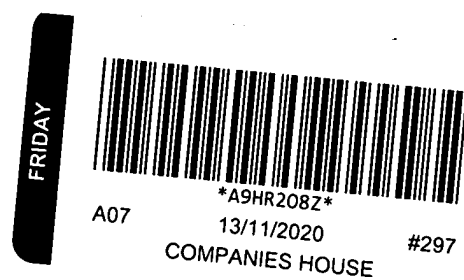


THE LICHFIELD DIOCESAN BOARD OF EDUCATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

Registered Number: 00461505
Charity Number: 528561



THE LICHFIELD DIOCESAN BOARD OF EDUCATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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THE LICHFIELD DIOCESAN BOARD OF EDUCATION

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2019

Trustees	Sir Geoff Hampton – from 01 September 2019 Mr Michael Revell – to 31 August 2019 Revd Preb John Allan Mrs Tracy Cansdale – from 01 January 2019 Revd Simon Douglas – to 01 January 2019 Ms Margaret Everett Dr John Fawn – from 01 January 2019 Revd Alison Morris Mr Robert Heath Revd Preb Michael Metcalf Mrs Gillian James OBE - from 01 January 2019 Mr David Morgan Ven Matthew Parker Mr Cyril Randles Mrs Helen Robertson Mr David Swift	
Company Registered Number	00461505	
Charity Registered Number	528561	
Registered Office	St Mary's House The Close Lichfield Staffordshire WS13 7LD	
Company Secretary	Mr J R L Hill	
Principal Officers	Mrs Claire Shaw Mr Stuart Hodson Mr Steve Rayner Mr Jonathan Hill Mr Mark Cooper Mrs Alex Wolvers Mrs Vicki Longson Mrs Lynsay Jennings Mrs Paula Lloyd	Director of Education Legal Secretary of the Board Property Adviser Director of Finance Christian Distinctiveness Adviser Christian Distinctiveness Adviser Christian Distinctiveness Adviser Christian Distinctiveness Adviser – from Sept 2019 Business Manager

THE LICHFIELD DIOCESAN BOARD OF EDUCATION
REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	Lloyds Bank Plc 22 Conduit Street Lichfield Staffordshire WD13 6JS
Legal Advisors	Underhill Langley and Wrights 1 St Leonard's Close Bridgnorth Shropshire WV16 4EL Geldards LLP Number One Pride Place Pride Place Derby DE24 8QR
Investment Advisors	CCLA Investment Management Ltd Senator House 85 Queen Victoria Street London EC4V 4ET
Insurers	Ecclesiastical Insurance Group Beaufort House Brunswick Road Gloucester GL1 1JZ

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

It is with great pleasure that the Directors present this annual report of the Board of Education for period 1st September 2018 to 31st August 2019. This year has been exceptionally busy, with new initiatives following the enthronement of the new Diocesan Bishop and continuing structural change in the educational world.

Public Benefit Statement

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

LICHFIELD DBE - Strategic Plan 2018-21

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

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

The Board is to focus on:

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

It is no longer possible to view key Church of England Vision for Education, the new SIAMS framework and our diocesan direction of travel in isolation. Just as the DBE and its officers need to work collaboratively with our diocesan teams, we need to think strategically about each area and each key document in order to deliver effective support and challenge for our schools and academies.

The Key Strategic Priorities are as follows:-

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

Achievements

In the last financial year to 31 August 2019, the Board has worked and achieved on the following years:-

Key Data for 2018/19

- As of 31 August 2019 there are 206 CofE Schools in the diocese.
- 93 schools are in MATs.
- There are 31 MATs in our diocese.
- 19 MATs are mixed mode.
- 12 MATs have only CofE schools in them.

Christian Character

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

Impact

- In the year 2018-19, there were 13 SIAMS Inspections. 23% were graded outstanding; 46% were graded good and 31% were graded satisfactory.
- The CDA team provided training on the new SIAMS schedule, Valuing All God's Children Version 2, Religious Education, CofE Vision for Education, Understanding Christianity, Stonewall, spiritual development and mental health and well-being.
- 86% of schools were part of our service level agreement.
- The DBE website provided a wide range of guidance materials, policies, educational resources and key documents for schools, clergy and governors.
<http://www.ldbe.co.uk/>
- Our education conference on Character Education was very well received. We had guest speakers including the Paralympian Elizabeth Wright, Ayo Awotona, Nigel Roberts and the Revd. Dr Thomas Plant.
- Development of self-evaluation for SIAMS.

