



Established in 1839

LONDON DIOCESAN BOARD FOR SCHOOLS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

Company Limited by Guarantee
incorporated on 22 May 1924
Company Number: 00198131

LONDON DIOCESAN BOARD FOR SCHOOLS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

Company registration number:	00198131
Country of incorporation:	England
Charity registration number:	313000
Registered office:	London Diocesan House 36 Causton Street London SW1P 4AU
Secretary:	I R M Woolf
Bankers:	Barclays Bank plc Charities & Education Team Level 27 1 Churchill Place London E14 5HP
Solicitors:	Winckworth Sherwood LLP Minerva House, 5 Montague Close, London SE1 9BB
Independent Auditor:	Haysmacintyre LLP Statutory Auditors 10 Queen Street Place London EC4R 1AG
Investment managers: (except directly held property)	CCLA Investment Management Limited The CBF Church of England Funds 85 Queen Victoria Street London EC4V 4ET M&G Securities Limited Laurence Pountney Hill London EC4R 0HH

The CBF funds are collective investment schemes regulated by the Church Funds Investment Measure 1958, as amended by the Church of England (Miscellaneous Provisions) Measure 1995 and the Trustee Act 2000. The CBF has delegated to CCLA Investment Management Limited, which is regulated by the Financial Services Authority, the investment management, administration and registration of the funds.

M&G Securities Limited is the managing agent for Charities Investment Managers Limited - both companies are regulated by the Financial Services Authority.

LONDON DIOCESAN BOARD FOR SCHOOLS

ANNUAL REPORT

As provided for in Statement of Recommended Practice, Accounting and Reporting by Charities (2015), the Directors have combined their Annual Charity Report with the statutory report required for companies. The report also provides information required by the Charity Commission to be included in the annual Summary Information Return.

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LONDON DIOCESAN BOARD FOR SCHOOLS

MEMBERS OF THE LONDON DIOCESAN BOARD FOR SCHOOLS

All members are directors for the purposes of the Companies Act 2006 and are trustees under charity law.

President: Ex officio - The Bishop of London
Chairman: The Venerable Luke Miller, Archdeacon of London

Elected by the Deanery Synods of the Diocese of London

		<i>Date appointed, if after 1 April 2019</i>	<i>Previous member, if applicable</i>	<i>Date resigned</i>
Brent	Simon Judge			
Central Barnet	Sylvia Duthie			
Chelsea	Helen Morgan Edwards			
City	Ann George			
Ealing	Kate Henry			
East Haringey	Revd Simon Clark			
Enfield	Revd Stephen Coleman			
Hackney	Vacant			
Hammersmith & Fulham	Alero Abbey			
Hampton	Malcolm Eady			
Harrow	David Poole			
Hillingdon	Revd Desmond Banister			
Hounslow	Simon Surtees			
Islington	Marcia Sinclair			
Kensington	Revd Samuel McNally-Cross	20/05/2019		
North Camden	Adrian Barrett			
South Camden	Revd Sally Jones	25/04/2019		
Spelthorne	Revd Stuart King			
Tower Hamlets	Revd Trevor Critchlow			
West Barnet	Hannah Mason			
West Haringey	Vacant			
Westminster (Paddington)	Revd David Ackerman			
Westminster (St Margaret's)	David Richards			
Westminster (St Marylebone)	Vacant		Ianthe McWilliams	05/12/2020

Representatives of the London Diocesan Headteachers Council

Headteacher: Revd Simon Atkinson
Headteacher: Catherine Allard
Headteacher: Anthony David
Headteacher: Elisabeth Stevenson

Representative of London Diocesan Fund Finance Committee

Vacant

Co-options

Bishop of London's Appointee: Vacant
Bishop of London's Appointee: Andrew Garwood Watkins

Mary Findlow 28/05/2020

LONDON DIOCESAN BOARD FOR SCHOOLS

TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2020

FROM THE PRESIDENT OF THE LONDON DIOCESAN BOARD FOR SCHOOLS

This report of the Board for Schools comes at a moment of changes, internal and external. It seems to look back to a different time, but work then, because done well, will have been an essential preparation for the unexpected challenges we have faced in 2020.

Huge thanks are due to our advisors and to Inigo and the whole team whose hard work is reflected in this report. Resources have been well used and schools have been supported in so many ways with impressively positive results for our children.

In 2019 LDBS worked to embed the Church of England's national vision. We seek to educate our young people so that they may receive life in all its fullness (John 10.10). The vision's principles of wisdom, hope community and dignity have never been more necessary.

The Diocese of London is developing its 2030 vision, **For Every Londoner**, with a strand **For Every London Child**. The importance of the relationship between our schools and our churches will be crucial to the delivery of this vision. In 2021 legislation will require the revision of the framework for the work of the Board. We look forward to the appointment of an Executive Chair who will lead us through the process.

If our strategy is clear we can negotiate even through difficult times. I take this opportunity thank the staff of our schools for all that they have done to support children during the disruption of covid-19 and lockdown. The work that will be necessary next year to help our children to catch up will be made remarkably easier by the high standards which are already in place.

Society continues to face new challenges. Across London our schools face demographic changes and significant shifts in demand. We have seen school closures and the need to rearrange provision. Meanwhile recent events have underscored again for us the need humbly to listen to those who face discrimination. It is to our shame that voices need to be raised in lament and anger to remind us of the gospel imperative to act for justice for all. This is a time when particular circumstances underscore and reiterate what we should be doing any way. The Board is monitoring its schools and its own activities to ensure that we act as well as possible in this.

Our schools have served the variety of the communities of London for 180 years. In 1839, when it became a requirement for elementary schools receiving grants to be inspected, LDBS had just one inspector. For 180 years LDBS has sought to advise and support schools so that whatever their own personal faith may be, our children are equipped as citizens, enabled as learners and, knowing the Christian perspective prepared to make clear choices about the world. We face new and challenging times, but we build on a firm foundation, the work that has been done which is detailed in this report, and above all on the Rock which is Jesus Christ.

+ Sarah

The Rt Revd Sarah Mullally

Bishop of London

The Old Deanery, Deans Court, London EC4V 5AA

Bishop of London's office: 020 3837 5200

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LONDON DIOCESAN BOARD FOR SCHOOLS

TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2020

OVERVIEW

- LDBS acts as the Diocesan authority for 161 maintained schools and academies.
- 137 primary, 20 secondary and 4 all through schools across 18 local authorities
- 59,302 pupils at schools and academies sponsored by LDBS in January 2020
- 20,958 of these pupils are in secondary education, an increase of 397 over the year
- 38,344 of these pupils are in primary education, 309 fewer pupils than a year ago
- 92% of schools rated good or outstanding by Ofsted compared to 86% across England
- Religious education and collective worship is good or outstanding in 99% of schools
- Trading activities achieved sales of £1m for the first time in 2020

The London Diocesan Board for Schools is a registered charity (charity number: 313000) and was incorporated as a company limited by guarantee on 22 May 1924. It is governed by the Diocesan Board of Education Measure 1991, the London Diocesan Board of Education Order 1993 and the Articles and Memorandum of Association. Although the LDBS is a separate charity, it is an integral part of the Diocese of London fulfilling the statutory duties placed on the Diocese in respect of children's education.

The charity's main objects and functions are to:

- (a) Promote or assist in the promotion of education in the Diocese of London, being education, which is consistent with the faith and practice of the Church of England;
- (b) Promote or assist in the promotion of religious education and religious worship in schools in the Diocese of London;
- (c) Promote or assist in the promotion of church schools in the Diocese and to advise the governors of such schools and trustees of church educational endowments and any other body or person concerned on any matter affecting church schools in the Diocese;
- (d) Promote co-operation between the Board and bodies or persons concerned in any respect with education in the Diocese;
- (e) Promote the establishment and efficiency of schools and colleges;
- (f) Make grants and loans in aid of building, enlarging or improving school buildings;
- (g) Protect Church Educational Endowments.

LONDON DIOCESAN BOARD FOR SCHOOLS

TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2020

Members

The Bishop of London is the President of the LDBS and a member. The majority of other members are elected by the Deanery Synods for a three-year term. The current triennium started on 1 January 2019.

All members of LDBS are directors of the company and trustees of the charity and their liability is limited to £1 in the event of the winding up of the company.

Management of the Charity

Day to day management of the Charity is delegated to the Chief Executive, Inigo Woolf supported by Helen Ridding, the Managing Director of the trading subsidiary, Grow Education Partners Ltd.

Matters of an urgent nature which cannot wait for consideration by the Board are referred to the Executive & Finance or the Education Committees as appropriate. These arrangements ensure that the Board can take decisions in a timely manner.

