so by advising CE schools which are a 'cause for concern' and advising the leadership and management of those schools on a range of matters such as academy development.
- co-operate with local authorities and other bodies. It does so by meeting regularly with eleven local authorities to identify schools causing concern and agreeing strategies to support development in said schools.

In addition, the MDBE supports work with children and youth in parishes and the Diocese as a whole, and supports chaplaincy provision in the three universities. CE schools, colleges, universities and parishes themselves are open to all those who apply and, in some schools and universities, meet the admission criteria. The CE schools in the Diocese meet the needs of all those who attend, without fear or favour, and whether they are of the Christian faith, other faiths or no faith.

AIMS AND OBJECTIVES FOR 2022

In the financial year 2022, the MDBE will continue to meet its priorities in line with its vision ensuring fulfilment of statutory duties as set down in legislation as well as non-statutory duties as agreed by the Board.

With the publication of The White Paper for Education due in 2022 the further development of academy status is expected to continue to progress in 2022 and beyond. The MDBE will continue to promote its academies policy, review strategy during the year, and explore with interested schools the efficacy of entering into collaborative arrangements.

This Diocese already articulates a specific role in advising and supporting improvement in CE schools that give cause for concern. As the role and funding of local authorities in the field of education continues to diminish, we anticipate that the role of the Diocese will be subject to greater demands. We continue to have a desire to become more proactive in supporting schools currently graded as 'outstanding/good' by Ofsted/SIAMS. We also continue to enhance the support we provide for schools regarding upholding and developing the Christian distinctiveness.

TRUSTEES' REPORT

AIMS AND OBJECTIVES FOR 2022 (continued)

MDBE strategic priorities continue to be closely aligned with those of MDBF. For 2022 these will specifically focus on ensuring the further development of youth, children's and chaplaincy work as part of MDBF's Transformation agenda following the successful SDF bid in December 2021. This will result in recruitment for 9 new posts within the MDBE team taking place.

We will continue to work closely with DBE services regarding co-ordination of building projects within Diocesan schools. Alongside this we will promote the Total Property Management offer to MDBE schools.

Income from our SLA is projected to remain at least at its' current rate with the likelihood of increased uptake following successful review and consultation period. Additional income may be generated by providing advice and administrative support for schools converting to academy status. We are also looking to increase income from offering a wider variety of training and enhanced support for schools than previously.

Financial review

Reserves policy

The reserves held by the MDBE are mostly restricted, held for the provision of support for schools, using the income generated for staffing and running costs, and capital and other grants. They have arisen primarily from the proceeds of former school sites, interest and investment gains thereon and their use is therefore restricted under S554 of the Education Act 1996.

In addition, the MDBE has generated other sources of income from its activities, which are unrestricted. These have been used to support the work of the MDBE.

The Statement of Financial Activities (SOFA) for the year shows net incoming resources of £362,107 (2020: net resources expended of £32,214) before net gains and losses on the revaluation of investments.

The level of restricted reserves at the year-end was £6,909,994 (2020 - £6,016,063) and of unrestricted reserves was £537,396 (2020 - £260,293). The MDBE has a policy to maintain at least three months' revenue commitment as a working reserve. At the year-end unrestricted reserves were £537,396, or nine months' commitment. The Trustees are consequently satisfied that an appropriate level of unrestricted reserves are held. The company holds fixed asset investment within restricted funds. The unlisted investments provide investment income. As these are restricted funds, these are not included within the general unrestricted funds.

The Financial Statement illustrated a surplus (before Investment gains) of £362,107 which includes the net expenditure in relation to God and the Big Bang for 2021 of £10,725 and also net expenditure from the Re-investment of Reserves of £10,345. The operating surplus excluding God and the Big bang and the Re-investment of Reserves is £383,202. There has been an unrealised gain on Investments of £808,927 making the company's overall position a net surplus of £1,171,034.

The total Reserves on 31 December 2021 now stand at £6.910m (2020: £6.276m).

There were no management actions arising from the audit report.

Going Concern

We have made an assessment of the Charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were approved for release.

In making our assessment, we considered the financial impact of Covid-19 on our cash flow forecast, performing stress testing of these plans. The forecasts take into consideration the impact of COVID-19 including the potential impact on the company's income streams and the mitigating actions in place to address any reductions in income.

Having performed our assessment we were able to conclude that the Charity is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis.

In making our assessment we did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the Charity's ability to continue as a going concern.

TRUSTEES' REPORT

Financial review (continued)

Investment policy

In accordance with the Memorandum and Articles of Association, the Trustees have the power to invest funds not immediately required in such investment securities or property as may be thought fit by them.

The MDBE holds long term surplus funds, which are invested in a broadly based ethical investment fund, and this is currently through the DBF Investment Fund, managed by CCLA. The bid value of these investments increased by 14.4% (2020: Increased by 6.9%). Dividends receivable amounted to £176,264 (2020: £172,724) – a yield of 2.56% (2020: 2.85%).

Taxation

The MDBE is a Registered Charity (No. 530002) and as such is not liable to UK Corporation Tax on its charitable activities.

The Trustees have prepared this report in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Structure and governance

Member Recruitment, Induction and Training

1. The MDBE is governed by the Diocesan Boards of Education Measure 1991 and subsequent 2021 Measure, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011.
2. Members of the Board are appointed or elected within the terms of the Manchester Board of Education Order 2011, i.e. either by (a) the Diocesan Bishop or (b) the Diocesan Synod for Archdeaconry members or (c) the MDBE itself, using the relevant power of co-option. Elections are held each Synod triennial period.
3. The roles and responsibilities of Trustees are described and explained at the first meeting of a new board in a specific induction programme. In addition, further training of Trustees is arranged in relation to education policy development.
4. Members who serve on specific short-life sub-committees and working parties are given training and briefing in these areas e.g. the short-life Investment Sub-Committee, but many are already expert in these fields and selected for this reason.
5. The MDBE itself is responsible for policy decisions and statutory functions in relation to Church of England schools, and monitoring and evaluation of its policies and purposes.
6. The Director of Education published the statutory Annual Review and Report to Diocesan Synod in October 2021. This was presented by MDBE Chair as a result of the Director's absence due to Covid 19.

The membership of the MDBE during the period from 1 January 2021 to the date of this report, unless otherwise stated, was as follows:

Chair:	Rt Revd M Davies, Bishop of Middleton
Ex Officio:	Rt Revd D S Walker, Bishop of Manchester
Company Secretary:	Deborah Smith
Appointed by Bishop	The Rt Revd M Davies
	Mr H Williams OBE Vice Chair
Co-opted Members	Ms K Morris (Resigned 26 March 2021)
	Revd P Williamson
	Revd M Cox
	Mr G Walczak

TRUSTEES' REPORT

Structure and governance (continued)

Manchester Archdeaconry

Clergy

Revd Canon F Sher

Lay

Canon Dr Addy Lazz-Onyenobi

Bolton Archdeaconry

Clergy

Revd Canon Dr Chris Bracegirdle

Lay

Mr L Yarwood

Rochdale Archdeaconry

Clergy

Revd Rachel Damaris Battershell

Lay

Mr Richard Lait

Salford Archdeaconry:

Clergy

Revd Karen Owen

Lay

Mr Peter Wright

The MDBE has a standing committee to consider applications from CE schools for consent to apply for an Academy Order (Academy Act 2010 S 3 iv) or consent to amend the Articles of Association of an existing academy.

The following are sub-committees of the Board:

Finance and General Purposes Committee (F & GP), which has been delegated the following functions by the Board:

Financial management

1. To scrutinise the financial management of the Board, including budget setting, the approval of accounts and the monitoring of income and expenditure.
2. To review, annually, the investment and reserves policies.
3. To review, annually, the service level agreement (SLA) and maintenance contribution.
4. To review, annually, the contribution of DBE Services to the Board.

Estates management

5. To scrutinise financial assistance to schools, including review the policy annually and approve of grants and loans in accordance with the policy.
6. To approve of the arrangements for the disposal of redundant school properties.

Human resources management

7. To review staffing issues, including policy, job descriptions, remuneration, disciplinary or competency issues.

The Schools Committee, which has responsibility to promote and scrutinise the work of the officers in the following functions:

Support for changes to school organisation

1. Scrutinise the advice in relation to proposals to open/close/significantly enlarge a Church school and resolve any related matters.
2. Scrutinise the advice given to church schools in relation to admission arrangements.

Statutory inspection of Anglican and Methodist schools (SIAMS)

3. Scrutinise the outcomes of SIAMS inspections and the overall performance of church schools e.g. test and examination results, in terms of attainment and progress.

TRUSTEES' REPORT

Structure and governance (continued)

Support for CE school leadership and management

Promote, and receive advice on, the services provided by the Diocese under Section 2 (a) of the

4. Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011 specifically:
 - The appointment of headteachers and deputy headteachers in church schools.
 - The support for schools categorised by Ofsted as failing to provide an adequate education (i.e. special measures /serious weaknesses) or those otherwise causing concern.
 - The appointment of governors to church schools and their training in the distinctive aspects of church schools.
 - The support given on church/school relationships

Related Parties

Manchester Diocesan Board of Finance is a Charitable Company limited by guarantee, situated at 90 Deansgate, Manchester, M3 2GH. The charity is connected to MDBE by virtue of the fact that the Manchester Diocesan Synod has the power to appoint the majority of the Committee of Management, constituting the Board of Directors for each charity.

The policies and activities of MDBE, within the framework of the Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011, reflect and contribute to the vision and mission of Manchester Diocese which is to be a worshipping, growing and transforming Christian presence at the heart of every community.

MDBE is a shareholder in the trading company, DBE Services Ltd, situated at DBE Services, Clayton House, Walker Industrial Estate, Walker Road, Guide, Blackburn, BB1 2QE.

MDBE's accommodation is provided by Manchester Diocesan Church House Company Ltd (which is a subsidiary of MDBF)

Higher education

The work of the MDBE in relation to higher education is performed by chaplains based at the Universities of Manchester, Salford and Bolton. Their work in Manchester is scrutinised by the governing body of St Peter's House and in Bolton by the Vice-Principal's Faith and Spirituality Sub-Group (Bolton) The chaplains also contribute to the BOE's annual report to Synod.

Custodian trusteeship

MDBE holds, as Custodian Trustee, for a number of Parochial and school funds, investments and bank deposits with an aggregate market value of ££6,737,455 (2020 - £4,885,633) which are not included in the Balance Sheet. This includes monies from the Department for Education, which are held in individual accounts for schools for their building works. These investments are held on behalf of schools and parishes whose charitable purposes are similar to those of the MDBE. These assets are held securely and separately from those of the MDBE that is responsible for their safe custody.

CHARITY GOVERNANCE CODE

The Charity Governance Code was published to help charities and their trustees develop high standards of governance. The code sets out seven principles and recommended practice. Below are the seven principles with an explanation of how MDBE operates against these principles:

Organisational purpose

The organisational purpose of MDBE is clearly defined in statute and policy decisions made over time. It has identified clear aims under such duties and policies and measures outcomes against those aims. It has a strategic plan and works from a balanced budget with a consistent history of providing a secure financial platform for its operations.

Leadership

The Board provides effective strategic leadership in order to fulfil the purpose of the company and meet its objectives. Its remuneration policy is determined by the employer of officer, the MDBF.

TRUSTEES' REPORT

Structure and governance (continued)

Integrity

The Board acts with the integrity expected of the charity. Conflicts of interest are declared annually and before each meeting, and gifts and hospitality are recorded.