Mission

To work with our diocesan teams, St Chad's Academy Trust and parishes to develop our schools and academies as a centre for mission in our diocese.

Impact

- Alex Wolvers now works with St Chad's Academy Trust, the Mission Team and the Diocesan Board of Education. This has resulted in continuity for St Chad's in relation to one CDA working strategically within the trust.
- There is progress in aligning education and mission within the growing faith culture.
- The DBE built a successful partnership with Feed the Hungry and this included an overseas visit and online learning resources for schools.
- Delivery of a highly successful Inspire Project, reaching to 1800 students.

Small Rural schools and Secondary schools.

To develop a strategy for small, rural schools and secondary schools in our diocese through structural changes and effective partnerships.

Impact

- 35 Staffordshire schools came together for a small and rural schools day.
- The creation of a secondary schools multi academy trust began.
- Headteachers from the secondary schools created a network to identify collaborative working.

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategic Relationships

To develop strategic relationships with our members, trustees, CEO's and local academy committees within all our MATS across the diocese.

Impact

- We delivered a national character education conference in partnership with the Cathedral School.
- Engagement with the CEO's of the 31 MATS improved significantly, although this is still work in progress and dependent on staffing structure.
- The DBE developed a good relationship with the Department for Education.
- The DDE became part of the Association of Anglican Directors of Education.
- We continue to represent the diocese at SACRE's in 7 local authorities.
- DDE began training as part of the Diocesan Educational Leadership Programme.

Governance

To promote and support good governance within our schools and academies.

Impact

- Some long standing historical matters began to be addressed and aligned with model Church of England governance documents.
- The CDA Team delivered a range of training to school governors.
- Work to change the former umbrella trust CECET to Lichfield Diocesan Education Trust began. New memorandum and articles were drafted.

Chaplaincy

To develop models of chaplaincy within our schools and MATs.

Impact

- The CDA Team in partnership with Nigel Roberts developed training to look at models of chaplaincy.

Character Education

To promote and develop character education across our schools and academies.

Impact

- There were 45 OFSTED Inspection in 2018-19. 84% of these were graded as good and 16% were graded as requires improvement.
- Training on character education, spiritual development and DVE was developed and delivered over 3 local authorities.

Financial Planning

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

Impact

- The Education Finance Committee continued to monitor budgets and plan strategic priorities.
- A new staffing structure was established following the appointment of a new DDE. This new structure facilitated a focus on Christian character and governance.

Barchester Committee

During 2018/19, the committee continued to consider and evaluate the various capital programmes undertaken by the DBE on behalf of its church schools. Capital investment included work to refurbish toilets, kitchen and dining improvements, safeguarding works, improved sport facilities, roof repairs, boiler and window replacements.

The committee monitored and approved school expansion projects in 5 Shropshire and 3 Walsall schools, developing a licence for works to safeguard the interests of school and site trustees.

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

Reserves Policy

As at the end of the Financial Year to 31 August 2019, the Board had accumulated unrestricted reserves of £2.810m (2018:£2.863m). Within this amount there are Fixed Assets (inc. Property) of £Nil (2018:£Nil). It is deemed that this is sufficient to maintain the current operation of the charity. The policy is to retain an equivalent of at least 50% or six months of the previous year's total expenditure in reserve, the policy figure would be the equivalent of £0.512m. (2018 - £0.421m); the Board has more than sufficient unrestricted reserves to satisfy the policy.

In addition there are Restricted Reserves in the Charity of £3.523m (2018: £3.593m) of which £Nil is in Property Assets. There are also some Endowment Funds and at the end of the year the Endowment Reserves were £0.130m (2018:£0.124m).

Investment Policy

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

In the Financial Year to 31 August 2019, there was capital growth of 5.55% (2018: 7.22%) and Investment Income of 3.06% (2018:3.58%) giving a Total Return of 8.61%. The Diocesan Benchmark as set by the Diocesan investment Group was around 6%, (4% plus Inflation at 1.96%) so the trustees and directors of the Board are satisfied with their current investment policy.