Key Priorities

The LDBS has the ambition to provide a school place for every child who wants to attend a Church of England School in the Diocese of London. We do this:

- Through creating new schools and expanding existing ones
- Supporting schools to recruit, train and retain teachers
- Ensuring schools are distinctively Christian through confident teaching of Religious Education and Collective Worship
- By providing opportunities for every child to realize their full potential

The Diocese is committed to supporting local communities through its parishes and the LDBS's strategy embraces supporting community and free schools as well as Church of England schools. This

- Strengthens relationships between schools and parishes throughout the Diocese and
- Demonstrates a visible Christian ethos in all that we do

LONDON DIOCESAN BOARD FOR SCHOOLS

TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2020

STRATEGIC REPORT

Vision

The LDBS embraces the Church of England's vision for education, which is deeply Christian, with Jesus' promise of 'life in all its fullness' at its heart. We believe in this vision of human flourishing for all, permeated by the key elements of wisdom, hope, community and dignity.

As an expression of the Body of Christ within the Diocese of London, the LDBS serves and supports schools confidently, creatively and compassionately in order that:

- Young people and adults develop spiritually, physically, intellectually, emotionally, morally and socially;
- Pupils of all backgrounds achieve excellent outcomes to give them the best opportunities in life.

The London Diocesan Synod endorsed this vision at its meeting on 28 February 2019.

Provision of School Places

Over the past 10 years the number of schools sponsored by LDBS has grown from 149 to 161 and the number of pupils has increased by 7,344 to 59,302.

The ambition of the Board is that every child in a Church primary school should be able to attend a Church secondary school. At present, there are 3725 secondary school pupils in year 7, compared to 4,972 primary school pupils in year 6. This compares favourably with 3,063 year 7 pupils and 4,638 year 6 pupils in January 2017.

Pupil numbers at secondary schools during the year increased by 397 to 20,958 with an increase across the majority of schools offsetting the fall of 313 pupils at Raine's Foundation School following the announcement that the School is to close in August 2020. This School is categorised as requiring improvement and falling rolls over several years meant that it was no longer viable, financially.

Whilst the overall secondary school population is growing across the Diocese, the number of pupils starting primary school has been falling for the past 3 years. LDBS sponsored primary schools have seen a decline of 309 pupils across the Diocese with ten schools seeing a reduction in pupil numbers in excess of 9%. Six of the ten schools are in Tower Hamlets and the City of Westminster. Overall spare capacity within our sponsored schools reached 7.7% compared to 6.7% in 2019 and 5.5% in 2018.

It is pleasing that 118 of our sponsored schools have been able to maintain or increase pupil numbers during the year. LDBS advisers continue to support schools with recruitment and marketing strategies in conjunction with improving the quality of education offered within their communities.

There are some forty schools which are concerned about their financial viability; LDBS is giving appropriate support and encouraging schools to control costs by working collegially.

LONDON DIOCESAN BOARD FOR SCHOOLS

TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2020

Excellence in Education

Ofsted Results and the Statutory Inspections of Anglican & Methodist Schools (SIAMS)

92% of LDBS sponsored schools remain good or outstanding, as measured by Ofsted, which is six points better than the national average of 86%.

We are in the second year of the new inspection schedule for SIAMS which provides a robust assessment of each school's delivery of Religious Education and Collective Worship. Schools are inspected on a five year cycle and 99% of schools remain good or outstanding.

The Evaluation Schedule has one inspection question: how effective is the school's distinctive Christian vision, established and promoted by leadership at all levels, in enabling pupils and adults to flourish?

This is explored through seven strands:

- Vision and Leadership
- Wisdom, Knowledge and Skills
- Character Development: Hope, Aspiration and Courageous Advocacy
- Community and Living Well Together
- Dignity and Respect
- The impact of collective worship
- The effectiveness of religious education

Support and Advice to schools

The LDBS provides a comprehensive support service to schools through its core support service subscription scheme and through tailored packages provided by the trading subsidiary, Grow Education Partners Ltd. The support is provided by a team of advisers supplemented by some serving headteachers who have been willing to allocate time to supporting the LDBS family of schools.

The LDBS monitors the progress of all schools which are either Church of England schools in the Diocese of London or are affiliated to the Board. Our regular monitoring identifies schools where there may be concerns and advisers encourage and support schools and their governing bodies to take appropriate action.

Last year we noted that 34 schools had at least 20% of their pupils with Special Educational Needs (SEN); this year the figure is unchanged. Schools with such high numbers are seeing an impact on their school budgets because the SEN funding framework does not cover the cost of supporting these children and in some instances the future financial viability of the school is coming under the spotlight.

Grow Education Partners Limited

This trading company was set up to provide traded services to Church schools but in recent years a number of denominational schools and community schools have been buying services it provides.

Demand has been strong for the services offered on school improvement, training courses, HR, clerking and data protection and it is pleasing to note that since the data protection service was introduced in May 2018, 178 schools have sought Grow Education to act for them of which one third are community and Roman Catholic schools.

LONDON DIOCESAN BOARD FOR SCHOOLS

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The LDBS has three part time advisers who focus on improving standards in the teaching of religious education and collective worship; the workload of the advisers has been expanding with more community schools seeking support and Church School teachers seeking to deepen their knowledge.

The LDBS has been supporting a School Centred Initial Teacher Training Course (SCITT) for primary school teachers since 1999; following the introduction of the Department of Education's School Direct programme in 2014 the Course was opened up to secondary schools in 2015 and is now branded as Teaching London SCITT.

The SCITT Course was graded Outstanding by Ofsted in Autumn 2017 and is open to community and all faith providers. 15% of course income is now derived from the Assessment Only programme.

LDBS Governor Support Programme:

Good governance of a School is essential if the School is to become Good or Outstanding and the LDBS is responsible for appointing at least one governor for each Church of England School in the Diocese; although there is an acute shortage of volunteers, the LDBS endeavours to fill vacancies promptly.

The LDBS continues to provide an extensive governor training programme and also employs a part time adviser to support schools.

Good quality school buildings

The LDBS has operated for over 60 years a pooled scheme for the maintenance of buildings for Voluntary Aided schools. There is an annual condition survey prepared for each school which enables maintenance projects to be prioritised and ensures grant aid, made available by the DfE through the Education and Skills Funding Agency (ESFA), is used effectively.

Voluntary Aided schools are required to contribute 10% towards repairs and schools pay £27 per pupil per year to ensure that repairs are undertaken when needed. The scheme is well funded with minimal arrears. Overall LDBS schools are maintained to a higher than average standard. It should be noted that the formulaic calculation of grant aid for these schools has remained unchanged for a few years and therefore the sum available for maintaining our schools has been declining in real terms.

Academies do not have to provide 10% capital contributions for their maintenance programmes and instead must participate in an annual bidding round initiated by the Education and Skills Funding Agency. The attention to detail in preparing bids is important and LDBS has assisted a number of academies. With more schools becoming academies the competition for grants is becoming fiercer.

This has been the last year that the ESFA has provided grants for the maintenance of school buildings under the Locally Controlled VA Programme (LCVAP) which involved the co-ordination of grants by each local authority for all VA schools in their patch. From April 2020 the LDBS will receive a School Condition Allocation for all CofE VA schools in the Diocese and will also become the Responsible Body for a VA school which has no religious affiliation. Becoming a responsible body for the management of capital funding has required some changes to procedures now that priorities for approving projects has to be undertaken on a diocesan wide basis rather than between schools in each local authority.

Conversion of Schools into Academies

The LDBS has been a supporter of academies ever since it opened the first Church of England City Academy in 2002 and since then it has been an active promoter of new schools through the academies and free school programmes.

LONDON DIOCESAN BOARD FOR SCHOOLS

TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2020

Within the LDBS family of schools, 36 are academies educating 21,829 pupils of which 17 are All through or secondary schools.

LDBS will support schools wishing to become academies where there is a clear benefit for pupils and the governing body can demonstrate that the school is sustainable, financially.

External impact

The LDBS works closely with a large number of organisations and in particular with the Church of England Education Office, The Department for Education, The Education and Skills Funding Agency (ESFA), three regional schools' commissioners and eighteen Local Authorities.

Maintaining a strong reputation as a reliable sponsor of schools has enabled the LDBS not only to win bids for new schools but also to obtain project management roles.

LDBS works closely with the London Diocesan Fund which provides premises and the IT infrastructure for the charity and a number of associated academy trusts.

Financial Review

▪ Overall Financial Health

The unrestricted Education Fund was able to generate a surplus of £19k thereby bringing its accumulated surplus up to £592k.

Cash balances decreased by £2.5m to £6.4m; the 2019 cash balance was unusually high due to a one off £1.6m receipt near the year end of devolved capital grants for schools which was not spent until Summer 2019. In addition, there was a reduction in pre-payments for building projects.

Net current assets exceed long term creditors by £1.47m (2018 £1.45m).