Decision-making, risk and control

Decisions of the Board are clearly articulated in papers and minutes, and counted votes where necessary. The Board receives a termly risk register and mitigation and control of risks are monitored. Board papers and minutes report movement in the risk register.

The Board does not have an Audit Committee, but it does have a Finance and General Purposes Committee which is separately chaired and meets in tandem with the Board.

Board membership combines representative interests with an appropriate skill mix at both Governing Body and sub-Committee levels.

Board effectiveness

The Board membership combines experience, new and renewed membership. It was 'modernised' through the Manchester DBE Order in August 2011 when membership numbers were reduced from a potential 32 to 12. Sub-committee structures are slim and terms of reference are clear. Meetings are scheduled for the triennium with clear rules about the timing of distribution of papers and minutes.

The Board accesses legal, financial and HR services, and financial colleagues form the DBF report to, and attend, relevant meetings.

Diversity

The Board includes members who are from different ethnic and gender backgrounds. Reasonable expenses are paid on an equitable basis to all who attend.

Openness and accountability

The Directors' Report includes a statement of public benefit. Its Minutes are scrutinised by the Bishop's Council. Remuneration details of senior employees are detailed within Note 16 of the 'Notes to the Accounts'.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the charity is exposed, in particular, those related to the operations and finances of the MDBE, and are satisfied that systems are in place to mitigate exposure to the major risks. A risk register has been a standard agenda item at all MDBE meetings since 2008, with the main ones detailed below:

- Financial risks remain low despite a period of uncertainty due to Covid 19.
- 'Academy risks' - of being 'caught-out' by a rush of sponsorships. The risk attached to those academies which we do sponsor remains high and has potentially the highest level of impact.
- A potential financial risk is an impact on income from investment which is factored into our financial risk. There is a minimal employment risk in relation to our schools' workforce.
- There is a reducing risk that the MDBE will not be strategically prepared for any rush of applications for academy status, or that the MDBE is 'forced' to sponsor unsuccessful schools which would subsequently fail. This risk has been reduced, partly owing to the MDBE's clear policy of requesting our existing high-performing academies to take on this role.

TRUSTEES' REPORT

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 MDBE. All staff are employed by the MDBF and staff costs recharged to MDBE. The MDBF Staffing Committee acts on behalf of the Trustees on employment practice and development of human resources. The Committee reviews salaries in the MDBF and MDBE, and approves recommendations for salaries in relation to new posts or regrading of posts. The MDBF has a grading structure with 8 pay bands, within each pay band there are 3 increment points. Posts are allocated a grade with increments or a spot grade; some posts span two grades. The MDBF tracks market rates and occasionally takes part in national benchmarking data collection with other Diocese.

Trustees' responsibilities for the financial statements

The Trustees are responsible for preparing the Annual Report including the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to auditors

So far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

In preparing the Trustees' Report, advantage has been taken of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the Board on and signed on its behalf by



MARK DAVIES

Director

Date: 11th August 2022

Independent Auditor's Report to members of MANCHESTER DIOCESAN BOARD OF EDUCATION

Opinion

We have audited the financial statements of Manchester Diocesan Board of Education for the year ended 31 December 2021 which comprise the Statement of Financial Activities, Balance Sheet, Cashflow 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 December 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.

Conclusions relating to going concern

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

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

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

Other information

The 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).

Independent Auditor's Report to members of MANCHESTER DIOCESAN BOARD OF EDUCATION

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
- 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, 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 the Companies Act 2006 and Charities Act 2011, 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 income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and concluded that the risk was low. 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; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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 Auditor's Report to members of MANCHESTER DIOCESAN BOARD OF EDUCATION

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. This description forms part of our auditor's report.

Use of our report

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



Adam Halsey (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, statutory auditor
10 Queen Street Place, London, EC4R 1AG

Date: 08/09/2022

Haysmacintyre LLP is a limited liability partnership registered in England and Wales (with registered number OC423459).

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2021

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure account) For the year ended 31 December 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
INCOME AND ENDOWMENTS FROM					
Donations and Legacies	2	365,349	140,000	505,349	186,495
Income from Charitable Activities	3	241,466	6,603	248,069	256,953
Other Trading Activities	4	-	41,000	41,000	30,750
Income from Investments	5	-	261,019	261,019	197,070
TOTAL INCOME AND ENDOWMENTS		606,815	448,622	1,055,437	671,268
EXPENDITURE ON					
Charitable Activities	6	329,712	363,618	693,330	703,482
TOTAL EXPENDITURE		329,712	363,618	693,330	703,482
NET INCOME/(EXPENDITURE) BEFORE NET GAINS ON INVESTMENTS		277,103	85,004	362,107	(32,214)
Net gains on investments	8	-	808,927	808,927	391,683
NET INCOME		277,103	893,931	1,171,034	359,469
NET MOVEMENT IN FUNDS		277,103	893,931	1,171,034	359,469
Balance brought forward 1 January	12	260,293	6,016,063	6,276,356	6,276,356
Balance carried forward 31 December	12	537,396	6,909,994	7,447,390	6,276,356

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

All incoming resources and resources expended are derived from continuing activities.

The notes on pages 21 to 34 form part of these financial statements.

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2021

BALANCE SHEET

As at 31 December 2021

Company Number – 00618201

	Note	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible Assets	7		1		1
Investments	8		6,434,748		6,063,939
			<u>6,434,749</u>		<u>6,063,940</u>
CURRENT ASSETS					
Debtors	9	151,253		382,243	
Cash at Bank and in hand		1,166,400		211,966	
Closed School Bank Deposits	10	1,018,434		2,028,317	
		<u>2,336,087</u>		<u>2,622,526</u>	
CREDITORS					
Amounts falling due within one year	11	(1,323,446)		(2,410,110)	
NET CURRENT ASSETS			<u>1,012,641</u>		<u>212,416</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,447,390</u>		<u>6,276,356</u>
	12		<u><u>7,447,390</u></u>		<u><u>6,276,356</u></u>
CAPITAL AND ACCUMULATED FUNDS					
Unrestricted funds			537,396		260,293
Restricted funds	12		6,909,994		6,016,063
			<u>7,447,390</u>		<u>6,276,356</u>

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

The notes on pages 21 to 34 form part of these financial statements.

Approved by the Board and signed on its behalf on 11th August 2022 by:



MARK DAVIES
Bishop of Middleton – Chairman



DEBORAH SMITH
Diocesan Director of Education and Company Secretary

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2021

CASH FLOW STATEMENT

For the year ended 31 December 2021

	2021 £	2020 £
Net (expenditure) for the reporting period (as per the statement of financial activities)	362,107	(32,214)
Dividends, interest from investments	(261,019)	(197,070)
Decrease / (Increase) in debtors	230,990	5,050
Increase / (Decrease) in creditors	(1,086,664)	63,763
Net cash (used in) operating activities	(754,586)	(160,471)
Cash flows from investing activities:		
Dividends and interest from investments	261,019	197,070
Proceeds from sale of investments	438,117	
Net cash provided by investing activities	699,136	197,070
	(55,450)	36,599
Cash flows from financing activities:	-	-
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the reporting period	(55,450)	36,599
Cash and cash equivalents at the beginning of the reporting period	2,240,284	2,203,685
Cash and cash equivalents at the end of the reporting period	2,184,834	2,240,284

Cash and cash equivalents includes both Cash at bank and in hand and Closed school bank deposits. See accounting policy 1(e) for an explanation of the closed school bank deposits.

The notes on pages 21 to 34 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102 2nd edition), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

(b) Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income, other than interest arising from the sale proceeds of closed school sites, is included in incoming resources when receivable. Interest that is earned on the sale proceeds of closed school sites is recognised when the relevant sales proceeds are determined. Details of the sales proceeds and accumulated interest on sites awaiting determination are given in note 10 to the accounts.

(c) Resources expended

Resources expended include all expenditure directly related to the objects of the charity (in accordance with SORP 2019) inclusive of any VAT, which cannot be recovered. Grants to schools are considered on the facts of each individual case dependent on the availability of funds at the time. Costs arising from the organisation and running of the charity rather than its charitable objects are shown as governance costs.

(d) Uncapitalised fixed assets

School sites and buildings for the 191 Diocesan schools are included on the balance sheet at an aggregate nominal value of £1. Additions by the Manchester Diocesan Board of Education to the existing school sites and buildings are written off in the income and expenditure account in the year in which they are incurred. The Manchester Diocesan Board of Education hold the majority of sites only as Trustees for continuing education in the appropriate parish and the Board does not have an absolute title. Sale proceeds will only arise in the event of the Secretary of State for Education agreeing to the closure of a school. The accounting policy in relation to closed school sites is as stated below. In view of the above, it is considered prudent not to include valuations for existing school sites as Fixed Assets of this Board.

(e) Closed school sites

Sales proceeds of closed school sites and buildings attributable to the Manchester Diocesan Board of Education (once the correct legal destination of the proceeds has been resolved) are shown in the Statement of Financial Activities on page 18. Until such time as the Board has received the appropriate statutory approvals, proceeds are included in the balance sheet as a liability (note 10). Only a portion of the sales proceeds will accrue to the Manchester Diocesan Board of Education in due course and it is not possible to predict the value of such proceeds.

(f) Staff pensions

The Board of Education previously contributed to the Church of England Defined Benefits Scheme (DBS) for staff that is administered through the Manchester Diocesan Board of Finance. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme, which are attributable to the Board. Therefore, in accordance with FRS 102, payments to the scheme are accounted for as for defined contribution schemes and the Board accounts for pension costs based on contributions payable to the scheme in the year. Details of the scheme are given in note 18 to the accounts. The contributions due for the year are disclosed in note 15.

(g) Investments

Investments are shown at their bid value on the date of the balance sheet. Investments held by the Board as custodian trustee are not included in these accounts (see note 19).

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

1. ACCOUNTING POLICIES (continued)

(h) Agency arrangements (Maintenance Scheme Debtors and Creditors)

The charity acts as agent in the collection of grants from government, local authorities and other funds, and payment of approved invoices for school building projects on behalf of certain Church of England schools in the diocese. This income and expenditure is excluded from the income and expenditure of the charity and any balances due from or held on behalf of schools are shown within debtors and creditors.

(i) Fund accounting

Funds held by the company are either:

Restricted funds - Funds which may only be used for specific purposes imposed by the settler, donor or legislation.

Unrestricted funds - Funds which may be used for general purposes without any external restriction.

(j) **Legal Status of the Trust** – The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

(k) **Investment in DBE Services** - The MDBE owns 16.7% of the ordinary share capital of DBE Services Ltd and is included at cost. Any surplus share is accounted for in the year it is received.

(l) **Judgements in applying accounting policies and key sources of estimation uncertainty** - In preparing these financial statements the directors have made judgements where appropriate. There are no further material judgements.

(m) **Going Concern** - We have made an assessment of the Charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were approved for release. In making our assessment, we considered the financial impact of Covid-19 on our cash flow forecast, performing stress testing of these plans. Having performed our assessment, we were able to conclude that the Charity is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis. In making our assessment we did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the Charity's ability to continue as a going concern.

(n) **Allocation of Support costs** - As explained in the Annual Report, the MDBE supports Church of England schools in the diocese in a wide range of ways including assisting with building projects, supporting and training governors, and promoting religious education more widely. The allocation between activities fluctuates as necessary. In addition, the Board operates with a small staff and as a result does not consider that keeping formal records of the allocation of support costs between activities would provide significant useful information.