COVID 19

The Group and Charity Investments have not been affected by the COVID 19 pandemic. The CCLA investments have held their value and at the end of June 2020, the investments remain at the equivalent value as at the year end. The Group and Charity have not been directly affected by the pandemic financially as the sources of income have not been impacted. Investments dividends have held their value in the financial year 2020/21 and funding from the government has not been reduced.

Naturally the main impact has been on staffing, where four of the staff were placed on furlough from 10th April 2020 until the end of August 2020..This has enabled the board to recover the majority of the salary costs on the staff concerned. With the Diocesan office closed; remaining officers have been able to successfully work from home and arrange video meetings and conferences, so overall whilst working patterns have had to change COVID 19 has not had an overall affect on the Group.

Key Personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees for planning, directing and controlling the activities of the Group. During 2019 the Board as trustees acted as key personnel until the appointment of Mrs Claire Shaw as Diocesan Director of Education from 04 June 2019. Mrs Shaw had been Designated Diocesan Director of Education since December 2018. The remuneration of the key personnel are set by the Diocesan Pay and Conditions Committee.

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

Principal Risks and Uncertainties

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

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

Separation of Policy/Finance and Non Compliance with EFA Financial Handbook requirements:-

- The Board has an overview and act as Directors of Lichfield Diocesan Education Services and appoints Directors to Lichfield Diocesan Academies Services
- To receive financial reports at each Board meeting
- To agree for a formal Governance Review to be undertaken to ensure that the Governance meets the ever changing requirements by the Government

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

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

Government Policy and impact on church schools:-

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

COVID 19:-

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

TRUSTEES' RESPONSIBILITIES

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

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue its activities;
- ensure that the accounts comply with current statutory requirements and the Charity's governing document.

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

Auditor

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

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

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

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

Acknowledgements

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

The Trustees Annual Report which includes the Strategic Report was approved by the Trustees on 08 September 2020 and signed on their behalf by:



Revd Preb John Allan
Director/Trustee, Lichfield Diocesan Board of Education

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE LICHFIELD DIOCESAN BOARD OF EDUCATION

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the financial statements of Lichfield Diocesan Board of Education for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 6 and 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE LICHFIELD DIOCESAN BOARD OF EDUCATION

FOR THE YEAR ENDED 31 AUGUST 2019

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

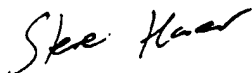
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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.

Use of our Report

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



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

10 Queen Street Place
London
EC4R 1AG

Date: 3 November 2020

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds 2019 £'000	Restricted Funds 2019 £'000	Endowment Funds 2019 £'000	Total Funds 2019 £'000	Total Funds 2018 £'000
Income						
Donations	2	33	71	-	104	127
Other trading activities	3,4, 5	65	2	-	67	99
Investments	6	101	53	5	159	161
Income from charitable activities:						
Promotion of religious Education	7	302	6	-	308	413
Total income		<u>501</u>	<u>132</u>	<u>5</u>	<u>638</u>	<u>800</u>
Expenditure						
Cost of raising funds:						
Commercial trading costs	4,5	-	-	-	-	125
Cost of managing properties and events	9	62	46	-	108	144
Charitable activities:						
Promotion of religious Education	8	667	248	-	915	854
Total expenditure		<u>729</u>	<u>294</u>	<u>-</u>	<u>1,023</u>	<u>1,123</u>
Net income/(expenditure) Before investment gains		(228)	(162)	5	(385)	(323)
Net investment gains	13	175	86	7	268	1,196
Net income/(expenditure)		<u>(53)</u>	<u>(76)</u>	<u>12</u>	<u>(117)</u>	<u>873</u>
Transfers between funds		-	6	(6)	-	-
Net movement in funds for the year		<u>(53)</u>	<u>(70)</u>	<u>6</u>	<u>(117)</u>	<u>873</u>
Total funds at 1 September 2018		2,863	3,593	124	6,580	5,707
Total funds at 31 August 2019		<u>2,810</u>	<u>3,523</u>	<u>130</u>	<u>6,463</u>	<u>6,580</u>

Comparatives for each fund are shown in Note 22.