Net capital resources increased from £26.3m to £40.1m following the revaluation of investment properties, which occurs every five years.

The impact of Covid-19 was not felt until the last two weeks of the financial year when £51,750 of rental income on two investment properties failed to materialize.

▪ Key Performance Indicators

The services provided by the Board rely to a large extent on income being received before payment of suppliers on their contractual dates. Cash flow is managed actively, and daily cash reports are supplemented by regular management accounts alongside a close monitoring of work in progress on building projects.

▪ Unrestricted Income and Expenditure: LDBS & Grow Education Partners Limited

The LDBS earns income from subscriptions and services provided to schools either directly or through its trading subsidiary, Grow Education Partners Ltd. These sources of income cover two thirds of expenditure with the remainder provided by grants from the London Diocesan Fund and the Uniform Schools Trust, for which the LDBS is sole trustee.

LONDON DIOCESAN BOARD FOR SCHOOLS

TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2020

Group Unrestricted income	2020	2019	
	£000's	£000's	change
London Diocesan Fund	518	512	1%
Interest income	3	2	50%
Grow Education sales and fees	1,024	901	14%
LDBS School subscriptions	595	530	12%
LDBS sales and fees	9	20	-55%
Reimbursement from schools	161	282	<u>-43%</u>
	<u>2,310</u>	<u>2,247</u>	3%
Transfer from Uniform Schools Trust	360	280	<u>29%</u>
	2,670	2,527	6%

The Education & Skills Funding Agency introduced new procedures for approving related party transactions for academy trusts. To reduce the number of transactions staff previously seconded to the LDBS Academies Trust became employees of the Trust. In addition there was only one building project management fee due in 2020.

Expenditure within the LDBS Unrestricted Fund was unchanged at £2.06m through careful management of costs required in order to absorb increases in employer's contributions to the Teachers Pension Scheme for a number of staff. Grow Education Partners expenditure increased by £135k to £586k with the result that overall unrestricted expenditure increased from £2,506k to £2,647k

All profits from Grow Education Partners Ltd are gift aided to LDBS and this resulted in a distribution of £438k (2019: £450k).

The Uniform Schools Trust generated sufficient revenue to be able to make a grant of £360k (2019 £280k) to the Education Fund.

- **Restricted Funds** include:

Uniform Schools Trust

The Trust was established under Section 557 of the 1996 Education Act to hold the assets of schools which had been closed. The LDBS, as the sole trustee, is allowed to apply capital and income in expenditure on school sites and buildings. Income can also be applied towards the provision of advice, guidance and resources in connection with any matter related to the management of, or education provided at, any relevant school in the Diocese.

The LDBS, through the Uniform Schools Trust, also manages building projects on behalf of schools. Expenditure totalled £40.6m (2019: £22.1m) of which £28m (2019: £11m) related to the new school being constructed for the Green School for Boys in Isleworth.

Investment income is derived from letting former school buildings to third parties. The higher rental income reflected a contribution of £80k (2019: £50k) from third party lettings at the property used by the Teaching London teacher training course.

LONDON DIOCESAN BOARD FOR SCHOOLS

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Expenditure increased during the year due to the cost of undertaking the five year valuation of investment properties (£24k) and preparing the former St James the Less School building in Pimlico for letting to a nursery (£60k). The nursery was able to move from its previous location at the beginning of March.

Property investments are valued every five years and at 31 March 2020 the formal valuation undertaken by Dalton Warner Davis LLP, Chartered Surveyors led to an unrealised gain of £12.5m for the properties held within the Uniform Schools Trust.

The property valuation reflects activity in the market place at the onset of the Covid-19 pandemic. It is uncertain what impact the pandemic will have on property values and the Trust will commission a further review in March 2021.

Offsetting this gain of £12.5m was a £498k diminution in the value of pooled investment funds mainly due to the holding in M&G Charifund, which fell in value by 22% as Covid-19 has had a significant impact on its bias to higher yielding companies in the UK whereas the Central Board of Finance of the CofE property fund price fell by 3% and its investment fund by 2%. The value of pooled investment funds at the year end was £2.94m (2019:£3.45m).

The change in fair value of debtors relates to a long term arrangement with the Urswick School for the funding of the Governors 10% contribution to the rebuild of the School in 2011; the amount owed at the end of March was £809k (2019:£820k). Accounting regulations requires the debtor to be shown at fair value and the carrying value in the financial statements is £741k (2019:695k).

The net assets of the Trust at the year end stood at £31m compared to £19m at 31 March 2019.

City and Diocese of London Voluntary Schools Fund

The LDBS is the sole trustee of this fund which may provide grants to schools for maintenance of school premises and to young persons under the age of 25 years who have for at least two years at any time attended a Church of England school in the Diocese of London.

The Charity is registered for VAT and holds two properties where VAT is chargeable on rents; the charity also owns some pooled investment funds.

Rents of £258k were received in the year with most of the rent passed on to the Uniform Schools Trust as interest income as it holds a mortgage over the Archer Street property.

Towards the end of March the tenant at Archer Street reported that most of its clients would not be placing business with them during the Covid -19 pandemic and the gymnasium at Spelthorne has been closed temporarily.

The pooled investment funds provide the income that funds grants for school trips. Although the grants committee has agreed applications for £19k of grants, only £8k has been provided for in the Accounts as trips planned for the summer term are not taking place.

At the year end, the five year property valuation took place with a gain of £1.5m which enabled the Fund to increase its gross assets from £6.16m to £7.63m; after deducting the mortgage from the Uniform Schools Trust of £3.57m the net assets of the Fund increased from £3.07m to £4.58m

LONDON DIOCESAN BOARD FOR SCHOOLS

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Schools' Building Maintenance Scheme

The LDBS operates a buildings maintenance scheme for the governors of Voluntary Aided schools who are required to fund 10% of repairs and improvements to their buildings. The fund receives subscriptions from schools and also holds the devolved capital allocated to these schools until such time as funds are drawn down to cover expenditure authorised by schools.

	2020	2019
	£000's	£000's
School Balances brought forward	1,135	975
Incoming resources	2,819	2,297
	<hr/>	<hr/>
	3,954	3,272
Expenditure	(130)	(133)
Contributions to building projects	(2,970)	(2,104)
	<hr/>	<hr/>
School Balances carried forward	854	1,035

The balances brought forward represent school subscriptions brought forward and would be sufficient to fund the planned programme for maintaining schools in 2020/21 irrespective of any delays in schools making their 10% contributions.

Outcomes in respect of priorities for 2019/20 and priorities for 2020/21

LDBS is responsible for delivering the new Green School for Boys school building for £42.8m; at the year-end £36m has been spent and the new building was handed over at the end of June 2020.

Wren Academy has been given permission to open a new secondary school, Wren Enfield, in September 2020 in temporary accommodation.

LDBS has provided training for schools for the new SIAMS inspections schedule. The outcomes have vindicated the need for training. Inspections have been put on hold following the closure of schools and it is hoped that they can resume in 2021.

Raine's Foundation School will close on 31 August 2020 and ownership of 76% of the former Lower School building reverts to the LDBS. In 2019/20 the LDBS completed the refurbishment of the building. The priority is to find a tenant for September 2020.

Adequate staff resources were made available to Grow Education Partners for 2019/20 and recruitment is taking place to ensure adequate resources are available for 2020/21.

Supporting schools during the Covid-19 has become a priority and will continue throughout 2020/21.

The London Diocesan Fund has included the LDBS in preparing the Diocese's 2020-30 strategic plan, which is in the course of preparation.

In 2019/20 General Synod completed revision of the new draft measure for diocesan boards of education. It had been planned for General Synod to approve the measure in July 2020, but the impact of Covid-19 may cause a delay with implementation put back a year to January 2023. The measure will require Diocesan Synod to approve a new scheme for governance for the LDBS and to steer this change through Synod, preparations were made for the recruitment of an executive chair for the Board; it is anticipated that an appointment will be made in summer 2020.

LONDON DIOCESAN BOARD FOR SCHOOLS

TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2020

TRUSTEES' REPORT

Governance

The LDBS Board, which has a maximum membership of 32, meets at least three times a year to set strategy, budgets and review progress in meeting the objectives it sets. In between meetings the Executive & Finance, Education and Audit committees each meet to consider in greater depth matters relevant to their sphere of expertise. The Board is made up of members nominated or elected by Deanery Synods, the London Diocesan Fund and the LDBS Headteachers Consultative Council as well as appointments by the Bishop of London. Elections take place every three years prior to re-constituting the Board on 1 January 2019.

Education Committee

Considers and determines educational policy and direction of the Board, especially in relation to the religious education, collective worship and the Christian ethos of LDBS schools.