(o) **Funds held as custodian trustee** - MDBE holds, as Custodian Trustee, for a number of Parochial and school funds, investments and bank deposits, which are not included in the Balance Sheet. This includes monies from the Department for Education, which are held in individual accounts for schools for their building works. These investments are held on behalf of schools and parishes whose charitable purposes are similar to those of the DBE. These assets are held securely and separately from those of the Board that is responsible for their safe custody.

(p) **Financial Instruments** - Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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

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

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

COMPANY INCOMING RESOURCES – COMPRISING NOTES 2 – 5

	Note	2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total Funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	2	365,349	140,000	505,349
Income from charitable activities	3	241,466	6,603	248,069
Other trading activities	4	-	41,000	41,000
Income from investments	5	-	261,019	261,019
TOTAL		606,815	448,622	1,055,437

	Note	2020 Unrestricted Funds £	2020 Restricted Funds £	2020 Total Funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	2	46,491	140,004	186,495
Income from charitable activities	3	214,701	42,252	256,953
Other trading activities	4	-	30,750	30,750
Income from investments	5	-	197,070	197,070
TOTAL		261,192	410,076	671,268

2. DONATIONS AND LEGACIES

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Manchester Diocese Synod Funding	-	140,000	140,000	140,000
Sale of closed school sites	311,636	-	311,636	4
DBE Services Ltd	53,713	-	53,713	46,491
TOTAL	365,349	140,000	505,349	186,495

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Administration Charges	8,583	-	8,583	-
RE and other training income	231,083	-	231,083	225,055
Grants received	-	-	-	2,500
Pilgrimages income	-	-	-	250
Other income	1,800	6,603	8,403	29,148
TOTAL	241,466	6,603	248,069	256,953

4. OTHER TRADING ACTIVITIES

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Rents received	-	41,000	41,000	30,750

5. INVESTMENT INCOME

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Income from investments				
Unquoted	-	174,650	174,650	172,772
Stelfox Trust Income	-	24,315	24,315	23,938
Realised Gain on Investments	-	61,882	61,882	-
Interest receivable				
Bank and CBF interest	-	172	172	360
TOTAL	-	261,019	261,019	197,070

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

COMPANY EXPENDITURE – COMPRISING NOTE 6

	2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total Funds £
EXPENDITURE ON			
Charitable Activities	329,712	363,618	693,330
TOTAL	329,712	363,618	693,330

	2020 Unrestricted Funds £	2020 Restricted Funds £	2020 Total Funds £
EXPENDITURE ON			
Charitable Activities	258,786	444,696	703,482
TOTAL	258,786	444,696	703,482

6. CHARITABLE EXPENDITURE

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
(a) Grants (note 16)				
Building grants to schools	-	40,005	40,005	17,550
	-	40,005	40,005	17,550
(b) Other expenditure				
<i>i. to provide a service:</i>				
Staff salaries, pensions and sub-contractors	184,846	244,593	429,439	464,396
<i>ii. for costs:</i>				
Legal and professional services for school building and sites	612	305	917	-
<i>iii. Other overheads</i>	136,960	75,201	212,161	212,522
<i>iv. Provision against doubtful debts</i>	1,076	419	1,495	-
<i>v. Christian Leadership expenditure</i>	-	-	-	-
<i>vi. Audit Fees</i>	6,218	3,095	9,313	9,014
	329,712	323,613	653,325	685,932
TOTAL	329,712	363,618	693,330	703,482

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
(a) Grants (note 16)			
Building grants to schools	-	17,550	17,550
	-	17,550	17,550
(b) Other expenditure			
<i>i. to provide a service:</i>			
Staff salaries, pensions and sub-contractors	154,668	309,728	464,396
<i>ii. for costs:</i>			
Legal and professional services for school building and sites	-	-	-
<i>iii. Other overheads</i>	99,342	113,180	212,522
<i>iv. Provision against doubtful debts</i>	-	-	-
<i>v. Christian Leadership expenditure</i>	-	-	-
<i>vi. Audit Fees</i>	4,776	4,238	9,014
	258,786	427,146	685,932
TOTAL	258,786	444,696	703,482

Support costs

Included within the above expenditure are the following support costs:

	2021 £	2020 £
<i>i. Staff salaries, pensions and sub-contractors</i>	192,451	162,099
<i>ii. Legal and professional services for school building and sites</i>	6,671	3,000
<i>iii. Other overheads</i>	56,101	53,579
<i>v. Christian Leadership expenditure</i>	-	-
<i>vi. Audit Fees</i>	9,313	9,014
TOTAL	264,536	227,692

7. FREEHOLD AND LONG LEASEHOLD LAND AND BUILDINGS

	2021 £	2020 £
School sites and buildings at nominal value	1	1

Note that there were Capital Commitments authorised but not contracted for at 31 December 2021 of £nil (2020: £nil).

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

8. INVESTMENTS

		2021		2020
	Number	£	Number	£
CBF Investment Fund Shares				
Shares at bid value brought forward	296,572	6,063,927	296,572	5,672,244
Disposal proceeds	(21,427)	(438,118)	-	-
Realised investment gains		-		-
Unrealised investment gains		808,927		391,683
		<u>6,434,736</u>		<u>6,063,927</u>
Bid value 31 December				
Number of shares at 31 December	<u>275,145</u>		<u>296,572</u>	
Historical cost at 31 December		(888,193)		(1,326,310)
Excess of bid value over cost to date		<u>5,546,543</u>		<u>4,737,617</u>
Investment in DBE Services Ltd		<u>12</u>		<u>12</u>
TOTAL		<u><u>6,434,748</u></u>		<u><u>6,063,939</u></u>

In 2005 the company purchased twelve ordinary shares of £1 each (a 16.7% shareholding) in DBE Services Ltd. DBE Services Ltd was set up to provide services to schools. This company started to trade on 1 January 2006.

	2021	2020
	£	£
The trading activities were:		
Turnover	2,622,339	1,810,213
Cost of Sales, administrative expenses and interest received	(2,136,381)	(1,565,187)
	<u>485,958</u>	<u>245,026</u>
Surplus		
MDBE Share of Surplus (*)	<u>53,713</u>	<u>46,491</u>

The MDBE received fees for work done by its staff for DBE Services Ltd of £nil (2020: £nil).

The shares may not be disposed of or charged except in accordance with the provisions of the Shareholders' Agreement.

* Distributable profits attributable to the work done for relevant schools are to be distributed in the proportions to which they arise from the work done for the relevant schools for each shareholder and the remaining distributable profits shall be divided equally between the shareholders.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

9. DEBTORS

	2021	2020
	£	£
Maintenance scheme debtors	-	262,026
School selling expenses recoverable from future sale proceeds	69,654	31,635
Prepayments and accrued income falling due within one year	55,330	62,390
Grants awarded, not yet received	-	-
Other debtors	26,269	26,192
TOTAL	151,253	382,243

The maintenance scheme debtors arise out of the bills paid for building capital works on behalf of schools, but due to be recovered from DfE, LEAs or Schools themselves.

Grants awarded, not yet received arises from the 'God and the Big Bang' project grant funding from the Templeton World Charity Foundation.

10. CLOSED SCHOOL BANK DEPOSITS

	2021	2020
	£	£
Closed school account balances pending determination	1,014,235	2,024,120
Closed school account balances – MDBE Asset	4,199	4,197
TOTAL	1,018,434	2,028,317
Reconciliation of closed school balances:-		
Capital proceeds	702,649	1,602,775
Accumulated interest	501,586	611,345
Total creditor (note 11)	1,204,235	2,214,120
Less funds used for increased working capital	(190,000)	(190,000)
Add closed school account balances – MDBE Asset	4,199	4,197
TOTAL	1,018,434	2,028,317

The closed school balances have arisen primarily from the proceeds of former school sites, interest and investment gains thereon and their use is therefore restricted under S554 of the Education Act 1996.

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Maintenance scheme creditors – school creditors	-	18,950
General creditors and accruals	80,265	105,517
The Manchester Diocesan Association Church Schools	(1)	(1)
Closed schools - monies held pending determination - (note 10):		
Capital proceeds	702,649	1,602,775
Accumulated interest	501,586	611,345
Manchester Diocesan Board of Finance	38,946	71,024
Academies School Grant Committed	-	-
HMRC VAT	1	500
TOTAL	1,323,446	2,410,110

12. RESERVES

	1 Jan 2021	Incoming resources	Resources expended	Gains on investments	31 Dec 2021
	£	£	£	£	£
Restricted funds					
For Schools	6,016,063	308,622	(223,618)	808,927	6,909,994
From Synod	-	140,000	(140,000)	-	-
	6,016,063	448,622	(363,618)	808,927	6,909,994
Unrestricted funds					
General	260,293	606,815	(329,712)	-	537,396
TOTAL	6,276,356	1,055,437	(693,330)	808,927	7,447,390

	1 Jan 2020	Incoming resources	Resources expended	Gains on investments	31 Dec 2020
	£	£	£	£	£
Restricted funds					
For Schools	5,659,000	270,076	(304,696)	391,683	6,016,063
From Synod	-	140,000	(140,000)	-	-
	5,659,000	410,076	(444,696)	391,683	6,016,063
Unrestricted funds					
General	257,887	261,192	(258,786)	-	260,293
TOTAL	5,916,887	671,268	(703,482)	391,683	6,276,356

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

Restricted funds

The restricted funds are held for the provision of support for schools, using the income generated for staffing and running costs, and capital and other grants. They have arisen primarily from the proceeds of former school sites, interest and investment gains thereon and their use is restricted under S554 of the Education Act 1996.

	Unrestricted 2021	Restricted 2021	Total 2021
	£	£	£
ANALYSIS OF 2021 NET ASSETS			
Tangible assets and Investments	-	6,434,748	6,434,748
Net current assets	537,396	475,246	1,012,642
	<u>537,396</u>	<u>475,246</u>	<u>1,012,642</u>
TOTAL	<u>537,396</u>	<u>6,909,994</u>	<u>7,447,390</u>
	<u>537,396</u>	<u>6,909,994</u>	<u>7,447,390</u>
	Unrestricted 2020	Restricted 2020	Total 2020
	£	£	£
ANALYSIS OF 2020 NET ASSETS			
	-	6,063,940	6,063,940
	260,293	(47,877)	212,416
	<u>260,293</u>	<u>(47,877)</u>	<u>212,416</u>
TOTAL	<u>260,293</u>	<u>6,016,063</u>	<u>6,276,356</u>
	<u>260,293</u>	<u>6,016,063</u>	<u>6,276,356</u>

13. NET INCOMING RESOURCES

	2021 £	2020 £
This is stated after charging:		
Auditors' remuneration:		
External audit	9,313	9,104
and after crediting:		
Rental income	41,000	30,750
	<u>41,000</u>	<u>30,750</u>

14. STAFF COSTS

All staff are employees of MDBF and are recharged to MDBE. Amounts recharged were:

	2021 £	2020 £
Salaries	332,460	361,008
Social security costs	33,356	30,289
Pension cost	63,623	73,099
	<u>429,439</u>	<u>464,396</u>

The average weekly number of employees during the year was made up as follows:

	2021	2020
Office and General Management employees	12	11

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

Note that the Directors of the MDBE receive no remuneration or reimbursed expenses for their services as directors. There was 1 employee with total emoluments above £60,000 in 2021 (2020: 1 employee).