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

BALANCE SHEET (Registered Company Number 00461505)

AS AT 31 AUGUST 2019

	Notes	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	12	-	-
Investments	13	5,102	4,830
		<u>5,102</u>	<u>4,830</u>
Current assets			
Debtors	14	405	195
Cash at bank		2,070	2,559
		<u>2,475</u>	<u>2,754</u>
Creditors: Amounts falling due within one year	15	(1,114)	(1,004)
Net Current Assets		<u>1,361</u>	<u>1,750</u>
Net assets		<u><u>6,463</u></u>	<u><u>6,580</u></u>
Charity Funds			
Endowment funds	17	130	124
Restricted funds	17	3,523	3,593
Unrestricted funds	17	2,810	2,863
Total funds		<u><u>6,463</u></u>	<u><u>6,580</u></u>

The financial statements were approved by the Trustees on 08 September 2020 and signed on their behalf by:



Revd Preb John Allan

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £'000	2018 £'000
Cash flows from operating activities	18	(644)	(350)
Cash flows from investing activities			
Dividends, interest and rents from investments		159	161
Purchase of tangible fixed assets		-	-
Proceeds from the sale of tangible fixed assets		-	-
Net purchase of investments		4	(159)
		<u>155</u>	<u>2</u>
Change in cash and cash equivalents in the reporting period		<u>(489)</u>	<u>(348)</u>
 Cash and cash equivalents at the beginning of the reporting period		 2,559	 2,907
Cash and cash equivalents at the end of the reporting period		<u>2,070</u>	<u>2,559</u>

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102) as amended by update Bulletin 2), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and The Charities (Accounts and Reports) Regulations 2008.

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

The Statement of financial activities (SOFA) and Balance sheet represent the financial transactions of the charity. The two trading subsidiaries are dormant with effect from 01 September 2018.

1.2 Going concern

After making appropriate enquiries, including reviewing its cash flow forecasts, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Company status

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

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

1.4 Fund accounting

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

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.5 Income

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

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

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

1.6 Expenditure

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

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

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

1.8 Investment Properties

Properties that are retained either for rental income or held for capital appreciation only, are to be recorded as Investment Properties – following a detailed investigation certain properties have been identified which are to be classified as investment properties. The transfer to investment property has been done at book cost and the properties revalued by a qualified person within the diocese. For future accounting periods, the revaluation of these properties will be based on the Nationwide All property Index unless factors are noted which indicate an impairment.

1.9 Section Order Funds

Funds that have arisen from past Section Order Schemes are subject to Uniform Trusts set out in Schedule 36 to The Education Act 1966. Prior to 1990, these funds were accounted for under a separate heading, but until 1998 had been included under the General Reserve - Unrestricted Funds. In light of the discussion at a Barchester Meeting in March 1999, these funds have been extracted from the General Reserve and are now accounted for under Restricted Funds.

Due to the fact there have been three separate orders, Section 86 (1944 Act). Section 2 (1972 Act). and more recently Section 554 (1996 Act), which all vary slightly, the funds have been subdivided into separate headings dependent on the Section in which the Scheme was approved.

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

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

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

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

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

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

1.10 Financial instruments

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

Debtors

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

Creditors

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

Cash

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.11 Employee benefits

Pension costs

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

Other employee benefits

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

2. DONATIONS

	Total 2019 £'000	Total 2018 £'000
Donations	71	77
Capitation fees	33	50
	<hr/>	<hr/>
Donations	104	127
	<hr/>	<hr/>

3. OTHER TRADING ACTIVITIES

	Total 2019 £'000	Total 2018 £'000
Block policy insurance	65	42
Other income	2	26
Donation from Trading Company	-	31
	<hr/>	<hr/>
	67	99
	<hr/>	<hr/>

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

4. INCOME FROM COMMERCIAL TRADING ACTIVITIES

Lichfield Diocesan Education Services Limited
Company number: 05205291

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

	2019	2018
	£'000	£'000
Turnover	-	141
Cost of sales	-	(80)
Gross profit	-	61
Administrative expenses	-	(30)
Grant to Lichfield Diocesan Academies Trust	-	-
Operating profit	-	31
Other operating income	-	-
Gift aid payment to parent	-	(31)
Profit for the financial year before and after taxation	-	-
Balance sheet	2019	2018
	£'000	£'000
Fixed assets	-	-
Current assets	-	37
Creditors: amounts falling due within one year	-	(37)
Net assets	-	-
Called up share capital	-	-
Profit and loss account	-	-
Shareholders' funds	-	-

Current assets shown above include £ Nil (2018: £Nil) owed by the charity and Creditors: amounts falling due within one year includes £Nil (2018: £33,973) owed to the charity.