Members: Sylvia Duthie, Ann George, The Venerable Luke Miller, Catherine Allard, Revd Simon Atkinson, Hannah Mason, Mary Findlow, Simon Surtees, Malcolm Eady, Marcia Sinclair, Alero Abbey

Observer: Andrew Garwood Watkins

Executive & Finance Committee

Monitors the implementation of the strategy agreed by the Board and the overall direction of the Board's affairs other than those overseen by the Education Committee. The Committee oversees the Governor Appointments Panel.

Members: Andrew Garwood Watkins, David Richards, The Venerable Luke Miller, Elisabeth Stevenson, Simon Clark, Helen Morgan Edwards, Anthony David, Revd Stephen Coleman

Observer: Sylvia Duthie

The City & Diocese of London Voluntary Schools Fund Grants Committee

Considers requests for financial help from young people under the age of 25 who have attended a Church of England School in the Diocese for at least 2 years for educational purposes.

Members: Revd Desmond Banister, Marcia Sinclair, Helen Morgan Edwards, David Richards

Co-opted: Miles Ridley

Audit Committee

Provides an independent view of the Board's financial affairs, internal controls and risk management.

Members: Simon Judge, Adrian Barrett, Revd David Ackerman, Katherine Henry

Co-opted: Robert Ashdown

The LDBS has a wholly owned trading subsidiary, Grow Education Partners Limited, which provides services to primary and secondary schools.

Members' Interests

LDBS is a company limited by guarantee and members may derive no benefit, income or capital interest in the Board's financial affairs other than as reimbursement of out of pocket expenses. Note 5(d) to the Financial Statements, on page 29, sets out the total of expenses, if any, reimbursed to members.

LONDON DIOCESAN BOARD FOR SCHOOLS

TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2020

Training and Induction of Trustees

Members of the Board are elected by Deanery Synods or nominated. In most instances members have knowledge of the role of trustee through service either on parochial church councils or on school governing bodies. New members are given an induction pack and bespoke training is provided as and when required. Trustees are encouraged to meet with officers or attend training courses if there is knowledge they wish to gain.

Volunteers

LDBS does not make direct use of volunteers; where a former teacher is invited to assist the LDBS with supporting a school, a consultancy fee is charged either to the school concerned or to the LDBS.

Public Benefit

The trustees of the LDBS have considered the guidance provided by the Charity Commission and believe that the Charity provides identifiable public benefits.

The Charity's activities are directed towards the promotion of Christian education and in particular the promotion of Church of England Schools within the Diocese of London. All these schools provide free public education and are themselves recognised charitable bodies. 59,302 children and young people are educated in these schools with pupils drawn from a wide variety of backgrounds and faiths with over 25% of pupils drawn from minority ethnic backgrounds.

The Church of England attaches great importance to inclusivity and improving cohesion within the local communities in which schools are located and Ofsted inspections show that schools are making a very strong contribution to community cohesion with 94% assessed as good or outstanding.

The account of the Board's activities for the year shows that its resources and staffing are directed towards supporting and developing Church of England schools so that they provide a high quality of education for their pupils. Headteachers, staff and governors of these schools report that they believe the supportive activities of the LDBS are extremely helpful to them in enabling them to manage their schools well. Where a school encounters difficulty or is vulnerable, the LDBS is proactive in supporting that school.

The LDBS is a member of the academy trusts it sponsors and the CEO is a director of 3 academy trusts.

The Board is aware that there is a minority public opinion which believes that the existence of Church Schools, financed in the main by the State, is harmful. The Board does not accept this view.

Impact

- Leadership Training courses have a consistently high rating with a benefit on staff retention and filling leadership vacancies.
- LDBS provides support and advice to schools which has enabled the overall performance of supported schools to exceed the national average for Ofsted and SIAMS gradings.
- School buildings maintained to a better than average standard.
- Providing more Church of England secondary schools places to balance supply of primary places.
- Developing religious enquiry and reasoning of nearly 20,000 teenagers at a time when Parishes attract only 2,000 teenagers each week.

LONDON DIOCESAN BOARD FOR SCHOOLS

TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2020

Relationships with Other Key Charities and Agencies

▪ **Church of England schools in the Diocese of London**

Each voluntary aided school has its own governing body with separate charitable status. The LDBS appoints a minority of the governors to each school's governing body and as such does not consider these schools to be related parties. For multi-academy trusts, each school has either a local governing body or a local academy committee. The LDBS is a member of each academy trust and appoints certain directors but does not exercise control. For the LDBS Academies Trust there are management and director links with LDBS, and this Trust is considered to be a related party.

▪ **The Diocese of London**

The LDBS is an independent entity working within the Diocese of London and works closely with parishes and other diocesan organisations.

The London Diocesan Fund (LDF) is the body corporate for the Diocese and as such is a related party to the LDBS. In addition to appointing one member to the Board of Trustees of LDBS, a few members are also members of the LDF or have a close association with the Diocese.

The LDF makes an annual grant and provides LDBS with accommodation at London Diocesan House. The provision of accommodation and other support for payroll and information technology is treated in the financial statements as a donation in kind. Total support from the Diocese amounted to £518,000 (2019: £512,000) with the cash element remaining unchanged at £180,000.

▪ **Schools and Educational Foundations**

The LDBS is a member of a small number of educational foundations and has the right to nominate a minority of trustees; these charities give grants to Church of England schools within specific areas in the Diocese of London and are not considered to be related parties.

Policies

Remuneration Policy

The LDBS employs staff on terms comparable to those on the national teachers' pay scale or the pay scales used in schools for non-teaching staff.

Reserves Policy

The unrestricted Education Fund reserves are held to provide working capital for the activities of LDBS. The trustees review the policy annually and consider that it remains appropriate to hold an unrestricted reserve equivalent to between three and six months payroll and administrative costs; it is estimated that a reserve of between £400,000 and £600,000 should suffice. During the year ending on 31 March 2020 the unrestricted reserve increased by £23k to £596k.

Investment Policy

The investment policy is reviewed annually in May and it was agreed to set a total return target of 7% per annum for investments with approximately 10% of net capital resources held in cash.

The total return on pooled investment funds was negative at -7.2% (2019: positive 7.8%) with income providing 4.7% and capital appreciation -11.9%. With investment properties valued every five years, total return for each year is not calculated.

At 31 March 2020 all properties were let.

LONDON DIOCESAN BOARD FOR SCHOOLS

TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2020

Internal Controls and Management of Risk

The trustees review the register of risks each year in March. The purpose of the review is to highlight the impact and probability of events and the management action required.

The high cost of housing in London is impacting the recruiting, training and retention of teachers. These high costs have also led to schools losing pupils as families move out of London and with funding allocated on a per pupil basis this impacts school budgets. Even for Schools which are fully subscribed their budgets are under pressure and some schools have had to prioritise expenditure and make staff redundant. LDBS is providing advice and non-financial support to schools.

The Audit Committee considers that use of charitable funds to establish an internal audit capability would be disproportionate to the risks of not having such a capability; it is satisfied that the reviews carried out by Management of its financial controls and procedures are appropriate.

The LDBS relies on the London Diocesan Fund for the provision of information technology support including the provision of servers for accounting, website and communications. Contingency arrangements have been drawn up by the London Diocesan Fund if the Diocesan server at Causton Street is not available. These arrangements have been tested by the Diocese but not by the LDBS. The outbreak of Covid-19 has shown that LDBS can operate without office accommodation.

▪ *Funding and liquidity risks*

LDBS maintains a high level of liquidity so as to be able to pay contractors in accordance with the terms of their building contracts should the Education and Skills Funding Agency, local authorities or school governors fail to provide funding within the appropriate timescale.

For routine maintenance projects for school buildings The Education and Skills Funding Agency provides grant funding in advance of payments made to contractors; for new schools or school expansions, the Local Authorities and the Education and Skills Funding Agency reimburse expenditure as it is incurred. Local Authorities do not always pay within the agreed number of days and short-term deposits need to be drawn down so that contractual payments are made on time. Consequently, there is an active management of surplus balances.

▪ *Banking and Interest rate risks*

LDBS invests surplus monies in short-term variable rate deposits and is thus exposed to counterparty risks; The Central Board of Finance of the Church of England which holds most of the LDBS's surplus funds adopts a conservative policy in this regard.

The LDBS has benefited from taking out, in March 2006, an unsecured 30 year fixed rate £3m loan at 5.46% per annum. Although current short term interest rates are lower, the cost is competitive for unsecured lending with a similar repayment profile; interest payments are covered by rental income.

▪ *Market price risk*

The LDBS invests a portion of its long term capital in pooled investment funds and in property investments. It is recognised that this exposes the LDBS to market price risks and investment decisions are made with a five year time horizon such that realizations in the short term, when prices might be exceptionally low, would not need to take place.

