



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

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

<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			1,091,862		999,799
TOTAL ASSETS LESS CURRENT LIABILITIES			7,311,612		6,680,430
	12 & 13		<u>7,311,612</u>		<u>6,680,430</u>
CAPITAL AND ACCUMULATED FUNDS					
Unrestricted funds			708,062		618,235
Restricted funds			6,603,550		6,062,195
	12 & 13		<u>7,311,612</u>		<u>6,680,430</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 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 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
	<u>206,499</u>	<u>588,951</u>	<u>795,450</u>
TOTAL	<u>206,499</u>	<u>616,414</u>	<u>822,913</u>

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	<u>199,398</u>	<u>242,436</u>

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)
		<u>6,219,737</u>		<u>5,680,618</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)
Excess of bid value over cost to date		<u>5,331,544</u>		<u>4,792,425</u>
Investment in DBE Services Ltd		12		12
Total		<u>6,219,749</u>		<u>5,680,630</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.

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

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	-		-	
	<hr/>		<hr/>	
Grants payable for the year				27,463
Grants paid during the year		-		-
		<hr/>		<hr/>
Building grant commitments at 31 December		-		27,463
		<hr/>		<hr/>

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	519,390	539,728

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).