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

5. INCOME FROM COMMERCIAL TRADING ACTIVITIES (continued)

Lichfield Diocesan Academies Services Limited

Company number: 08384751

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

	2019 £'000	2018 £'000
Turnover	-	359
Cost of sales	-	-
	<hr/>	<hr/>
Gross profit	-	359
Administrative expenses	-	(484)
Grant Received from Lichfield Diocesan Education Services	-	-
Grant Received from Parent Company	-	125
Other Operating Income	-	-
	<hr/>	<hr/>
Operating profit	-	-
Interest receivable	-	-
Gift aid payment to parent	-	-
	<hr/>	<hr/>
Loss on ordinary activities before taxation	-	-
Tax on profit on ordinary activities	-	-
	<hr/>	<hr/>
Profit for the financial year	-	-
	<hr/>	<hr/>
Balance sheet	2019 £'000	2018 £'000
Current assets	-	368
Creditors: amounts falling due within one year	-	(368)
	<hr/>	<hr/>
Net assets	-	-
	<hr/>	<hr/>
Called up share capital	-	-
Profit and loss account	-	-
	<hr/>	<hr/>
Shareholders' funds	-	-
	<hr/>	<hr/>

Creditors: amounts due falling within one year shown above includes £0 (2018: £Nil) owed to the charity.

Current Assets above includes £Nil (2018: £128,613) owed by the charity.

THE LICHFIELD DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

6. INVESTMENT INCOME

	Total 2019 £'000	Total 2018 £'000
Rent	11	12
Dividends and interest	148	149
	<u>159</u>	<u>161</u>

**7. INCOME FROM CHARITABLE ACTIVITIES –
PROMOTION OF RELIGIOUS EDUCATION**

	Total 2019 £'000	Total 2018 £'000
DBF grant	121	180
Project management charges	13	48
Other income	174	185
	<u>308</u>	<u>413</u>

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

8. CHARITABLE ACTIVITIES – PROMOTION OF RELIGIOUS EDUCATION

	Direct Costs £'000	Support Costs £'000	Grant Expenditure £'000	Total 2019 £'000
Salaries	353	-	-	353
Officers expenses	18	-	-	18
Management and administration	-	100	-	100
Legal secretary	73	3	-	76
Barchester and other grants*	-	-	253	253
Buildings/Reverter of Sites	115	-	-	115
	<u>559</u>	<u>103</u>	<u>253</u>	<u>915</u>

* Barchester and other grants:

	Direct Costs £'000	Support Costs £'000	Grant Expenditure £'000	Total 2019 £'000
Barchester grants	-	-	40	40
Other grants	-	-	213	213
	<u>-</u>	<u>-</u>	<u>253</u>	<u>253</u>

**CHARITABLE ACTIVITIES – PROMOTION OF RELIGIOUS EDUCATION
2018 Comparative**

	Direct Costs £'000	Support Costs £'000	Grant Expenditure £'000	Total 2018 £'000
Salaries	347	-	-	347
Officers expenses	15	-	-	15
Management and administration	-	67	-	67
Legal secretary	163	5	-	168
Barchester and other grants*	-	-	201	201
Buildings/Reverter of Sites	56	-	-	56
	<u>581</u>	<u>72</u>	<u>201</u>	<u>854</u>

* Barchester and other grants:

	Direct Costs £'000	Support Costs £'000	Grant Expenditure £'000	Total 2018 £'000
Barchester grants	-	-	-	-
Other grants	-	-	201	201
	<u>-</u>	<u>-</u>	<u>201</u>	<u>201</u>

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

9. COST OF MANAGING PROPERTIES AND EVENTS

	Total 2019 £'000	Total 2018 £'000
Insurance	54	55
Rent repairs	-	-
Events expenditure	20	24
Bad Debts written Off	34	2
Depreciation of Tangible Assets	-	63
	<u>108</u>	<u>144</u>

10. NET INCOME/(EXPENDITURE)

	2019 £'000	2018 £'000
This is stated after charging/(crediting):		
Depreciation of tangible fixed assets:		
- owned by the charitable group	-	1
Devaluation of Tangible Fixed Assets	-	63
Rental income	(11)	(12)
Unrealised gain on revaluation	(268)	(261)
Fees payable to the charity's auditor for the audit of the charity's annual accounts.	12	11
Auditing of accounts of trading subsidiaries	-	2
	<u>-</u>	<u>2</u>

During the year, No Trustees received any remuneration (2018: £Nil).