LONDON DIOCESAN BOARD FOR SCHOOLS

TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2020

▪ *Reputational risk*

Good governance and leadership are key attributes for successful schools and LDBS has developed several strategies, which the Board keeps under review, to maintain the reputation of the Diocese in operating good/outstanding schools.

▪ *Legislative risks*

Following the United Kingdom leaving the European Union on 31 January 2020 the LDBS is likely to see a continuing fall in the number of new immigrants requiring school places. The change in rules on immigration has also impacted the recruitment and retention of teachers coming to London. The introduction of new funding arrangements for schools is forcing schools to look carefully at all items of expenditure. An increasing number of schools are experiencing falling school rolls at the same time as executing cost reduction strategies. The LDBS is monitoring these risks which are likely to impact LDBS income from services.

Covid-19 Risk Impact

The LDBS obtains a significant proportion of its income from the services it provides to schools and so long as the Government continues to fund schools, this source of income remains secure.

For voluntary aided schools, the Governors are required to contribute 10% towards the cost of maintaining and improving school buildings which generates nearly £1m each year. Where schools cannot raise the £27 per pupil per year from parents or other fund raising due to the effect of Covid-19, there is a risk to the annual building maintenance programme which LDBS organizes for schools. The LDBS has built up a reserve of around £1m within restricted funds which is available to cover delays in schools being able to fundraise.

The LDBS generates around £1m of investment income and a significant amount of this income helps to subsidize the cost of the services provided to schools. As mentioned earlier in this report, pooled investment income will reduce and there is uncertainty on the timing of receipts from a couple of lessees. Overall, it is anticipated that £200k of investment income might not materialize before July 2021. There are sufficient distributable reserves backed up by cash within the Uniform Schools Trust which can support the unrestricted Education Fund.

Taxation Status

LDBS is a registered charity and as such can take advantage of exemptions granted under The Corporation Tax Act 2010. It is not liable to corporation tax on charitable income or income from charitable activities.

Ultimate Undertaking

The accounts accompanying this report have been prepared on the basis that the LDBS is the ultimate undertaking. However, attention is drawn to the relationship with the Diocese of London mentioned above.

Statement of Trustees' Responsibilities

The trustees (who are also directors of London Diocesan Board for Schools for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

LONDON DIOCESAN BOARD FOR SCHOOLS

TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2020

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS102 in the United Kingdom and Republic of Ireland.

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees confirm that in so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken, as trustees, in order to make themselves aware of any relevant audit information and to establish that the charitable company auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

It is the view of the trustees that the company is a going concern as the assets are available and adequate to fulfil the obligations of the charity and that the accompanying financial statements comply with the Companies Act 2006, the Charities Act 2011, and the Charities SORP FRS (102).

LONDON DIOCESAN BOARD FOR SCHOOLS

TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2020

Auditor

Hays Macintyre LLP has expressed willingness to continue in office. In accordance with Section 487(2) of the Companies Act 2006 a resolution to reappoint Hays Macintyre LLP will be proposed at the Annual General Meeting to be held on 22 July 2020.

The Trustees' Annual Report (including the Strategic Report) was approved by the Board on 22 July 2020.

On behalf of the Board



The Venerable Luke Miller, Chairman
London Diocesan Board for Schools
Company number 00198131
Registered Office: 36 Causton Street, London SW1P 4AU

22 July 2020

LONDON DIOCESAN BOARD FOR SCHOOLS

Independent auditor's report to the members of London Diocesan Board for Schools

Opinion

We have audited the financial statements of London Diocesan Board for Schools for the year ended 31 March 2020, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2020 and of the group's charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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:

LONDON DIOCESAN BOARD FOR SCHOOLS

- 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 group's or the parent 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.

Other information

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Use of our report

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



Adam Halsey (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
6 August 2020

10 Queen Street Place
London EC4R 1AG

LONDON DIOCESAN BOARD FOR SCHOOLS

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Unrestricted Funds 2020 £000's	Restricted Funds 2020 £000's	Endowment Funds 2020 £000's	Total 2020 £000's	Total 2019 £000's
<u>Income from:</u>						
Donations and grants	3a	518	30	-	548	597
Charitable activities	3b	765	41,137	-	41,902	23,723
Other trading activities	4	1,024	-	-	1,024	901
Investments	3c	3	1,192	-	1,195	1,141
Other income		-	346	-	346	-
Total		2,310	42,705	-	45,015	26,362
<u>Expenditure on:</u>						
Raising funds and investment management	5a	-	(367)	-	(367)	(263)
Commercial trading operations	4	(586)	-	-	(586)	(451)
Charitable activities	5b	(2,065)	(41,760)	-	(43,825)	(25,384)
Total		(2,651)	(42,127)	-	(44,778)	(26,098)
Net gains/(losses) on investments		-	13,370	199	13,569	120
Net income/(expenditure) before transfers		(341)	13,948	199	13,806	384
Transfers between funds	7	360	(360)	-	-	-
Net income		19	13,588	199	13,806	384
Other recognised gains						
Change in fair value provision of debtors	11	-	56	-	56	36
Net movement in funds		19	13,644	199	13,862	420
Reconciliation of Funds						
Fund balances at the beginning of the year		573	24,524	1,156	26,253	25,833
Net movement in funds for year		19	13,644	199	13,862	420
Fund balances at the end of the year		592	38,168	1,355	40,115	26,253

All incoming resources and resources expended have been derived from continuing activities. There were no other gains and losses in the year.

The accompanying accounting policies and notes on pages 25 to 35 form an integral part of these financial statements.

LONDON DIOCESAN BOARD FOR SCHOOLS

CONSOLIDATED BALANCE SHEET AT 31 MARCH 2020

		Unrestricted Funds 2020	Restricted Funds 2020	Endowment Funds 2020	Group 2020	Group 2019
	Notes	£000's	£000's	£000's	£000's	£000's
Fixed assets						
Tangible fixed assets	8	27	-	-	27	1,715
Investments	9	-	37,262	1,355	38,617	23,092
		27	37,262	1,355	38,644	24,807
Current assets						
Finance lease receivable after more than one year	10	-	1,446	-	1,446	1,514
Finance lease receivable within one year	10	-	67	-	67	65
Trade and other debtors	11	46	2,951	-	2,997	2,003
Cash at bank and in hand		773	5,520	-	6,293	8,899
		819	9,984	-	10,803	12,481
Liabilities						
Creditors falling due within one year	12a	(254)	(6,879)	-	(7,133)	(8,728)
		565	3,105	-	3,670	3,753
Net current assets						
		592	40,367	1,355	42,314	28,560
Total assets less current liabilities						
Creditors falling due after more than one year	12b	-	(2,199)	-	(2,199)	(2,307)
		592	38,168	1,355	40,115	26,253
Total assets						
Funds						
Unrestricted		592	-	-	592	573
Expendable capital	15	-	38,168	-	38,168	24,524
Permanent capital	16b	-	-	1,355	1,355	1,156
Total Funds		592	38,168	1,355	40,115	26,253

These financial statements were approved and authorised for issue by the directors on 22 July 2020

Simon Judge, Director



22nd July 2020

The Venerable Luke Miller, Director



The accompanying accounting policies and notes on pages 25 to 35 form an integral part of these financial statements.

LONDON DIOCESAN BOARD FOR SCHOOLS

CHARITABLE COMPANY BALANCE SHEET AT 31 MARCH 2020

		Unrestricted Funds 2020	Restricted Funds 2020	Endowment Funds 2020	Total 2020	Total 2019
	Notes	£000's	£000's	£000's	£000's	£000's
Fixed Assets						
Tangible fixed assets	8	27	-	-	27	1,715
Investments	9	-	37,262	1,355	38,617	23,092
		27	37,262	1,355	38,644	24,807
Current assets						
Finance lease receivable after more than one year	10	-	1,446	-	1,446	1,514
Finance lease receivable within one year	10	-	67	-	67	65
Trade and other debtors	11	20	2,951	-	2,971	1,978
Cash at bank and in hand		619	5,520	-	6,139	8,761
		639	9,984	-	10,623	12,318
Liabilities						
Creditors falling due within one year	12a	(74)	(6,879)	-	(6,953)	(8,565)
Net current assets		565	3,105	-	3,670	3,753
Total assets less current liabilities		592	40,367	1,355	42,314	28,560
Creditors falling due after more than one year	12b	-	(2,199)	-	(2,199)	(2,307)
Total assets		592	38,168	1,355	40,115	26,253
Funds						
Reserves		592	-	-	592	573
Expendable capital	15	-	38,168	-	38,168	24,524
Permanent capital	16b	-	-	1,355	1,355	1,156
Total Funds		592	38,168	1,355	40,115	26,253

These financial statements were approved and authorised for issue by the directors on 22 July 2020

Simon Judge, Director



22nd July 2020

The Venerable Luke Miller, Director



The accompanying accounting policies and notes on pages 25 to 35 form an integral part of these financial statements.

