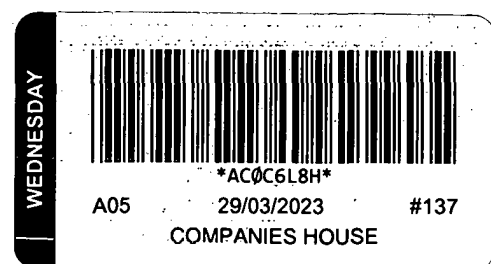


THE LICHFIELD DIOCESAN BOARD OF EDUCATION
REPORT AND FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDING 31 MAY 2022

Registered Number: 00461505
Charity Number: 528561



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

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THE LICHFIELD DIOCESAN BOARD OF EDUCATION

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE PERIOD ENDED 31 MAY 2022

Trustees

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

Company Registered Number

00461505

Charity Registered Number

528561

Registered Office

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

Company Secretary

Mr J R L Hill FCMA CGMA

Principal Officers

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

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

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 7 Waterloo Road Wolverhampton WV1 4DW
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 PERIOD ENDED 31 MAY 2022

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

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

DBE Measure

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

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

Public Benefit Statement

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

STRATEGIC PRIORITIES 2022 – 2024

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

There were six themes:-

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

More details will be in the following years report.

Achievements

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

Key Data for 2020/21

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

TRUSTEES' REPORT (continued)

FOR THE PERIOD ENDED 31 MAY 2022

Christian Character

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

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

Mission

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

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

Strategic Relationships

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

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

Governance

To promote and support good governance within our schools and academies

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

Chaplaincy

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

TRUSTEES' REPORT (continued)

FOR THE PERIOD ENDED 31 MAY 2022

Financial Planning

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

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

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

Reserves Policy

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

Investment Policy

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

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

Key Personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees for planning, directing and controlling the activities of the Charity. Mrs Claire Shaw as Diocesan Director of Education is recognised as the key personnel. The remuneration of the key personnel are set by the Diocesan Pay and Conditions Committee.

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

TRUSTEES' REPORT (continued)

FOR THE PERIOD ENDED 31 MAY 2022

Principal Risks and Uncertainties

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

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

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

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

Government Policy and impact on church schools:-

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

COVID 19 and Associated Closure of Offices:-

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

IT

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

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

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

TRUSTEES' REPORT (continued)

FOR THE PERIOD ENDED 31 MAY 2022

TRUSTEES' RESPONSIBILITIES

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

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

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

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

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

Auditor

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

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

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

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

Acknowledgements

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

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

M R Metcalf

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE LICHFIELD DIOCESAN BOARD OF EDUCATION

FOR THE PERIOD ENDED 31 MAY 2022

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Emphasis of matter – non-going concern basis of accounting

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

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE LICHFIELD DIOCESAN BOARD OF EDUCATION

FOR THE PERIOD ENDED 31 MAY 2022

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

Responsibilities of trustees for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE LICHFIELD DIOCESAN BOARD OF EDUCATION

FOR THE PERIOD ENDED 31 MAY 2022

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.

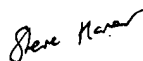
Conclusions relating to going concern

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.

Use of our Report

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



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

10 Queen Street Place
London
EC4R 1AG

Date: 23 March 2023

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE PERIOD ENDED 31 MAY 2022

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

Comparatives for each fund are shown in Note 23.

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION
BALANCE SHEET (Registered Company Number 00461505)
FOR THE PERIOD ENDED 31 MAY 2022

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

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

M R Metcalf

Rev'd Preb Michael Metcalf

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 MAY 2022

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MAY 2022

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

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

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

1.2 Going concern

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

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

1.3 Company status

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

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

1.4 Fund accounting

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

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

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

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MAY 2022

1. ACCOUNTING POLICIES (continued)

1.5 Income

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

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

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

1.6 Expenditure

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

1.7 Tangible fixed assets and depreciation

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

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

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

1.8 Investment Properties

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

1.9 Section Order Funds

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MAY 2022

1. ACCOUNTING POLICIES (continued)

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

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

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

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

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

1.10 Financial instruments

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

Debtors

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

Creditors

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

Cash

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MAY 2022

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 2022 £'000	Total 2021 £'000
Donations	40	36
Capitation fees	30	31
	<u>70</u>	<u>67</u>