EMPLOYEE DETAILS

Employees receiving remuneration in excess of £60,000 are analysed as follows:

	2021 No.	2020 No.
£60,000 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1
	2021 £	2020 £
Pension contributions to Pension Builder defined benefit scheme	13,056	14,940

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 MDBE. During 2021 they were:

Deborah Smith – Director of Education and Company Secretary to the Board

Liam Eaglestone – Deputy Director of Education

Susie Mapledoram – Youth Work Officer

Karen Beal – Children’s Officer, Children’s Ministry

Ruth Gent – Senior Admin & Governance Officer

Terry Hart - RE and Christian Distinctiveness Adviser

Remuneration and pensions for these employees in the 6 posts (2021: 6 posts) amounted to £271,795 (2020: £223,902)

15. BUILDING GRANTS TO SCHOOLS

	2021 £	2021 £	2020 £	2020 £
Reconciliation of building grants payable:				
Commitments as at 1 January		-		-
Commitments made in the year	40,005		17,550	
Grants reclaimed in the year	-		-	
Grants payable for the year		40,005		17,550
Grants paid during the year		(40,005)		(17,550)
Building grant commitments at 31 December		-		-

Grants, having been previously approved by the Finance & General Purpose Committee, are debited to the School Building fund at the time of approval.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

There were 4 grants awarded in 2021 (2020: 1). All the grants were credited to schools in the Diocese of Manchester. A full list of individual grants is available on request from the Company Secretary at the Registered Office.

16. RELATED PARTY TRANSACTIONS

Manchester Diocesan Board of Finance

Manchester Diocesan Board of Finance is a Charitable Company limited by guarantee, situated at 90 Deansgate, Manchester, M3 2GH. The charity is connected to Manchester Diocesan Board of Education by virtue of the fact that Manchester Diocesan Synod has the power to appoint the majority of the Committee of Management, constituting the Board of Directors, for each charity.

For the year ended 31 December 2021, the Manchester Board of Finance ("MDBF") made a budget transfer to the MDBE of £140,000 (2020: £140,000), representing the Synod funding of non-schools work of the Board of Education. Dividend income from the Stelfox Trust of £24,311 (2020: £23,938) was also paid to the MDBE via the MDBF. During the year MDBF incurred costs on behalf of, and subsequently recharged to, the MDBE costs of £528,969 (2020: £506,396) comprising:

	2021	2020
	£	£
Staff costs	429,439	464,396
Central services	42,000	42,000
Total	471,439	506,396

Manchester Diocesan Church House Company

Manchester Diocesan Board of Education's accommodation is provided by Manchester Diocesan Church House Company Ltd (which is a subsidiary of Manchester Diocesan Board of Finance) for a service charge of £14,462 (2020: £13,333), which is included in the Manchester Diocesan Board of Finance's recharges.

DBE Services

MDBE owns 16.7% of the ordinary share capital of DBE Services Ltd, an entity which commenced trading on 1 January 2006. The company undertakes support work across six northern dioceses. During the year Manchester Diocesan Board of Education received donations totalling £53,713 (2020: £46,491). The Right Reverend Mark Davies served as a Director at DBE Services Limited during 2021.

Trustees

No Trustees (2020: Nil) were reimbursed for travel expenses during the year. During the year, there was £520 paid to one Trustee for advice to School Governing Bodies and in relation to projects (2020: £1,560 paid to one Trustee).

17. PENSIONS

As the staff are employed by the Manchester Diocesan Board of Finance and recharged to the Manchester Diocesan Board of Education, any pension surplus / deficit is included within the MDBF financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

18. CUSTODIAN HOLDINGS

Manchester Diocesan Board of Education holds, as Custodian Trustee, for a number of Parochial and school funds, investments and bank deposits with an aggregate bid value of £6,737,455 (2020: £4,885,633), which are not included in the Balance Sheet. This includes monies from the Department for Education, which are held in individual accounts for schools for their building works. These investments are held on behalf of schools and parishes whose charitable purposes are similar to those of the MDBE. These assets are held securely and separately from those of the MDBE, which is responsible for their safe custody.

19. SCHOOL BUILDING & IT PROJECTS

The Manchester Diocesan Board of Education assists diocesan voluntary aided schools with the administration of funding for school building projects and the provision of IT equipment. The MDBE acts as the agent of school governing bodies in receiving funding from the Department for Education, local authorities and other funding sources and settling and matching it with the contractors' costs and professional fees. This activity of the MDBE is not reflected in the Statement of Financial Activities as the transactions are those of the school governing bodies rather than the MDBE. Total expenditure on school building projects and IT equipment during the year was £4,335,546 (2020: £3,339,761).

Accounts

**MANCHESTER DIOCESAN BOARD OF EDUCATION
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020**

Company No. 00618201– Registered Charity No. 530002

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MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2020

ORGANISATION AND ADMINISTRATION DETAILS

CHAIRMAN	The Right Reverend M Davies
SECRETARY	Deborah Smith
BISHOP OF MANCHESTER	The Right Reverend David Walker
DIRECTORS	The Directors are the members of the Board of Education Details of Board members are given on page 10
REGISTERED OFFICE	Church House, 90 Deansgate, Manchester, M3 2GH Telephone: 0161 828 1400 Fax: 0161 828 1484 Email: ManchesterDBE@manchester.anglican.org
PRINCIPAL OFFICER	Deborah Smith (Director of Education)
BANKERS	Royal Bank of Scotland plc St Ann Street Manchester M60 2SS
AUDITORS	BDO LLP 3 Hardman Street Spinningfields Manchester M3 3AT
SOLICITORS	Ms Jane Monks, LL.B (Notary Public) Diocesan Registry 90 Deansgate Manchester M3 2GH
INVESTMENT ADVISORS	CCLA Investment Management Ltd Senator House 85 Queen Victoria Street London EC4V 4ET
CONSTITUTION	Manchester Diocesan Board of Education is a Company Limited by Guarantee Registered in England Number 00618201 Registered Charity Number 530002

The Charity is bound by its Memorandum and Articles of Association and by the statutory duties of the Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011.

MISSION STATEMENT AND VISION

1. Principal Activity

The principal activity of the Manchester Diocesan Board of Education ("MDBE") is to fulfil its statutory duties to:

- promote education in the Diocese of Manchester which is consistent with the faith and practice of the Church of England;
- to promote religious education and religious worship in schools in the Diocese;
- to promote church schools in the Diocese and advise governors on any matters;
- to promote co-operation between the Board and other bodies; and
- to advise on the maintenance, improvement and extension of school buildings in Voluntary Aided schools and give permission.

The MDBE advises on the appointment of senior leaders in church schools; it arranges statutory inspections of the Christian distinctiveness of church schools; and it considers giving consent to church schools that wish apply for Academy Orders.

The MDBE is also responsible for the promotion and development of Christian education in parishes, and Christian chaplaincy in institutions of Higher Education.

2. Aims

The aim of the MDBE is to fulfil its statutory duties within the resources available.

The MDBE is a very significant part of the mission of the church in the Diocese of Manchester. The principal aim of the MDBE's work is 'To enable children and young people to encounter the Christian gospel and to grow in faith, through providing for their Christian education and nurture in schools, parishes and other settings'.

The MDBE provides the expertise for the whole Diocese to draw on in relation to:

- mission and evangelism with children and young people;
- faith development;
- religious education in both formal and informal settings;
- spiritual development of children and young people; And
- initiation into the worshipping community.

LEGAL OBJECTS

The legal objects of the company as set out in the Memorandum and Articles of Association are as follows:

1. To be the Diocesan Board of Education for the Diocese of Manchester as at present constituted or as hereafter it may be constituted, and to exercise and perform within that Diocese the rights, functions, powers, duties and obligations given to or imposed upon a Diocesan Board of Education by the Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011, or any Measure passed by the General Synod of the Church of England or Act of Parliament amending or replacing the same or for the purposes of any Measure passed by the said Synod or Act of Parliament for which the Diocesan Conference may appoint the Board to act.
2. To act as Trustees in respect of any land stocks shares funds and securities held in trust for or belonging to any educational foundations or any other charitable foundations having objects which may be similar to or within the scope of the objects of the Board and to do such acts and things as may be necessary or expedient to be done in relation thereto under or by virtue of any scheme or schemes or Trust Deed or Trust Deeds affecting the same.

TRUSTEES' REPORT

STRATEGIC AIMS INCLUDING PUBLIC BENEFIT

Objectives for the year

The work of the MDBE is closely aligned to the Bishop's Fit for Mission statement to 'be a worshipping, growing and transforming Christian presence at the heart of every community'. It aims to meet the Diocesan objectives of 'being a worshipping, growing and transforming Christian presence' by providing 191 CE schools, support for children and youth work in parishes and chaplaincy support for students in institutions of higher education.

1. Main objectives for the year

The main objectives are the continuing implementation of the Mission Statement:

- The maintenance and promotion of the distinctive contribution of Church of England schools to the education provision and mission within the Diocese of Manchester.
- The development of additional Church of England school provision, particularly in the areas of demographic growth.
- Children and Youth Work to increase the number of children and young people in regular contact with the Christian gospel and to provide Christian discipleship pathways for children and young people in schools, parishes and families in Bolton.
- To continue to work with other Christian churches and other faith communities to help colleges develop appropriate provision for students' spiritual growth.

2. Strategies for achieving objectives

The strategy for achieving these objectives continues to be based on priorities identified by the Board and its officers. Officers' individual performance objectives also identify the areas they will be working in to achieve them. The restrictions that came into force as a result of Covid meant a re-evaluation of the Board's priorities with a focus on supporting the mental well-being of all connected with CE schools.

3. Grant making policies

The MDBE gives grants to schools that have made applications for support with the governors' liabilities for capital building projects. The level of grant is determined following consideration of the relevant information and the availability of funds. The MDBE gives other grants to promote statutory functions laid down in the Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011.

Activities and achievements in the year

Advice re school improvement and school place planning

- MDBE officers meet with local authorities to identify and plan intervention in schools causing concern.
- Both Ofsted and SIAMs inspections were suspended in March 2020 as a result of national lockdown and restrictions.
- Between January – March 2020 16 Ofsted inspections took place.
- Ten schools retained a good inspection judgement.
- Two schools previously judged Requires Improvement received a Good judgement.
- Three schools previously judged Good received a Requires Improvement judgement.
- One school retained its Requires Improvement judgement.

TRUSTEES' REPORT (continued)

Activities and achievements in the year (cont)

Advice re school improvement and school place planning (cont)

- In 2020 there were no published data regarding school standards and pupil achievement due to the restrictions caused by Covid-19.
- Five Statutory Inspections of Anglican and Methodist Schools (SIAMs) took place between January 2020 and 20th March 2020.
- Three schools received a Good Judgement.
- Two schools previously judged Outstanding were graded Excellent.
- We employed 13 Diocesan Schools Advisors on a sessional basis to support school leadership and management, including governance.

Advice re religious education and collective worship

- All SIAMS Inspectors registered with the MDBE continued to receive their compulsory training prior to inspections being suspended.
- Quality assurance of inspection process and the publication of reports continued to be commissioned from the Diocese of Liverpool.

Advice to governing bodies

- Advice and guidance offered to schools seeking to revise their admissions policies and schools seeking to re-constitute their governing body/change their name.
- Consultancy was delivered for Governors/Academy Directors and Members.
- Bespoke advice, briefing and consultation re academy development was given to individual school governing bodies.
- Advice and guidance was provided to governing bodies considering federation with another school, and to governing bodies considering changing the age range of the school/establishing or discontinuing nursery provision.
- Advice and guidance was provided on request to governing bodies on complaints procedures, parental rights to withdraw children from RE and/or collective worship, and to governing bodies concerned about new requirements for Relationships Education.
- Advice was given on possible Free School admission arrangements.
- Advice and support for schools completing an application for variances to admission policies in respect of faith based over subscription criteria was given with co-ordination and applications being submitted by MDBE to Office School Admissions on schools' behalf.