LONDON DIOCESAN BOARD FOR SCHOOLS

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £000's	2019 £000's
Cash flows from operating activities			
Net cash provided by operating activities	13	(3,297)	97
Cash flows from investing activities			
Dividends, interest and rents from investments		1,195	1,139
Purchase of property, plant and equipment		(9)	(57)
Purchase of investments		(335)	
Net cash provided by investing activities		851	<u>1,082</u>
Cash flows from financing activities			
Repayment of borrowings		(103)	(99)
Finance lease drawdown			(50)
Interest paid		(122)	(125)
Finance lease repayments		65	62
Net cash (used in) financing activities		(160)	(212)
Net increase in cash and cash equivalents		(2,606)	967
Cash and cash equivalents at the beginning of the year		8,899	7,932
Cash and cash equivalents at the end of the year		6,293	<u>8,899</u>

The accompanying accounting policies and notes on pages 25 to 35 form an integral part of these financial statements.

LONDON DIOCESAN BOARD FOR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. PRINCIPAL ACCOUNTING POLICIES

The Trustees' report and the accompanying financial statements of the charitable company limited by guarantee have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice, Accounting and Reporting by Charities (FRS 102).

The Accounts comply with the Charities Act 2011 and the Companies Act 2006. A summary of the principal accounting policies which have been applied consistently except as stated, is set out below.

1.1 Basis of Preparation

The Financial Statements have been prepared under the historical cost convention, as adjusted for the revaluation of investments and investment properties. The Statements are presented in Sterling (£). As discussed in the trustees' report, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts. The LDBS meets the definition of a public benefit entity.

1.2 Significant judgements and estimates

The only material judgements or estimations applied in the preparation of the financial statements relate to the depreciation on freehold property held in tangible fixed assets (note 8), investment properties which are formally valued every five years and it has been assessed that their aggregate fair value remains materially correct (Note 9a) and to the calculation of the fair value provision in debtors (Note 11). There are no other material judgements or estimates in the preparation of these financial statements.

1.3 Basis of Consolidation

The financial statements aggregate the Statements of Financial Activities and Balance Sheets of the Funds held under the LDBS's control namely:

Education Fund	unrestricted fund
Grow Education Partners Limited	wholly owned trading company
Uniform Schools Trust	restricted fund
Uniform Schools Trust - Schools Building Projects	restricted fund
School Centred Initial Teacher Training Course	restricted fund
Schools Buildings' Maintenance Scheme	restricted fund
City and Diocese of London Voluntary Schools Fund	sole trustee of a permanent endowment
David Greig 1949 Trust	sole trustee of a permanent endowment
Uxbridge Lecturers House Fund	sole trustee of a permanent endowment
St John's CofE School , Bethnal Green - Mrs May Hollings Fund	sole trustee
St Jude and St Paul Mildmay Park Trust	sole trustee

The LDBS is Trustee for a number of schools; the assets of the schools concerned are not included in the financial statements until such time as the school is closed and the site is available for sale.

1.4 The Charity and its Subsidiary Undertakings

The Group financial statements consolidate the financial statements of the Charity and its wholly owned subsidiary undertaking, Grow Education Partners Limited (Company No: 2874636) drawn up to 31 March each year.

The Charity balance sheet excludes the assets and liabilities of Grow Education Partners Ltd but does include the investment in Grow Education partners Ltd which is held at cost (£100).

1.5 Tangible Fixed Assets and Depreciation

Depreciation is calculated on a straight-line basis and aims to write down the cost of tangible fixed assets other than freehold property over their expected useful economic lives of four years. Following a re-organisation of property assets that took place on 31 March 2020, the freehold property was transferred to investment property, to better reflect its on-going useage. It had previously been held at its 2015 fair value within tangible fixed assets.

LONDON DIOCESAN BOARD FOR SCHOOLS

Depreciation has been provided on an operational property from 1 April 2017 following refurbishment; depreciation is calculated on a straight-line basis to write down the 2015 valuation of the property over a period of 60 years.

Items are capitalised at historical cost except those costing less than £250 except for the PGCE SCITT course where expenditure is written off against specific capital grants received.

1.6 Receivables due from Schools

Where schools require more than twelve months to pay off building project balances, an estimate is made of the realistic timescale for repayment; a fair value adjustment is calculated based on the present value of estimated future cash flows discounted at the gross redemption yield of a government stock with a similar repayment date.

1.7 Fixed Asset Investments

The Uniform Schools Trust holds investment property originally vested in it in respect of schemes created under various Education Acts. Investment property held in this and in sole trustee funds is included in the financial statements at estimated open market value in accordance with FRS102. Depreciation is not provided in respect of freehold investment properties. This treatment is contrary to the Companies Act 2006, which states that fixed assets should be depreciated, but is, in the opinion of the trustees, necessary in order to give a true and fair view of the financial position of the Company and Group. All investment property is held at fair value at each balance sheet date.

Investments are included at market value and the original cost is shown in a note to the accounts. All changes in value are reported in the Statement of Financial Activities.

A lease held as an operating lease has been classified as a finance lease. Interest has been calculated and is being paid on the premise that the lease is cancelled at end of October 2036.

1.8 Finance Leases

Finance leases are leases in which substantially all the risks and rewards of ownership other than legal title, are transferred to the lessee. Assets acquired and held for use under finance leases are presented as a debtor at an amount equal to the investment in the lease. Finance income is subsequently recognized at a constant periodic rate of return on that net investment.

1.9 Financial Instruments

All financial assets and liabilities are of a kind that qualify as basic financial instruments; these instruments are initially recognized at transaction and subsequently measured at their settlement value.

1.10 Incoming Resources

(a) Donations and grants

Donations, other than grants from charitable organisations, are recognised when received.

Donated services from the London Diocesan Fund are included in income at a valuation, which is an estimate of the financial cost borne by the donor, with a quantifiable and measurable value to the charity. An equivalent amount is charged as expenditure.

All the trustees of the Charity are volunteers and the value of the time they spend supporting the Charity is not measured.

(b) Charitable activities

Grants receivable from the Education and Skills Funding Agency and Local Authorities are credited to income in the year in which the related expenditure is incurred; an estimated sum is included in the financial statements for grants not agreed at the end of the financial year. Contributions due from school governors and other grants are treated in the same way.

An estimate of future income is included in the financial statements for claims not able to be made prior to the year-end, but relating to expenditure which was incurred before the year-end.

Other grants received for specific activities includes unspent capital held for voluntary aided schools devolved by the Department for Education. These grants have been pooled by schools within the Schools' Buildings Maintenance Scheme. Policy guidance issued by the Education and Skills Funding Agency indicates that the grants are repayable if not used within three years. Grants received in excess of expenditure incurred in the year are treated as deferred income. These grants are accounted for on a first in first out basis.

(c) Other trading activities

LONDON DIOCESAN BOARD FOR SCHOOLS

Subscriptions received by Grow Education Partners Limited for the academic year beginning 1 September are recognised as income evenly over three terms.

(d) Investments

Investment income includes rental income, receivable during the year, and dividends and interest when received.

1.11 Expenditure

Resources expended, including grants, are included in the Statement of Financial Activities on an accruals basis. The LDBS is not registered for VAT whereas Grow Education Partners Limited and the City & Diocese of London Voluntary Schools Fund are registered for VAT.

- Raising funds and investment management funds

The cost of generating funds includes all costs relating to the raising of funds and the management of the properties included in these financial statements and professional fees incurred as trustee of a number of schools.

- Charitable activities

Grants made to schools and to individuals are recognised only when the conditions attaching to the grants have been met.

Overheads are allocated where possible to the relevant charitable funds. Where expenditure cannot be specifically allocated, costs are apportioned between funds based on estimated time spent by staff. No administrative charges were levied during the year ended 31 March 2019 on the subsidiary company, Grow Education Partners Limited or on the sole trustee funds including the City & Diocese of London Voluntary Schools Fund.

Costs include those incurred by Trustees in connection with the administration of the charity including audit costs. Staff costs relating to the preparation of reports for meetings of Trustees and the statutory accounts are apportioned on a time basis.

The value of accrued holiday pay at the year end is calculated but no provision is made as the amount is immaterial.

1.12 Pensions

- Defined benefit scheme

All eligible permanent employees are given the opportunity to join the Church of England Defined Benefits Scheme, which is administered by the Church of England Pensions Board. The contribution rate paid by the LDBS in 2020 was 30% (2019: 30%) of salary plus expenses of £8,600 (2019: £8,600).