During the year, No Trustees received any benefit in kind (2018: £Nil)

During the year, No Trustees received any reimbursement of expenses (2018: Nil).

THE LICHFIELD DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

11. STAFF COSTS	2019 £'000	2018 £'000
Staff costs were as follows:		
Wages and salaries	286	278
Social security costs	30	29
Other pension costs (Note 19)	37	38
	<u>353</u>	<u>346</u>

An average of 8 employees were employed in the year (2018: 8). All employees were administrative and educational support staff.

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

	2019 No.	2018 No.
In the bands:		
£60,001 - £70,000	-	2
£70,001 - £80,000	<u>1</u>	<u>-</u>

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 Group. During 2019 they were:-

Diocesan Director of Education

Mrs Claire Shaw (from 4 June 2019)

Before 04 June 2019, the key management personnel are considered to be the trustees alone, although Mrs Claire Shaw, was acting Diocesan Director of Education before the appointment.

Remuneration, including pensions for this employee amounted to £79,281 (2018:81,727)

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

In the year the Board paid £Nil in redundancy and termination costs (2018: £25,000).

THE LICHFIELD DIOCESAN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

12. TANGIBLE FIXED ASSETS

	Freehold Property £'000	Office and Computer Equipment £'000	Total £'000
Cost			
At 01 September 2018	2,769	-	2,769
Additions	-	-	-
Disposals	-	-	-
Transfer to Investment Properties	-	-	-
	<u>2,769</u>	<u>-</u>	<u>2,769</u>
At 31 August 2019	2,769	-	2,769
Depreciation			
At 01 September 2018	2,769	-	2,769
Charge for the year	-	-	-
Disposals	-	-	-
	<u>2,769</u>	<u>-</u>	<u>2,769</u>
At 31 August 2018	2,769	-	2,769
Net Book Value			
At 31 August 2019	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2018	<u>-</u>	<u>-</u>	<u>-</u>

13. FIXED ASSET INVESTMENTS

	Listed Securities £'000	Investment Properties £'000	Total £'000
Market value			
At 1 September 2018	3,840	990	4,830
Additions	4	-	4
Disposals	-	-	-
Transfer from Tangible Fixed Assets	-	-	-
Revaluations	248	20	268
	<u>4,092</u>	<u>1,010</u>	<u>5,102</u>
At 31 August 2019	4,092	1,010	5,102
Group investments excluding investment properties at market value comprise:			
		2019 £'000	2018 £'000
Listed investments		<u>4,092</u>	<u>3,840</u>

All the fixed asset investments are held in the UK.

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

14. DEBTORS

	2019 £'000	2018 £'000
Due after more than one year		
Loan to schools	135	40
Due within one year		
Trade debtors	190	-
Amounts owed by group undertakings	-	34
Loans to schools	14	13
Other debtors	32	73
Prepayments and accrued income	34	35
	<u>405</u>	<u>195</u>

Loans	2019 £'000	2018 £'000
Due within one year:		
Loans to schools	14	13
Due in over one year:		
Loans to schools	135	40
Total loans	<u>149</u>	<u>53</u>

The aged analysis of these loans is as follows:

To be reimbursed in:		
2 – 5 years	60	28
5 or more years	75	12
Total loans	<u>135</u>	<u>40</u>

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

15. CREDITORS: amounts falling due within one year		Charity	
		2019 £	2018 £
Trade creditors		190	395
Amounts owed to group undertakings		-	129
Other taxation and social security		-	-
Other creditors		723	431
Accruals		201	49
		<u>1,114</u>	<u>1,004</u>