Support for leadership and management

- Head Teacher cluster and support meetings took place virtually due to national lockdown restrictions. Attendance at these meetings continued to remain high with Head Teachers from across the Local Authorities within Manchester Diocese attending.

TRUSTEES' REPORT (continued)

Activities and achievements in the year (cont)

Support for leadership and management (cont)

- Eight substantive Head teachers and eight acting Head Teachers were appointed to take up posts in 2020 with DBE advice and follow up support. All new Head teachers were invited to attend a termly induction session with the Director, Chair of MDBE and the Diocesan Secretary.
- Various annual celebration and commissioning events did not take place as a result of national lockdown and subsequent restrictions. These included the annual school leaders and clergy conference planned for April 2020, as well as the thanksgiving for retiring Head Teachers and commissioning of newly appointed Head Teachers usually.
- Two half day virtual conferences for primary and secondary school leaders took place in October 2020. Andy Wolfe, Deputy Director of CE national Education Office was the key note speaker. As a result of this conference three peer support networks were launched for school leaders.

School buildings

- 80 projects were approved by the Education and Skills Funding Agency (ESFA) and the MDBE. Total expenditure on capital work including IT for 2020 was £2,992,135 (There is a carryover of £1,320,360 of SCA to be allocated in 2021 due to an additional amount granted in 2019 for £6,067,982).
- Projects for the year focused on works to improve the condition of schools. Capital building projects have included amongst others:

St George Westhoughton	Complete roof replacement
St Matthews Little Lever	Electrical rewire
St Andrews Radcliffe	H&S improvements
St Marys Hawkshaw	H&S improvements
St Marys Prestwich	Fire safety works
St Stephens Elton	Boiler replacement
All Saints Newton Heath	Refurbishment of toilets
St Marys Moston	Re roofing
St Philips Hulme	Window replacement
School of the Resurrection	H&S kitchen ventilation
School of the Resurrection	Re roofing kitchen
St Agnes	H&S improvements
St Hildas	Fire door and glazing p1
St Hughes	Flat roof replacement
East Crompton St James	Phase 4 electrical rewire
St Lukes	Roofing works
St Lukes	Electrical correction
St Mathews Chadderton	Replace flat roof and damp prevention
St Thomas Moorside	Flat roof replacement works
Middleton Parish	Boiler replacements
Milnrow Parish	Fire safety improvements
St Michaels Alkrigton	Safeguarding and fencing
St Johns Thornham	Safeguarding door access
St Michaels Bamford	Heating replacement floor 1 and ground floor
Christ Church Patricroft	Hall and associated works
Godfrey Ermen	Roofing replacement
St Marks Worsley	Kitchen rewire asbestos removal

TRUSTEES' REPORT (continued)

Activities and achievements in the year (cont)

School buildings (cont)

St Philips Salford	New boundary fencing and entrance - health and safety
St Thomas Heaton Chapel	Heating replacement
Holy Trinity Aul	Playground refurbishment
St George Mossley	Ceiling replacement
St Michaels Flixton	Flat roof replacement
St Marys Leigh	Above and below ground drainage repairs
St George Central	Replacement doors and windows
Saviours Collyhurst	Heating
St Georges Mossley	Wall replacement
St Marys Droylsden	Boiler

Children's work

- A workshop on Children's Spirituality was delivered in Chester Diocese and one on working with schools delivered within two IME training days hosted by the Education Department.
- A training session in Children's Ministry was developed and delivered for All Saints training College
- Support and consultancy was offered in parishes for new and existing children's work including the appointment of employed workers and those already in post
- The Family worship and Beyond grant fund was administered
- Social media presence was increased
- Networking and consultation with ecumenical colleagues continued.
- Development of and signposting to resources for new ways of working and remote services was implemented
- Admission of baptised children to Communion before Confirmation, the Child Friendly Church Award Scheme, and Messy Church were promoted.
- Resources for children's ministry, and the children's section of the Diocesan website, were maintained and updated; a contribution made to the School Newsletter.
- Support and advice was offered to the Children Changing Places Project
- Year 6 Leavers' services were developed to be delivered remotely by schools
- Weekly faith at Home resources and classroom collective worship was developed and delivered
- Wellbeing/retreat days for staff and MHFA one day training held at the start of the year
- Growing Faith Peer Support Network was begun

Youth work

- Throughout the Year our Diocesan Mental Wellbeing Youth Worker continued to deliver both MHFA and bespoke training on mental wellbeing and resilience in both schools and on parish level.
- Several large mental wellbeing resources were written in partnership with the Diocese Mental Wellbeing Youth Worker and the Diocesan Childrens' Officer, including the school resource, Renew
- Amy Sixsmith left her role as Diocesan Mental Wellbeing Youth Worker and subsequently F&GP agreed that the remaining funding for the project could be used to train 2 further instructor in Youth MHFA, with the Diocesan Youth Officer being one of these

TRUSTEES' REPORT (continued)

Activities and achievements in the year (cont)

Youth work (cont)

- Visited Finland for camp and evaluation meetings in February. The camps did not take place due to lockdown restrictions.
- Continued to deliver safeguarding training at Level 0 and 1, and continue to be part of the Diocesan Safeguarding Panel
- Delivered training for youth work students for South West Youth Ministries, Breathe youth work event, and IME training for curates on youth and schools work.
- Developed and regularly updated Facebook youth work resource page and increased Twitter engagement during lockdown
- Created a number of resources for chaplains and youth leaders, including Stations of the Cross and Advent Calendar during the year
- Developed a resource across the Northern Province with other DYO's to support and resource youth leaders and workers called Live Youth Work Conversations
- Training and consultancy on appointments of parish youth workers was provided and supported, and continue to meet on a monthly basis with employed youth workers from across the diocese.

Public benefit

The trustees confirm that they have complied with the duty under section 4 of the Charities Act 2006 to have due regard to the public benefit guidance issued by the Charity Commission.

The charity is constituted in accordance with the Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011.; it is a body corporate and a Director of Education is appointed as its secretary.

The MDBE's statutory function is to promote, or assist in the promotion of education in the Diocese which is consistent with the faith and practice of the Church of England. It does so by sustaining or growing the proportion of CE places in each local authority (there are 58,000 school places in 191 schools).

The MDBE's statutory function is to promote, or assist in the promotion of, religious education and collective worship in CE schools in the Diocese. It does so by advising governing bodies of church schools through provision of specialist Diocesan School Advisors as well as curriculum support groups and training for specialists and non-specialists.

The MDBE's statutory function is to advise the governing bodies of CE schools 'on any matter'. It does so by advising CE schools which are a 'cause for concern' and advising the leadership and management of those schools on a range of matters such as academy development.

The MDBE's statutory function is to co-operate with local authorities and other bodies. It does so by meeting regularly with eleven local authorities to identify schools causing concern.

In addition, the MDBE supports work with children and youth in parishes and the Diocese as a whole, and supports chaplaincy provision in the four universities.

CE schools, colleges, universities and parishes themselves are open to all those who apply and, in some schools and universities, meet the admission criteria. The CE schools in the Diocese meet the needs of all those who attend, without fear or favour, and whether they are of the Christian faith, other faiths or no faith.

TRUSTEES' REPORT (continued)

Aims and objectives for 2021

In the financial year 2021, the MDBE will continue to meet its over-arching objectives and fulfil its statutory duties. The further development of academy status may continue to progress in 2021. The MDBE will continue to develop and promote its academies policy and strategy during the year, and explore with interested schools the efficacy of entering into collaborative arrangements.

This Diocese already articulates a specific role in advising and supporting improvement in CE schools that give cause for concern. As the role and funding of local authorities in the field of education continues to diminish, we anticipate that the role of the Diocese will be subject to greater demands. We continue to have a desire to become more proactive in supporting schools currently graded as 'outstanding/good' by Ofsted/SIAMS. We are looking to enhance the support we provide for schools regarding upholding and developing the Christian distinctiveness.

We are aligning MDBE strategic priorities closely with those of Manchester Diocesan Board of Finance (MDBF). For 2021 these will specifically focus on supporting MDBF's zero carbon neutral targets, ensuring the offer for youth and children's work is at the heart of both the MDBF's Transformation agenda as well as training offer. Aside from this, we are undertaking a review of our administration and processing systems to make more use of databases and collaborative working arrangements.

We continue to work with DBE services and are working more closely with them regarding co-ordination of building projects within Diocesan schools. Alongside this we are seeking to promote the Total Property Management offer to MDBE schools. Income from our SLA is projected to remain at its' current rate more or less; additional income may be generated by providing advice on academy conversion. We are also looking to increase income from offering a wider variety of training than previously.

Financial review

Reserves policy

The reserves held by the MDBE are mostly restricted, held for the provision of support for schools, using the income generated for staffing and running costs, and capital and other grants. They have arisen primarily from the proceeds of former school sites, interest and investment gains thereon and their use is therefore restricted under S554 of the Education Act 1996.

In addition, the MDBE has generated other sources of income from its activities, which are unrestricted. These have been used to support the work of the MDBE.

The Statement of Financial Activities (SOFA) for the year shows net resources expended of £32,214 (2019: net resources expended of £145,154) before net gains and losses on the revaluation of investments.

The level of restricted reserves at the year-end was £6,016,063 (2019 - £5,659,000) and of unrestricted reserves was £260,293 (2019 – £257,887). The MDBE has a policy to maintain at least three months' revenue commitment as a working reserve. At the year-end unrestricted reserves were £260,293, or over six months' commitment. The Trustees are consequently satisfied that an appropriate level of unrestricted reserves are held. The company holds fixed asset investment within restricted funds. The unlisted investments provide investment income. As these are restricted funds, these are not included within the general unrestricted funds.

The Financial Statement illustrated a deficit (before Investment losses) of £32,214 which includes the net expenditure in relation to God and the Big Bang for 2020 of £65,217 and also net expenditure from the Re-investment of Reserves of £51,865. The operating surplus excluding God and the Big bang and the Re-investment of Reserves is £85,086. There has been an unrealised gain on Investments of £391,683 making the company's overall position a net surplus of £359,469. The total Reserves on 31 December 2020 now stand at £6.276m (2019: £5.917m).

There were no management actions arising from the audit report.

TRUSTEES' REPORT (continued)

Financial review (cont)

Going Concern

We have made an assessment of the Charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were approved for release.

In making our assessment, we considered the financial impact of Covid-19 on our cash flow forecast, performing stress testing of these plans. The forecasts take into consideration the impact of COVID-19 including the potential impact on the company's income streams and the mitigating actions in place to address any reductions in income.

Having performed our assessment we were able to conclude that the Charity is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis.

In making our assessment we did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the Charity's ability to continue as a going concern.

Investment policy

In accordance with the Memorandum and Articles of Association, the Trustees have the power to invest funds not immediately required in such investment securities or property as may be thought fit by them.

The MDBE holds long term surplus funds, which are invested in a broadly based ethical investment fund, and this is currently through the DBF Investment Fund, managed by CCLA. The bid value of these investments increased by 6.9% (2019: Increased by 27.9%). Dividends receivable amounted to £172,772 (2019: £167,682) – a yield of 2.85% (2019: 2.96%), which is in line with our benchmarks.

Taxation

The MDBE is a Registered Charity (No. 530002) and as such is not liable to UK Corporation Tax on its charitable activities.