Due to the nature of this scheme, the LDBS is unable to identify its share of the underlying assets and liabilities. In accordance with the provisions of Section 28 of FRS 102 the scheme is treated as a defined contribution scheme. As a result the pension costs charged to the Consolidated SOFA in the year are contributions payable towards the benefits and expenses accrued in that year, plus any impact of deficit contributions. There are no deficit recovery payments which need to be recognized as a liability in the financial statements.

- Other

Some staff have reached agreement to join or remain in alternative pension schemes to which LDBS contributes.

1.13 Restricted Funds

Restricted funds are to be used for specified purposes laid down by the donor / granting body. Expenditure for those purposes is charged to the fund together with a fair allocation of overheads and support costs.

1.14 Transfers

Grants between funds for internal purposes are treated as transfers in the Statement of Financial Activities (SOFA). Other grants are included in charitable activities in the SOFA.

LONDON DIOCESAN BOARD FOR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2 NET INCOME/(EXPENDITURE) FOR THE YEAR IS STATED AFTER CHARGING:

	2020			2019		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Auditor's remuneration:						
- the statutory audit - LDBS	24	1	25	35	1	36
- the statutory audit - trading subsidiary	4	-	4	4	-	4
- non-audit services	-	-	-	3	-	3
Depreciation on freehold and leasehold properties	-	59	59	-	59	59
Depreciation on fixtures, fittings and equipment	14	3	17	14	9	23

3 INCOME FROM:

	2020			2019		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£000's	£000's	£000's	£000's	£000's	£000's
(a) Donations and grants						
Grant from London Diocesan Fund (see note 14)	518	-	518	512	-	512
Spelthorne Gymnastics	-	20	20	-	84	84
Estate of Mrs Welldon	-	9	9	-	-	-
HMRC tax relief on gift aid donations	-	1	1	-	1	1
	518	30	548	512	85	597

(b) Charitable activities

Grants and contributions receivable from Education & Skills Funding Agency, Local Authorities and other public bodies	9	38,696	38,705	-	20,655	20,655
Sales, fees and subscriptions	595	1,033	1,628	550	1,040	1,590
Reimbursement from schools	161	1,408	1,569	282	1,196	1,478
	765	41,137	41,902	832	22,891	23,723

(c) Investments

Distributions from unlisted pooled investment funds	-	210	210	-	193	193
Rental income from investment properties	-	890	890	-	863	863
Interest on cash deposits	3	92	95	2	83	85
	3	1,192	1,195	2	1,139	1,141

4 NET INCOME FROM NON CHARITABLE TRADING ACTIVITIES OF SUBSIDIARIES

The Charitable Company owns the entire issued ordinary share capital of £100 of Grow Education Partners Limited, a company registered in England & Wales (Company No:2874636). The principal activity is the provision of consultancy services to schools.

	2020	2019
	£000's	£000's
Turnover	1,024	901
Cost of sales	(582)	(448)
Gross profit	442	453
Administrative expenses	(4)	(3)
Net profit	438	450
Gift Aid to LDBS	(438)	(450)
Balance added to reserves	-	-

Aggregate total liabilities and aggregate total assets are both £180k

LONDON DIOCESAN BOARD FOR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

5 EXPENDITURE ON:

	2020			2019		
	Unrestricted £000's	Restricted £000's	Total £000's	Unrestricted £000's	Restricted £000's	Total £000's
(a) Raising funds and investment management						
Investment property expenses	-	131	131	-	54	54
Professional fees for investment and trust properties	-	114	114	-	84	84
Bank loan interest	-	122	122	-	125	125
	-	367	367	-	263	263
(b) Charitable activities						
Grants to schools (see details in Note 5(c))	3	214	217	-	239	239
Grants to individuals through the City & Diocese of London Voluntary Schools Fund (see Note 16)	-	8	8	-	19	19
School building works and repairs	-	40,628	40,628	-	22,130	22,130
Salaries, social security and pension costs (see note 6)	1,611	259	1,870	1,507	365	1,872
PGCE SCITT course delivery costs	-	362	362	-	323	323
Depreciation - investment assets	-	24	24	-	24	24
Support costs:						
Depreciation - fixed assets	14	38	52	14	41	55
Occupancy costs	338	51	389	332	114	446
Audit fees	28	1	29	39	1	40
Other costs	71	175	246	163	73	236
	2,065	41,760	43,825	2,055	23,329	25,384
(c) Grants made to Schools						
St Jude & St Paul's School, Mildmay Park	-	47	47	-	146	146
Greig City Academy	-	61	61	-	3	3
Holy Trinity School, Dalston	-	83	83	-	81	81
St John's School, Bethnal Green	-	16	16	-	-	-
St George the Martyr School, Holborn	-	7	7	-	9	9
Trent CofE School, Cockfosters	3	-	3	-	-	-
	3	214	217	-	239	239
(d) Trustees' expenses						

No amounts were reimbursed to Trustees (2019: Nil).

As permitted by LDBS's Articles and Memorandum of Association the resources expended by the charity include £27,720 (2019: £22,176) in respect of indemnity insurance for the trustees and officers.

6 STAFF COSTS

	2020 £000's	2019 £000's
Wages and salaries	1,643	1,609
Social security costs	172	180
Pension costs	337	305
	2,152	2,094

The average number of staff employed by the company, including contracted part time staff on a full time equivalent basis was:

Statutory advice and corporate	16	17
Primary trading and non statutory support	14	13
	30	30

Average number of employees

45 44

The number of employees whose gross salary for the year exceeded £60,000 are as follows:

£60,001 - £ 70,000	2	2
£70,001 - £ 80,000	1	1
£80,001 - £ 90,000	6	6
£90,001 - £100,000	2	2

Aggregate employer pension contributions for the employees above were £159,800 (2019: £125,800), payable to defined benefit schemes, Church Workers Pension Fund for one employee and Teachers' Pension Scheme for eight employees.

£282k of staff costs allocated to trading activities (2019: £222k) and £1,855k allocated to charitable activities (2019: £1,872k).

The total amount of employee benefits, including health insurance, received by the Chief Executive, who comprises key management personnel, was £96,225 (2019: £93,967).

LONDON DIOCESAN BOARD FOR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

7 TRANSFERS BETWEEN FUNDS

The Uniform Schools Trust (Restricted Fund) made a grant to the Education Fund (Unrestricted) of £360k (2019:£280k).

8 TANGIBLE FIXED ASSETS

Group and Charity		Freehold Property £000's	Fixtures, Fittings and Equipment £000's	Total £000's
Cost	At 1 April 2019	1,750	70	1,820
	Additions	-	9	9
	Transfer see also Note 9(a)	(1,750)	-	(1,750)
	Disposals	-	(14)	14
	At 31 March 2020	-	65	65
Depreciation	At 1 April 2019	70	35	105
	Provided in year	35	17	52
	Disposals and Transfer	(105)	(14)	119
	At 31 March 2020	-	38	38
	Net book value at 31 March 2020	-	27	27
Net book value at 31 March 2019	1,680	35	1,715	

9(a) INVESTMENTS AT MARKET VALUE

	Uniform Schools Trust £000's	Sole Trustee Funds £000's	2020 Total £000's	2019 Total £000's
Unlisted				
Central Board of Finance of the Church of England (CBF)				
- Investment fund	559	785	1,344	1,034
- Property fund	648	93	741	760
- Global Equity Income fund	-	86	86	83
M&G Charifund units	1,733	-	1,733	2,231
	2,940	964	3,904	4,108
Freehold Properties				
Moreton Street SW1	2,450	-	2,450	750
School House, Johns Mews WC1	2,420	-	2,420	2,300
Half Acre, Brentford TW8	1,070	-	1,070	650
Bishops Avenue SW6	11,600	-	11,600	3,725
Fulham High Street, SW6	3,400	-	3,400	2,400
West End Lane NW3 transferred from tangible fixed assets	2,800	-	2,800	-
35 Treadgold Street, W11	581	-	581	450
Friern Barnet Scout Hut NW11	340	-	340	200
St Jude's School, King Henry's Walk N1	-	1,500	1,500	1,225
St Jude's Cottages, King Henry's Walk N1	-	926	926	1,125
13/14 Archer Street W1	-	5,430	5,430	3,850
	24,661	7,856	32,517	16,675
Leasehold Property				
Long lease of land at Sunbury	-	90	90	90
Gymnasium at Sunbury	-	2,173	2,173	2,262
Less depreciation	-	(67)	(67)	(43)
	-	2,196	2,196	2,309
	27,601	11,016	38,617	23,092

Included within sole trustee funds are investments relating to endowment funds: £1,148k (2019: £1,156k).

The freehold investment properties and the freehold operational property were valued on an open market basis as at 31 March 2020 by Dalton Warner Davis LLP, Chartered Surveyors. The leasehold property is stated at cost less depreciation.