16. STATEMENT OF FUNDS – 2019						
	Brought forward £'000	Income £'000	Expenditure £'000	Transfers in/(out) £'000	Gains/ (losses)/ Revaluation £'000	Carried Forward £'000
Designated funds						
Section 2 Orders	291	9	(1)	-	21	320
Diocesan Schools Fund	125	3	(2)	(1)	9	134
Education Handbook	5	-	-	-	-	5
	<u>421</u>	<u>12</u>	<u>(3)</u>	<u>(1)</u>	<u>30</u>	<u>459</u>
General funds						
General Fund- Revenue reserve	2,442	489	(726)	1	145	2,351
Total unrestricted funds	<u>2,863</u>	<u>501</u>	<u>(729)</u>	<u>-</u>	<u>175</u>	<u>2,810</u>
Endowment funds						
D H Bates Memorial Trust	124	5	-	(6)	7	130
Restricted funds						
General Fund						
Managed Funds	1,368	94	(207)	(30)	37	1,262
Section Orders	169	1	-	-	1	171
Education Projects	(7)	6	(12)	17	-	4
Kings, Tettenhall	9	-	(35)	26	-	-
Barchester Fund (UST)	2,054	31	(40)	(7)	48	2,086
	<u>3,593</u>	<u>132</u>	<u>(294)</u>	<u>6</u>	<u>86</u>	<u>3,523</u>
Total of funds	<u>6,580</u>	<u>638</u>	<u>(1,023)</u>	<u>-</u>	<u>268</u>	<u>6,463</u>

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

16. STATEMENT OF FUNDS – 2018 Comparatives

	Brought forward £'000	Income £'000	Expenditure £'000	Transfers in/(out) £'000	Gains/ (losses)/ Revaluation £'000	Carried Forward £'000
Designated funds						
Section 2 Orders	267	9	(6)	-	21	291
Diocesan Schools Fund	115	3	(2)	-	9	125
Education Handbook	5	-	-	-	-	5
	<u>387</u>	<u>12</u>	<u>(8)</u>	<u>-</u>	<u>30</u>	<u>421</u>
General funds						
General Fund- Revenue reserve	1,407	470	(879)	599	845	2,442
	<u>1,407</u>	<u>470</u>	<u>(879)</u>	<u>599</u>	<u>845</u>	<u>2,442</u>
Total unrestricted funds	<u>1,794</u>	<u>482</u>	<u>(887)</u>	<u>599</u>	<u>875</u>	<u>2,863</u>
Endowment funds						
Section 2 Fund	484	10	(2)	(515)	23	-
D H Bates Memorial Trust	115	5	-	(5)	9	124
	<u>599</u>	<u>15</u>	<u>(2)</u>	<u>(520)</u>	<u>32</u>	<u>124</u>
Restricted funds						
General Fund						
Managed Funds	1,817	270	(225)	(742)	248	1,368
Section Orders	154	1	-	13	1	169
Education Projects	(7)	9	(9)	-	-	(7)
Kings, Tettenhall	9	-	-	-	-	9
Barchester Fund (UST)	1,341	23	-	650	40	2,054
	<u>3,314</u>	<u>303</u>	<u>(234)</u>	<u>(79)</u>	<u>289</u>	<u>3,593</u>
Total of funds	<u>5,707</u>	<u>800</u>	<u>(1,123)</u>	<u>-</u>	<u>1,196</u>	<u>6,580</u>

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

16. STATEMENT OF FUNDS – continued

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

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

RE Handbook

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

Diocesan Schools Fund

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

Section 2 Funds

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

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

Managed Funds

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

Section Orders

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

Kings School Fund

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

Education Projects

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

16. STATEMENT OF FUNDS – continued

Barchester Loan Fund (Uniform Statutory Trust (UST))

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

Endowment Funds

Section Order Funds

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

D H Bates Memorial

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

Analysis of Transfers

	Unrestricted £'000	Designated £'000	Restricted £'000	Endowment £'000
Dividends for the work on support of church schools	14	(1)	(7)	(6)
Transfer to clear negative project reserves	(17)	-	17	-
Transfer to clear Kings CE(A) Deficit	(26)	-	26	-
Transfer from Managed Trust Funds	30	-	(30)	-
Total	<u>1</u>	<u>(1)</u>	<u>6</u>	<u>(6)</u>

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

16. STATEMENT OF FUNDS (continued)

Summary of Funds 2019	Brought forward £'000	Income £'000	Expenditure £'000	Transfers in/(out) £'000	Gains/ (losses)/ Revaluation £'000	Carried forward £'000
Designated funds	421	12	(3)	(1)	30	459
General funds	2,442	489	(726)	1	145	2,351
	<u>2,863</u>	<u>501</u>	<u>(729)</u>	<u>-</u>	<u>175</u>	<u>2,810</u>
Endowment funds	124	5	-	(6)	7	130
Restricted funds	3,593	132	(294)	6	86	3,523
	<u>6,580</u>	<u>638</u>	<u>(1,023)</u>	<u>-</u>	<u>268</u>	<u>6,463</u>