The Trustees have prepared this report in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Structure and governance

Member Recruitment, Induction and Training

1. The MDBE is governed by the Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011.
2. Members of the Board are appointed or elected within the terms of the Manchester Board of Education Order 2011, i.e. either by (a) the Diocesan Bishop or (b) the Diocesan Synod for Archdeaconry members or (c) the MDBE itself, using the relevant power of co-option. Elections are held each Synod triennial period.
3. The roles and responsibilities of Trustees are described and explained at the first meeting of the new triennium in a specific induction programme. In addition, further training of Trustees is arranged in relation to education policy development.
4. Members appointed during the triennium are given induction training. Members who serve on specific short-life sub-committees and working parties are given training and briefing in these areas e.g. the short-life Investment Sub-Committee, but many are already expert in these fields and selected for this reason.

TRUSTEES' REPORT (continued) Structure and governance (cont)

5. The MDBE itself is responsible for policy decisions and statutory functions in relation to Church of England schools, and monitoring and evaluation of its policies and purposes.
6. The Director of Education published the statutory Annual Report to Diocesan Synod on 10 October 2020. Additionally, an Annual Review document was shared specifically outlining the breadth and depth of the work of MDBE across the diocese.

The membership of the MDBE during the period from 1 January 2020 to the date of this report, unless otherwise stated, was as follows:

Chair: Rt Revd M Davies, Bishop of Middleton
Ex Officio: Rt Revd D S Walker, Bishop of Manchester

Company Secretary: Deborah Smith

Appointed by Bishop
The Rt Revd M Davies
Mr H Williams OBE Vice Chair

Co-opted Members
Ms K Morris (Retired 2021)
Revd P Williamson
Revd M Cox
Mr G Walczak

Manchester Archdeaconry

Clergy

Revd Canon F Sher

Lay

Canon Dr Addy Lazz-Onyenobi

Bolton Archdeaconry

Clergy

Revd Canon Dr Chris Bracegirdle

Lay

Mr L Yarwood

Rochdale Archdeaconry

Clergy

Revd Rachel Damaris Battershell

Lay

Mr Richard Lait

Salford Archdeaconry:

Clergy

Revd Karen Owen

Lay

Mr Peter Wright

The MDBE has a standing committee to consider applications from CE schools for consent to apply for an Academy Order (Academy Act 2010 S 3 iv) or consent to amend the Articles of Association of an existing academy.

TRUSTEES' REPORT (continued)

Structure and governance (cont)

The following are sub-committees of the Board:

Finance and General Purposes Committee (F & GP), which has been delegated the following functions by the Board:

Financial management

1. To scrutinise the financial management of the Board, including budget setting, the approval of accounts and the monitoring of income and expenditure.
2. To review, annually, the investment and reserves policies.
3. To review, annually, the service level agreement (SLA) and maintenance contribution.
4. To review, annually, the contribution of DBE Services to the Board.

Estates management

5. To scrutinise financial assistance to schools, including review the policy annually and approve of grants and loans in accordance with the policy.
6. To approve of the arrangements for the disposal of redundant school properties.

Human resources management

7. To review staffing issues, including policy, job descriptions, remuneration, disciplinary or competency issues.

The Schools Committee, which has responsibility to promote and scrutinise the work of the officers in the following functions:

Support for changes to school organisation

1. Scrutinise the advice in relation to proposals to open/close/significantly enlarge a Church school and resolve any related matters.
2. Scrutinise the advice given to church schools in relation to admission arrangements.

Statutory inspection of Anglican and Methodist schools (SIAMS)

3. Scrutinise the outcomes of SIAMS inspections and the overall performance of church schools e.g. test and examination results, in terms of attainment and progress.

Support for CE school leadership and management

Promote, and receive advice on, the services provided by the Diocese under Section 2 (a) of the

4. Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011 specifically:
 - The appointment of headteachers and deputy headteachers in church schools.
 - The support for schools categorised by Ofsted as failing to provide an adequate education (i.e. special measures /serious weaknesses) or those otherwise causing concern.
 - The appointment of governors to church schools and their training in the distinctive aspects of church schools.
 - The support given on church/school relationships

TRUSTEES' REPORT (continued)

Structure and governance (cont)

Related Parties

Manchester Diocesan Board of Finance is a Charitable Company limited by guarantee, situated at 90 Deansgate, Manchester, M3 2GH. The charity is connected to MDBE by virtue of the fact that the Manchester Diocesan Synod has the power to appoint the majority of the Committee of Management, constituting the Board of Directors for each charity.

The policies and activities of MDBE, within the framework of the Diocesan Boards of Education Measure 1991, as amended by the Education and Inspections Act 2006 and the Manchester Diocesan Board of Education Order 2011, reflect and contribute to the vision and mission of Manchester Diocese which is to be a worshipping, growing and transforming Christian presence at the heart of every community.

MDBE is a shareholder in the trading company, DBE Services Ltd, situated at DBE Services, Clayton House, Walker Industrial Estate, Walker Road, Guide, Blackburn, BB1 2QE.

MDBE's accommodation is provided by Manchester Diocesan Church House Company Ltd (which is a subsidiary of MDBF)

Higher education

The work of the MDBE in relation to higher education is performed by chaplains based at the Universities of Manchester, Salford and Bolton. Their work in Manchester is scrutinised by the governing body of St Peter's House and in Bolton by the Vice-Principal's Faith and Spirituality Sub-Group (Bolton) The chaplains also contribute to the BOE's annual report to Synod.

Custodian trusteeship

MDBE holds, as Custodian Trustee, for a number of Parochial and school funds, investments and bank deposits with an aggregate market value of £4,885,633 (2019 - £4,674,252) which are not included in the Balance Sheet. This includes monies from the Department for Education, which are held in individual accounts for schools for their building works. These investments are held on behalf of schools and parishes whose charitable purposes are similar to those of the MDBE. These assets are held securely and separately from those of the MDBE that is responsible for their safe custody.

CHARITY GOVERNANCE CODE

The Charity Governance Code was published to help charities and their trustees develop high standards of governance. The code sets out seven principles and recommended practice. Below are the seven principles with an explanation of how MDBE operates against these principles:

Organisational purpose

The organisational purpose of MDBE is clearly defined in statute and policy decisions made over time. It has identified clear aims under such duties and policies and measures outcomes against those aims. It has a strategic plan and works from a balanced budget with a consistent history of providing a secure financial platform for its operations.

Leadership

The Board provides effective strategic leadership in order to fulfil the purpose of the company and meet its objectives. Its remuneration policy is determined by the employer of officer, the MDBF.

Integrity

The Board acts with the integrity expected of the charity. Conflicts of interest are declared annually and before each meeting, and gifts and hospitality are recorded.

TRUSTEES' REPORT (continued)

Structure and governance (cont)

CHARITY GOVERNANCE CODE (cont)

Decision-making, risk and control

Decisions of the Board are clearly articulated in papers and minutes, and counted votes where necessary. The Board receives a termly risk register and mitigation and control of risks are monitored. Board papers and minutes report movement in the risk register.

The Board does not have an Audit Committee, but it does have a Finance and General Purposes Committee which is separately chaired and meets in tandem with the Board.

Board membership combines representative interests with an appropriate skill mix at both Governing Body and sub-Committee levels.

Board effectiveness

The Board membership combines experience, new and renewed membership. Sub-committee structures are slim and terms of reference are clear. Meetings are scheduled for the triennium with clear rules about the timing of distribution of papers and minutes.

The Board accesses legal, financial and HR services, and financial colleagues form the DBF report to, and attend, relevant meetings.

Diversity

The Board includes members who are from different ethnic and gender backgrounds. Reasonable expenses are paid on an equitable basis to all who attend.

Openness and accountability

The Directors' Report includes a statement of public benefit. Its Minutes are scrutinised by the Bishop's Council. Remuneration details of senior employees are detailed within Note 15 of the 'Notes to the Accounts'.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the charity is exposed, in particular, those related to the operations and finances of the MDBE, and are satisfied that systems are in place to mitigate exposure to the major risks. The Director of Education has increased formality to risk identification/mitigation by creating a formal risk register. The risk register has been a standard agenda item at all MDBE meetings since 2008, with the main ones detailed below:

- Financial risks remain low despite a period of uncertainty due to Covid 19.
- 'Academy risks' - of being 'caught-out' by a rush of sponsorships, or devising a post-election Diocesan strategy – remain acute and are likely to challenge our current policy and strategy. The risk attached to those academies which we do sponsor remains high and has potentially the highest level of impact.
- A potential financial risk is an impact on income from investment which is factored into our financial risk. There is a minimal employment risk in relation to our schools' workforce.
- There is a reducing risk that the MDBE will not be strategically prepared for any rush of applications for academy status, or that the MDBE is 'forced' to sponsor unsuccessful schools which would subsequently fail. This risk has been reduced, partly owing to the MDBE's clear policy of requesting our existing high-performing academies to take on this role.

TRUSTEES' REPORT (continued)

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 MDBE. All staff are employed by the MDBF and staff costs recharged to MDBE. The MDBF Staffing Committee acts on behalf of the Trustees on employment practice and development of human resources. The Committee reviews salaries in the MDBF and MDBE, and approves recommendations for salaries in relation to new posts or regrading of posts. The MDBF has a grading structure with 8 pay bands, within each pay band there are 3 increment points. Posts are allocated a grade with increments or a spot grade; some posts span two grades. The MDBF tracks market rates and occasionally takes part in national benchmarking data collection with other Diocese.

Trustees' responsibilities for the financial statements

The Trustees are responsible for preparing the Annual Report including the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

In preparing the Trustees' Report, advantage has been taken of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the Board on and signed on its behalf by

MARK DAVIES

Director



Date: 28th September 2021

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF MANCHESTER DIOCESAN BOARD OF EDUCATION

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Manchester Diocesan Board of Education ("the Charitable Company") for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the 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).

Basis for opinion

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

Conclusions related to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of

Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Directors' Report, which are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Trustee's report.

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding and accumulated knowledge of the Charitable Company, and the sector in which they operate, we considered the risk of acts by the Charitable Company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. We considered the significant laws and regulations to be United Kingdom Generally Accepted Accounting Practice (including

FRS102 and the Charities Statement of Recommended Practice) and the UK Companies Act 2006. All audit team members were briefed to ensure they were aware of any relevant regulations in relation to their work, areas of potential non-compliance and fraud risks.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of an override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and improper incoming resources recognition.

Our audit procedures in response to the above included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management. No significant accounting estimates were identified;
- Procedures to test incoming resources including agreement of incoming resources recognised to supporting documentation on a sample basis and testing incoming resources recorded around the year end to check the appropriate year end cut-off;
- Identifying and testing journal entries identified as potentially unusual. This testing included, but was not limited to, any journal entries posted with specific keywords, journals posted by unexpected users, and journals posted to least used accounts;
- Discussions with management, and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Discussions with management, and those charged with governance to understand if there has been any Serious Incident Reports made to the Charity Commission either during the period or post year end;
- A review of trustees' meeting minutes both during the period, and post year end, for any known or suspected instances of non-compliance with laws and regulation, Serious Incident Reports made to the Charity Commission or fraud;
- Enquires to confirm with management that there was no legal correspondence during the period, or post year end, requiring review;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:



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Hamid Ghafoor (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Manchester, UK

Date: 28 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2020

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure account) For the year ended 31 December 2020

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
INCOME AND ENDOWMENTS FROM					
Donations and Legacies	2	46,491	140,004	186,495	180,887
Income from Charitable Activities	3	214,701	42,252	256,953	288,255
Other Trading Activities	4	-	30,750	30,750	41,000
Income from Investments	5	-	197,070	197,070	191,443
TOTAL INCOME AND ENDOWMENTS		261,192	410,076	671,268	701,585
EXPENDITURE ON					
Charitable Activities	6	258,786	444,696	703,482	846,739
TOTAL EXPENDITURE		258,786	444,696	703,482	846,739
NET INCOME/(EXPENDITURE) BEFORE NET GAINS ON INVESTMENTS		2,406	(34,620)	(32,214)	(145,154)
Net gains on investments	8	-	391,683	391,683	894,581
NET INCOME		2,406	357,063	359,469	749,427
NET MOVEMENT IN FUNDS		2,406	357,063	359,469	749,427
Balance brought forward 1 January	12	257,887	5,659,000	5,916,887	5,167,460
Balance carried forward 31 December	12	260,293	6,016,063	6,276,356	5,916,887

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

All incoming resources and resources expended are derived from continuing activities.