3. OTHER TRADING ACTIVITIES

	Total 2022 £'000	Total 2021 £'000
Block policy insurance	37	40
Other income	-	14
	<u>37</u>	<u>54</u>

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MAY 2022

4. INCOME FROM COMMERCIAL TRADING ACTIVITIES

Lichfield Diocesan Education Services Limited

Company number: 05205291

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

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

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MAY 2022

5. INCOME FROM COMMERCIAL TRADING ACTIVITIES (continued)

Lichfield Diocesan Academies Services Limited

Company number: 08384751

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

	2022 £'000	2021 £'000
Turnover	-	-
Cost of sales	-	-
	<hr/>	<hr/>
Gross profit	-	-
Administrative expenses	-	-
Grant Received from Lichfield Diocesan Education Services	-	-
Grant Received from Parent Company	-	-
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	2021 £'000	2020 £'000
Current assets	-	-
Creditors: amounts falling due within one year	-	-
	<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 £Nil (2021: £Nil) owed to the charity.
Current Assets above includes £Nil (2021: £Nil) owed by the charity.

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

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MAY 2022

8. EXPENDITURE ON CHARITABLE ACTIVITIES – PROMOTION OF RELIGIOUS EDUCATION

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

* Barchester and other grants:

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

EXPENDITURE ON CHARITABLE ACTIVITIES – PROMOTION OF RELIGIOUS EDUCATION

2021 Comparative

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

* Barchester and other grants:

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MAY 2022

9. COST OF MANAGING PROPERTIES AND EVENTS

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

10. NET INCOME/(EXPENDITURE)

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

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

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

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MAY 2022

11. STAFF COSTS

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

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

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

	2022	2021
	No.	No.
In the bands:		
£60,001 - £70,000	1	-
£70,001 - £80,000	-	-
£80,001 - £90,000	-	1

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees for planning, directing and controlling the activities of the Charity. During 2022 they were:-

Diocesan Director of Education

Mrs Claire Shaw

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

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

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

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

12. TANGIBLE FIXED ASSETS

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

13. FIXED ASSET INVESTMENTS

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

All the fixed asset investments are held in the UK.

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

14. DEBTORS

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

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

	£'000
Debtors due in less than one year	2,498 *
Debtors due in more than one year	108

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MAY 2022

15. CREDITORS: amounts falling due within one year

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

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

Creditors due in less than one year

966

16. STATEMENT OF FUNDS – 2022

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MAY 2022

16. STATEMENT OF FUNDS – 2021 Comparatives

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MAY 2022

16. STATEMENT OF FUNDS – continued

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

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

RE Handbook

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

Diocesan Schools Fund

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

Section 2 Funds

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

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

Managed Funds

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

Section Orders

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

Kings School Fund

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

Education Projects

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MAY 2022

16. STATEMENT OF FUNDS – continued

Barchester Loan Fund (Uniform Statutory Trust (UST))

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

Endowment Funds

Section Order Funds

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

D H Bates Memorial

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

Analysis of Transfers - 2022

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

Analysis of Transfers - 2021

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MAY 2022

16. STATEMENT OF FUNDS (continued)

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

Summary of Funds – 2021 Comparatives

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MAY 2022

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Comparative 2021

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

18. NET CASH FLOW FROM OPERATIONS

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

19. PENSION COMMITMENTS

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

20. OPERATING LEASE COMMITMENTS

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

BALANCE SHEET TRANSFER (Registered Company Number 00461505)

FOR THE PERIOD ENDED 31 MAY 2022

21. Transfer to the Lichfield Diocesan Board of Finance

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

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

22. RELATED PARTIES

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

THE LICHFIELD DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MAY 2022

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

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