Summary of Funds – 2018 Comparatives

	Brought forward £'000	Income £'000	Expenditure £'000	Transfers in/(out) £'000	Gains/ (losses)/ Revaluation £'000	Carried forward £'000
Designated funds	387	12	(8)	-	30	421
General funds	1,407	470	(879)	599	845	2,442
	<u>1,794</u>	<u>482</u>	<u>(887)</u>	<u>599</u>	<u>875</u>	<u>2,863</u>
Endowment funds	599	15	(2)	(520)	32	124
Restricted funds	3,314	303	(234)	(79)	289	3,593
	<u>5,707</u>	<u>800</u>	<u>(1,123)</u>	<u>-</u>	<u>1,196</u>	<u>6,580</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted funds £'000	Endowment Funds £'000	2019 Total Funds £'000
Tangible fixed assets	-	-	-	-
Fixed asset investments	3,383	1,589	130	5,102
Debtors due after more than one year	-	135	-	135
Current assets	541	1,799	-	2,340
Creditors: due within one year	(1,114)	-	-	(1,114)
Provisions for liabilities and charges	-	-	-	-
	<u>2,810</u>	<u>3,523</u>	<u>130</u>	<u>6,463</u>

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Comparative 2018

	Unrestricted Funds £'000	Restricted funds £'000	Endowment Funds £'000	2018 Total Funds £'000
Tangible fixed assets	-	-	-	-
Fixed asset investments	3,203	1,503	124	4,830
Debtors due after more than one year	-	40	-	40
Current assets	664	2,050	-	2,714
Creditors: due within one year	(1,004)	-	-	(1,004)
Provisions for liabilities and charges	-	-	-	-
	<u>2,863</u>	<u>3,593</u>	<u>124</u>	<u>6,580</u>

18. NET CASH FLOW FROM OPERATIONS

	2019 £'000	2018 £'000
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(385)	(323)
Dividends, interest and rents from investments	(159)	(161)
Depreciation of tangible fixed assets	-	63
(Increase)/decrease in debtors	(210)	377
Increase/(decrease) in creditors	110	(306)
Net cash used in operating activities	<u>(644)</u>	<u>(350)</u>

19. PENSION COMMITMENTS

The Church of England Pensions Board administers pension arrangements for clergy and licensed lay workers. The Lichfield Diocesan Board of Finance participates in this scheme. The Church of England Funded Pensions Scheme is a defined benefit scheme but the Lichfield Diocesan Board of Finance is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with current and former employees of other entities participating in the scheme. The pension cost charge represents contributions payable by the charity to the scheme and amounted to £37,000 (2018: £38,000).

20. OPERATING LEASE COMMITMENTS

At 31 August 2019 and 31 August 2018 the charity had no commitments under non-cancellable operating leases.

21. POST BALANCE SHEET EVENTS

The worldwide outbreak of the COVID-19 virus represents a significant event since the end of the financial year. As set out in note 1.2, the Charity has reviewed its cash flow forecasts and considered the impact on going concern, concluding that the going concern basis remains an appropriate basis of preparation for these financial statements given the likely cash flow impact of operations for 12 months from the date of signing this report. Please refer to note 1 for further detail on the Charity's going concern basis of preparation. COVID-19 is considered to be a non-adjusting post balance sheet event and therefore has not been taken into account in preparing the balance sheet as at 31 August 2019.

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2018

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
Income				
Donations	50	77	-	127
Other trading activities	99	-	-	99
Investments	105	41	15	161
Income from charitable activities:				
Promotion of religious Education	228	185	-	413
Total income	482	303	15	800
Expenditure				
Cost of raising funds:				
Commercial trading costs	125	-	-	125
Cost of managing properties and events	132	10	2	144
Charitable activities:				
Promotion of religious Education	630	224	-	854
Total expenditure	887	234	2	1,123
Net income/(expenditure) Before investment gains/(losses)	(405)	69	13	(323)
Net investment gains	875	289	32	1,196
Net income/(expenditure)	470	358	45	873
Transfers between funds	599	(79)	(520)	-
Net movement in funds for the year	1,069	279	(475)	873