The notes on pages 21 to 34 form part of these financial statements.

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2020

BALANCE SHEET

As at 31 December 2020

Company Number - 00618201

			2020	2019
	Note	£	£	Restated £
FIXED ASSETS				
Tangible Assets	7		1	1
Investments	8		6,063,939	5,672,256
			<u>6,063,940</u>	<u>5,672,257</u>
CURRENT ASSETS				
Debtors	9	382,243	387,293	
Cash at Bank and in hand		211,966	177,986	
Closed School Bank Deposits	10	2,028,317	2,025,699	
		<u>2,622,526</u>	<u>2,590,978</u>	
CREDITORS				
Amounts falling due within one year	11	(2,410,110)	(2,346,348)	
NET CURRENT ASSETS			<u>212,416</u>	<u>244,630</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,276,356</u>	<u>5,916,887</u>
	12		<u>6,276,356</u>	<u>5,916,887</u>
CAPITAL AND ACCUMULATED FUNDS				
Unrestricted funds			260,293	257,887
Restricted funds	12		6,016,063	5,659,000
			<u>6,276,356</u>	<u>5,916,887</u>

The notes on pages 21 to 34 form part of these financial statements.

Approved by the Board and signed on its behalf on 28th September 2021 by:



MARK DAVIES
Bishop of Middleton – Chairman



DEBORAH SMITH
Diocesan Director of Education and Company Secretary

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2020

CASH FLOW STATEMENT

For the year ended 31 December 2020

	2020 £	2019 Restated £
Net (expenditure) for the reporting period (as per the statement of financial activities)	(32,214)	(145,154)
Dividends, interest from investments	(197,070)	(191,443)
Decrease / (Increase) in debtors	5,050	158,444
Increase / (Decrease) in creditors	63,763	(534,282)
Net cash (used in) operating activities	(160,471)	(712,435)
Cash flows from investing activities:		
Dividends and interest from investments	197,070	191,443
Net cash provided by investing activities	197,070	191,443
	36,599	(520,992)
Cash flows from financing activities:	-	-
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the reporting period	36,599	(520,992)
Cash and cash equivalents at the beginning of the reporting period	2,203,685	2,724,677
Cash and cash equivalents at the end of the reporting period	2,240,284	2,203,685

Cash and cash equivalents includes both Cash at bank and in hand and Closed school bank deposits. See accounting policy 1(e) for an explanation of the closed school bank deposits.

The notes on pages 21 to 34 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102 2nd edition), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

(b) Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income, other than interest arising from the sale proceeds of closed school sites, is included in incoming resources when receivable. Interest that is earned on the sale proceeds of closed school sites is recognised when the relevant sales proceeds are determined. Details of the sales proceeds and accumulated interest on sites awaiting determination are given in note 10 to the accounts.

(c) Resources expended

Resources expended include all expenditure directly related to the objects of the charity (in accordance with SORP 2019) inclusive of any VAT, which cannot be recovered. Grants to schools are considered on the facts of each individual case dependent on the availability of funds at the time. Costs arising from the organisation and running of the charity rather than its charitable objects are shown as governance costs.

(d) Uncapitalised fixed assets

School sites and buildings for the 191 Diocesan schools are included on the balance sheet at an aggregate nominal value of £1. Additions by the Manchester Diocesan Board of Education to the existing school sites and buildings are written off in the income and expenditure account in the year in which they are incurred. The Manchester Diocesan Board of Education hold the majority of sites only as Trustees for continuing education in the appropriate parish and the Board does not have an absolute title. Sale proceeds will only arise in the event of the Secretary of State for Education agreeing to the closure of a school. The accounting policy in relation to closed school sites is as stated below. In view of the above, it is considered prudent not to include valuations for existing school sites as Fixed Assets of this Board.

(e) Closed school sites

Sales proceeds of closed school sites and buildings attributable to the Manchester Diocesan Board of Education (once the correct legal destination of the proceeds has been resolved) are shown in the Statement of Financial Activities on page 18. Until such time as the Board has received the appropriate statutory approvals, proceeds are included in the balance sheet as a liability (note 10). Only a portion of the sales proceeds will accrue to the Manchester Diocesan Board of Education in due course and it is not possible to predict the value of such proceeds.

(f) Staff pensions

The Board of Education previously contributed to the Church of England Defined Benefits Scheme (DBS) for staff that is administered through the Manchester Diocesan Board of Finance. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme, which are attributable to the Board. Therefore, in accordance with FRS 102, payments to the scheme are accounted for as for defined contribution schemes and the Board accounts for pension costs based on contributions payable to the scheme in the year. Details of the scheme are given in note 18 to the accounts. The contributions due for the year are disclosed in note 15.

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

1. ACCOUNTING POLICIES (continued)

(g) Investments

Investments are shown at their bid value on the date of the balance sheet. Investments held by the Board as custodian trustee are not included in these accounts (see note 19).

(h) Agency arrangements (Maintenance Scheme Debtors and Creditors)

The charity acts as agent in the collection of grants from government, local authorities and other funds, and payment of approved invoices for school building projects on behalf of certain Church of England schools in the diocese. This income and expenditure is excluded from the income and expenditure of the charity and any balances due from or held on behalf of schools are shown within debtors and creditors.

(i) Fund accounting

Funds held by the company are either:

Restricted funds - Funds which may only be used for specific purposes imposed by the settler, donor or legislation.

Unrestricted funds - Funds which may be used for general purposes without any external restriction.

(j) Legal Status of the Trust – The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

(k) Investment in DBE Services - The MDBE owns 16.7% of the ordinary share capital of DBE Services Ltd and is included at cost. Any surplus share is accounted for in the year it is received.

(l) Judgements in applying accounting policies and key sources of estimation uncertainty - In preparing these financial statements the directors have made judgements where appropriate. There are no further material judgements.

(m) Going Concern - We have made an assessment of the Charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were approved for release. In making our assessment, we considered the financial impact of Covid-19 on our cash flow forecast, performing stress testing of these plans. Having performed our assessment, we were able to conclude that the Charity is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis. In making our assessment we did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the Charity's ability to continue as a going concern.

(n) Allocation of Support costs - As explained in the Annual Report, the MDBE supports Church of England schools in the diocese in a wide range of ways including assisting with building projects, supporting and training governors, and promoting religious education more widely. The allocation between activities fluctuates as necessary. In addition, the Board operates with a small staff and as a result does not consider that keeping formal records of the allocation of support costs between activities would provide significant useful information.

(o) Funds held as custodian trustee - MDBE holds, as Custodian Trustee, for a number of Parochial and school funds, investments and bank deposits, which are not included in the Balance Sheet. This includes monies from the Department for Education, which are held in individual accounts for schools for their building works. These investments are held on behalf of schools and parishes whose charitable purposes are similar to those of the DBE. These assets are held securely and separately from those of the Board that is responsible for their safe custody.

(p) Financial Instruments - Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

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

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

COMPANY INCOMING RESOURCES – COMPRISING NOTES 2 – 5

		Unrestricted Funds	Restricted Funds	Total Funds
	Note	2020	2020	2020
		£	£	£
INCOME AND ENDOWMENTS FROM				
Donations and legacies	2	46,491	140,004	186,495
Income from charitable activities	3	214,701	42,252	256,953
Other trading activities	4	-	30,750	30,750
Income from investments	5	-	197,070	197,070
TOTAL		261,192	410,076	671,268

		Unrestricted Funds	Restricted Funds	Total Funds
	Note	2019	2019	2019
		£	£	£
INCOME AND ENDOWMENTS FROM				
Donations and legacies	2	40,887	140,000	180,887
Income from charitable activities	3	235,535	52,720	288,255
Other trading activities	4	-	41,000	41,000
Income from investments	5	-	191,443	191,443
TOTAL		276,422	425,163	701,585

2. DONATIONS AND LEGACIES

	Unrestricted 2020	Restricted 2020	Total 2020	Total 2019
	£	£	£	£
Manchester Diocese Synod Funding	-	140,000	140,000	140,000
Sale of closed school sites	-	4	4	-
DBE Services Ltd	46,491	-	46,491	40,887
TOTAL	46,491	140,004	186,495	180,887

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
RE and other training income	207,368	17,687	225,055	262,187
Grants received	-	2,500	2,500	25,000
Pilgrimages income	-	250	250	370
Other income	7,333	21,815	29,148	698
TOTAL	214,701	42,252	256,953	288,255

4. OTHER TRADING ACTIVITIES

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
Rents received	-	30,750	30,750	41,000

5. INVESTMENT INCOME

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
Income from investments				
Unquoted	-	172,772	172,772	167,682
Stelfox Trust Income	-	23,938	23,938	22,585
Interest receivable				
Bank and CBF interest	-	360	360	1,176
TOTAL	-	197,070	197,070	191,443

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

COMPANY EXPENDITURE – COMPRISING NOTE 6

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Fund 2020 £
EXPENDITURE ON			
Charitable Activities	258,786	444,696	703,482
TOTAL	258,786	444,696	703,482
	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
EXPENDITURE ON			
Charitable Activities	336,500	510,239	846,739
TOTAL	336,500	510,239	846,739

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

6. CHARITABLE EXPENDITURE

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
(a) Grants (note 16)				
Building grants to schools	-	17,550	17,550	-
TOTAL	-	17,550	17,550	-
(b) Other expenditure				
<i>i.</i> to provide a service:				
Staff salaries, pensions and sub-contractors	154,668	309,728	464,396	460,594
<i>ii.</i> for costs:				
Legal and professional services for school building and sites	-	-	-	-
<i>iii.</i> Other overheads	99,342	113,180	212,522	379,039
<i>iv.</i> Provision against doubtful debts	-	-	-	-
<i>v.</i> Christian Leadership expenditure	-	-	-	-
<i>vi.</i> Audit Fees	4,777	4,237	9,014	7,106
	258,786	427,146	685,932	846,739
TOTAL	258,786	444,696	703,482	846,739
	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	
(a) Grants (note 16)				
Building grants to schools	-	-	-	
TOTAL	-	-	-	
(b) Other expenditure				
<i>i.</i> to provide a service:				
Staff salaries, pensions and sub-contractors	157,140	303,454	460,594	
<i>ii.</i> for costs:				
Legal and professional services for school building and sites	-	-	-	
<i>iii.</i> Other overheads	175,540	203,499	379,039	
<i>iv.</i> Provision against doubtful debts	-	-	-	
<i>v.</i> Christian Leadership expenditure	-	-	-	
<i>vi.</i> Audit Fees	3,820	3,286	7,106	
	336,500	510,239	846,739	
TOTAL	336,500	510,239	846,739	

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

Support costs

Included within the above expenditure are the following support costs:

	2020	2019
	£	£
i. Staff salaries, pensions and sub-contractors	162,099	158,101
ii. Legal and professional services for school building and sites	3,000	2,832
iii. Other overheads	53,579	68,953
iv. Provision against doubtful debts	-	-
v. Christian Leadership expenditure	-	-
vi. Audit Fees	9,014	7,106
TOTAL	227,692	236,992

7. FREEHOLD AND LONG LEASEHOLD LAND AND BUILDINGS

	2020	2019
	£	£
School sites and buildings at nominal value	1	1

Note that there were Capital Commitments authorised but not contracted for at 31 December 2020 of £nil (2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

8. INVESTMENTS

	Number	2020 £	Number	2019 £
CBF Investment Fund Shares				
Shares at bid value brought forward	296,572	5,672,244	296,572	4,777,663
Disposal proceeds		-		-
Realised investment gains		-		-
Unrealised investment gains		391,683		894,581
		<u>6,063,927</u>		<u>5,672,244</u>
Bid value 31 December				
Number of shares at 31 December	<u>296,572</u>		<u>296,572</u>	
Historical cost at 31 December		(1,326,310)		(1,326,310)
Excess of bid value over cost to date		<u>4,737,617</u>		<u>4,345,934</u>
Investment in DBE Services Ltd		12		12
Total		<u>6,063,939</u>		<u>5,672,256</u>

In 2005 the company purchased twelve ordinary shares of £1 each (a 16.7% shareholding) in DBE Services Ltd. DBE Services Ltd was set up to provide services to schools. This company started to trade on 1 January 2006.

