

**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

		Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
	Note				
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><u>7,447,390</u></u>		<u><u>6,276,356</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 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>6,434,748</u>		<u>6,063,939</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
	<u>12</u>	<u>11</u>

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).