	2020 £	2019 £
The trading activities were:		
Turnover	1,810,213	1,780,980
Cost of Sales, administrative expenses and interest received	(1,565,187)	(1,515,792)
Surplus	<u>245,026</u>	<u>265,188</u>
MDBE Share of Surplus (*)	<u>46,491</u>	<u>40,887</u>

The MDBC received fees for work done by its staff for DBE Services Ltd of £nil (2019: £nil).

The shares may not be disposed of or charged except in accordance with the provisions of the Shareholders' Agreement.

* Distributable profits attributable to the work done for relevant schools are to be distributed in the proportions to which they arise from the work done for the relevant schools for each shareholder and the remaining distributable profits shall be divided equally between the shareholders.

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

9. DEBTORS

	2020	2019 Restated
	£	£
Maintenance scheme debtors	262,026	252,566
School selling expenses recoverable from future sale proceeds	31,635	9,707
Prepayments and accrued income falling due within one year	62,390	53,285
Grants awarded, not yet received	-	15,180
Other debtors	26,192	56,555
TOTAL	382,243	387,293

The maintenance scheme debtors arise out of the bills paid for building capital works on behalf of schools, but due to be recovered from DfE, LEAs or Schools themselves.

Grants awarded, not yet received arises from the 'God and the Big Bang' project grant funding from the Templeton World Charity Foundation.

10. CLOSED SCHOOL BANK DEPOSITS

	2020	2019
	£	£
Closed school account balances pending determination	2,024,120	2,021,504
Closed school account balances – MDBE Asset	4,197	4,195
TOTAL	2,028,317	2,025,699
Reconciliation of closed school balances:-		
Capital proceeds	1,602,775	1,602,775
Accumulated interest	611,345	608,729
Total creditor (note 11)	2,214,120	2,211,504
Less funds used for increased working capital	(190,000)	(190,000)
Add closed school account balances – MDBE Asset	4,197	4,195
TOTAL	2,028,317	2,025,699

The closed school balances have arisen primarily from the proceeds of former school sites, interest and investment gains thereon and their use is therefore restricted under S554 of the Education Act 1996.

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 Restated £
Maintenance scheme creditors – school creditors	18,950	25,978
General creditors and accruals	105,517	90,188
The Manchester Diocesan Association Church Schools	(1)	1
Closed schools - monies held pending determination - (note 10):		
Capital proceeds	1,602,775	1,602,775
Accumulated interest	611,345	608,729
Manchester Diocesan Board of Finance	71,024	18,566
Academies School Grant Committed	-	-
HMRC VAT	500	111
TOTAL	2,410,110	2,346,348

12. RESERVES

	1 Jan 20 £	Incoming resources £	Resources expended £	Gains on investments £	31 Dec 20 £
Restricted funds					
For Schools	5,659,000	270,076	(304,696)	391,683	6,016,063
From Synod	-	140,000	(140,000)	-	-
	5,659,000	410,076	(444,696)	391,683	6,016,063
Unrestricted funds					
General	257,887	261,192	(258,786)	-	260,293
TOTAL	5,916,887	671,268	(703,482)	391,683	6,276,356

	1 Jan 19 £	Incoming resources £	Resources expended £	Gains on investments £	31 Dec 19 £
Restricted funds					
For Schools	4,849,495	285,163	(370,239)	894,581	5,659,000
From Synod	-	140,000	(140,000)	-	-
	4,829,495	425,163	(510,239)	894,581	5,659,000
Unrestricted funds					
General	317,965	276,422	(336,500)	-	257,887
TOTAL	5,167,460	701,585	(846,739)	894,581	5,916,887

Restricted funds

The restricted funds are held for the provision of support for schools, using the income generated for staffing and running costs, and capital and other grants. They have arisen primarily from the proceeds of former school sites, interest and investment gains thereon and their use is restricted under S554 of the Education Act 1996.

MANCHESTER DIOCESAN BOARD OF EDUCATION - YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

13. ANALYSIS OF 2020 NET ASSETS

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
Tangible assets and Investments	-	6,063,940	6,063,940
Net current assets	260,293	(47,877)	212,416
TOTAL	260,293	6,016,063	6,276,356

ANALYSIS OF 2019 NET ASSETS

Unrestricted

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £
Tangible assets and Investments	-	5,672,257	5,672,257
Net current assets	257,887	(13,257)	244,630
Long term creditors	-	-	-
TOTAL	257,887	5,659,000	5,916,887

14. NET INCOMING RESOURCES

	2020 £	2019 £
This is stated after charging:		
Auditors' remuneration:		
External audit	9,104	7,106
and after crediting:		
Rental income	30,750	41,000

15. STAFF COSTS

All staff are employees of MDBF and are recharged to MDBE. Amounts recharged were:

	2020 £	2019 £
Salaries	361,008	360,697
Social security costs	30,289	32,905
Pension costs	73,099	66,992
TOTAL	464,396	460,594

The average weekly number of employees during the year was made up as follows:

Office and General Management employees	11	11
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Note that the Directors of the MDBE receive no remuneration or reimbursed expenses for their services as directors. There was 1 employee with total emoluments above £60,000 in 2020 (2019: 1 employee).

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

EMPLOYEE DETAILS

Employees receiving remuneration in excess of £60,000 are analysed as follows:

	2020	2019
	No.	No.
£60,000 - £70,000	-	1
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	1	-
	2020	2019
	£	£
Pension contributions to Pension Builder defined benefit scheme	14,940	9,854

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 MDBE. During 2020 they were:

Deborah Smith – Director of Education and Company Secretary to the Board
 Ian Tomkin – Assistant Director of Education (Schools Estate & Finance)(Left 31st March 2020)
 Liam Eaglestone – Deputy Director of Education (Commenced 7th December 2020)
 Susie Mapledoram – Youth Officer
 Karen Beal – Children’s Officer, Children’s Ministry
 Ruth Gent – Senior Administrator

Remuneration and pensions for these employees in the 6 posts (2019: 7 posts) amounted to £223,902 (2019: £260,241)

16. BUILDING GRANTS TO SCHOOLS

	2020	2020	2019	2019
	£	£	£	£
Reconciliation of building grants payable:				
Commitments as at 1 January		-		-
Commitments made in the year	17,550		-	
Grants reclaimed in the year	-		-	
	<u> </u>		<u> </u>	
Grants payable for the year		17,550		-
Grants paid during the year		-		-
		<u> </u>		<u> </u>
Building grant commitments at 31 December		17,550		-

Grants, having been previously approved by the Finance & General Purpose Committee, are debited to the School Building fund at the time of approval.

There was one grant awarded in 2020 (2019: nil). All the grants were credited to schools in the Diocese of Manchester. A full list of individual grants is available on request from the Company Secretary at the Registered Office.

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

17. RELATED PARTY TRANSACTIONS

Manchester Diocesan Board of Finance

Manchester Diocesan Board of Finance is a Charitable Company limited by guarantee, situated at 90 Deansgate, Manchester, M3 2GH. The charity is connected to Manchester Diocesan Board of Education by virtue of the fact that Manchester Diocesan Synod has the power to appoint the majority of the Committee of Management, constituting the Board of Directors, for each charity.

For the year ended 31 December 2020, the Manchester Board of Finance ("MDBF") made a budget transfer to the MDBE of £140,000 (2019: £140,000), representing the Synod funding of non-schools work of the Board of Education. Dividend income from the Stelfox Trust of £23,938 (2019: £22,585) was also paid to the MDBE via the MDBF. During the year MDBF incurred costs on behalf of, and subsequently recharged to, the MDBE costs of £506,396 (2019: £502,594) comprising:

	2020 £	2019 £
Staff costs	464,396	460,594
Central services	42,000	42,000
Total	<u>506,396</u>	<u>502,594</u>

Manchester Diocesan Church House Company

Manchester Diocesan Board of Education's accommodation is provided by Manchester Diocesan Church House Company Ltd (which is a subsidiary of Manchester Diocesan Board of Finance) or a service charge of £13,333 (2019: £13,333), which is included in the Manchester Diocesan Board of Finance's recharges.

DBE Services

MDBE owns 16.7% of the ordinary share capital of DBE Services Ltd, an entity which commenced trading on 1 January 2006. The company undertakes support work across six northern dioceses. During the year Manchester Diocesan Board of Education received donations totalling £46,491 (2019: £40,887). The Right Reverend Mark Davies served as a Director at DBE Services Limited during 2020.

Trustees

No Trustees (2019: Nil) were reimbursed for travel expenses during the year. During the year, there was £1,560 paid to one Trustee for advice to School Governing Bodies and in relation to projects (2019: £770 paid to one Trustee).

18. PENSIONS

As the staff are employed by the Manchester Diocesan Board of Finance and recharged to the Manchester Diocesan Board of Education, any pension surplus / deficit is included within the MDBF financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

19. CUSTODIAN HOLDINGS

Manchester Diocesan Board of Education holds, as Custodian Trustee, for a number of Parochial and school funds, investments and bank deposits with an aggregate bid value of £4,885,633 (2019: £4,283,933), which are not included in the Balance Sheet. This includes monies from the Department for Education, which are held in individual accounts for schools for their building works. These investments are held on behalf of schools and parishes whose charitable purposes are similar to those of the MDBE. These assets are held securely and separately from those of the MDBE, which is responsible for their safe custody.

20. SCHOOL BUILDING & IT PROJECTS

The Manchester Diocesan Board of Education assists diocesan voluntary aided schools with the administration of funding for school building projects and the provision of IT equipment. The MDBE acts as the agent of school governing bodies in receiving funding from the Department for Education, local authorities and other funding sources and settling and matching it with the contractors' costs and professional fees. This activity of the MDBE is not reflected in the Statement of Financial Activities as the transactions are those of the school governing bodies rather than the MDBE. Total expenditure on school building projects and IT equipment during the year was £3,339,761 (2019: £6,067,928).

21. PRIOR YEAR ADJUSTMENT

During the period, management identified that they were historically coding issues relating to the maintenance scheme debtors and maintenance scheme creditors totalling to £253,631. There is no impact on funds as reported in the 2019 financial statements, following these adjustments.

	2019 Original Accounts	2019 Restated
Maintenance Scheme Debtors	£506,197	£252,566
Maintenance Scheme Creditors	£279,609	£25,978