The property at 13/14 Archer Street, acquired with vacant possession in June 2004, and the land and gymnasium at Sunbury are held by the City & Diocese of London Voluntary Schools Fund, which has given a mortgage to the Uniform Schools Trust as security for inter-fund indebtedness. The amount outstanding at 31 March 2020 is £3.575m (2019: £3.575m).

LONDON DIOCESAN BOARD FOR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

9(b) INVESTMENTS AT COST	Uniform Schools Trust	Sole Trustee Funds	2020 Total	2019 Total
Unlisted	£000's	£000's	£000's	£000's
Central Board of Finance of the Church of England (CBF)				
- Investment fund	559	785	1,344	101
- Property fund	648	93	741	601
- Global Equity Income fund	-	86	86	53
M&G Charifund units	1,733	-	1,733	2,083
	2,940	964	3,904	2,838
Property	1,932	5,153	7,085	7,085
All investments are held in the United Kingdom.	4,872	6,117	10,989	9,923

10 FINANCE LEASE RECEIVABLES

A finance lease was provided to Wren Academy for the construction of a sixth form centre with an anticipated redemption date of 31 October 2036. Amount drawn down £1.25m

A finance lease was provided to Spelthorne Gymnastics for the provision of mechanical and electrical works with an anticipated redemption date of 31 March 2037. Amount drawn down £200k

A second finance lease was provided to Spelthorne Gymnastics for fitting out works with an anticipated redemption date of 31 March 2038. Amount drawn down £250k.

Group and Charity repayments	2020 £000's	2019 £000's
under one year	67	65
one to five years	290	281
later than five years	1,156	1,233
	1,513	1,579

11 TRADE AND OTHER DEBTORS

	Group 2020 £000's	Charity 2020 £000's	Group 2019 £000's	Charity 2019 £000's
Outstanding claims				
- Department for Education & local authorities	1,971	1,971	776	776
Amounts due from schools	923	897	935	909
Trade debtors	99	99	287	288
Other debtors (comprise loans to employees)	4	4	5	5
	2,997	2,971	2,003	1,978

£763k (2019: £785k) of the amounts due from schools become due after twelve months.

There is a fair value provision of £68k (2019: £124k) set against the £809k (2019: £820k) due from a school.

12 CREDITORS

12(a)- Amounts falling due within one year	Group 2020 £000's	Charity 2020 £000's	Group 2019 £000's	Charity 2019 £000's
Trade creditors	3,080	3,074	3,039	3,033
Other creditors	36	6	43	25
Loan repayments	108	108	103	103
Accruals and deferred income	3,909	3,765	5,543	5,404
	7,133	6,953	8,728	8,565

Accruals and deferred income include amounts of £3.7m (2019: £5.4m) in respect of grants and contributions received in advance of related expenditure being incurred. £2.6m (2019: £1.4m) of the preceding year balance was released in the current year.

LONDON DIOCESAN BOARD FOR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

12 CREDITORS continued

	Group 2020 £000's	Charity 2020 £000's	Group 2019 £000's	Charity 2019 £000's
12(b)- Amounts falling due after one year				
Loan repayments				
due within 1 to 2 years	113	113	108	108
due within 2 to 5 years	372	372	356	356
due thereafter	1,714	1,714	1,843	1,843
	2,199	2,199	2,307	2,307

- A term loan from Barclays forms part of the liabilities of the restricted Uniform Schools Trust fund- final repayment 2036.
- An interest free loan of £200,000 was provided by the London Marathon Trust to City & Diocese of London Voluntary Schools Fund in 2016-17 repayable in 114 equal monthly instalments from 31 May 2017.

13 NOTES TO THE CASH FLOW STATEMENT

Reconciliation of net income/(expenditure) to net cash flow from operating cash activities	2020 £000's	2019 £000's
Net income for the year as per the Statement of Financial Activities	13,806	384
Depreciation charges	76	79
Losses/(Gains) on investments	(13,569)	(120)
Dividends, interest and rents from investments	(1,195)	(1,139)
Interest paid	122	125
(Increase)/ Decrease in debtors	(937)	(595)
Increase/ (Decrease) in creditors	(1,600)	1,363
Net cash inflow/(outflow) from operating activities	(3,297)	97

14 TRANSACTIONS WITH RELATED PARTIES

The London Diocesan Fund and the London Diocesan Board for Schools are separate charities but various diocesan bodies appoint the majority of the directors of the two companies. A number of members are directors of both charities. In addition Inigo Woolf, acting in a personal capacity, is a director of the London Diocesan Fund.

A number of directors are governors and/or employees of schools which buy services from LDBS and its subsidiary, Grow Educational Partners. There are no significant purchases or sales which require disclosure.

The London Diocesan Fund provides office, computer support and payroll facilities to the LDBS. Although no charge is made for this support, the financial statements reflect the value of the donation under the heading London Diocesan Fund grant with an equivalent cost shown under the cost of charitable activities. The amount included in the Accounts is £338,000 (2019: £332,000).

The London Diocesan Fund also provided a cash grant during the year of £180,000 (2019: £180,000), reimbursed LDBS 14,417 (2019: £13,272) and recharged expenses of £1,786,000 (2019: £1,751,000). The balance owed to London Diocesan Fund at 31 March 2020 was £nil (2019: nil).

The LDBS has taken advantage of the exemptions available under FRS 102 "Related Party Disclosures" not to disclose transactions between it and its trading subsidiary, Grow Education Partners Limited, registered address 36 Causton Street, London SW1P 4AP.

The accounts have been prepared on the basis that the LDBS is the ultimate undertaking.

The LDBS received £30,539 (2019: £115,504) from LDBS Academies Trust; £2,500 (2019: £15,000) was paid to the LDBS Academies Trust. In addition LDBS Academies Trust paid £16,450 (2019: £18,032) to Grow Education Partners Limited and received £22,745 (2019: nil). LDBS Academies Trust 2 paid £1,825 to Grow Education Partners Limited (2019: nil). No balances were outstanding at the year end.

St Michael's School, Camden Town sponsors the LDBS SCITT PGCE Course and receives grants for students from the Education and Skills Funding Agency and Student Loans Company. The LDBS drew down £510,000 from St Michael's SCITT Account (2019: £511,000) as and when funds are needed/become available.

LONDON DIOCESAN BOARD FOR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

15 RESTRICTED FUNDS

	Balance 1 April 2019	Incoming Resources	Resources Expended	Transfers	Recognised gains/(losses) & fair value adjustments	Balance 31 March 2020
	£000's	£000's	£000's	£000's	£000's	£000's
Schools Building Maintenance Fund	1,035	2,819	(130)	(2,870)	-	854
PGCE SCITT/School Direct Course	10	591	(571)	-	-	30
Sole Trustee Funds -see note 16(a)	23,479	39,295	(41,426)	2,510	13,426	37,284
	24,524	42,705	(42,127)	(360)	13,426	38,168
	1 April 2018					31 March 2019
Schools Building Maintenance Fund	975	2,297	(133)	(2,104)	-	1,035
PGCE SCITT/School Direct Course	10	595	(595)	-	-	10
Sole Trustee Funds (see note 16)	23,188	21,223	(22,863)	1,824	107	23,479
	24,173	24,115	(23,591)	(280)	107	24,524

16 SOLE TRUSTEE FUNDS

16(a) Restricted Funds

	Balance 1 April 2019	Incoming Resources	Resources Expended	Transfers	Recognised gains/(losses) & fair value adjustments	Balance 31 March 2020
	£000's	£000's	£000's	£000's	£000's	£000's
Uniform Schools Trust City & Diocese of London	18,981	38,523	(41,321)	2,749	12,072	31,004
Voluntary Schools Fund	2,016	299	(33)	(237)	1,284	3,329
Uxbridge Lecturer's Fund	1	1	-	-	-	2
St John's School, Bethnal Green	-	357	(16)	-	(6)	335
St Jude & St Paul Mildmay Park	2,481	112	(55)	-	76	2,614
David Greig Trust 1949	-	3	(1)	(2)	-	-
	23,479	39,295	(41,426)	2,510	13,426	37,284
	1 April 2018					31 March 2019
Uniform Schools Trust City & Diocese of London	18,687	20,754	(22,626)	2,059	107	18,981
Voluntary Schools Fund	1,938	359	(46)	(235)	-	2,016
Uxbridge Lecturer's Fund	10	-	(9)	-	-	1
St Jude & St Paul Mildmay Park	2,553	107	(179)	-	-	2,481
David Greig Trust 1949	-	3	(3)	-	-	-
	23,188	21,223	(22,863)	1,824	107	23,479

Transfers to/(from) Uniform Schools Trust comprise

	2020	2019
Transfer of subscriptions from Schools Building Maintenance Fund	1,021	778
Transfer of devolved capital from Schools Building Maintenance Fund	1,849	1,326
Transfers from other sole trustee funds	239	-
Transfer from Uniform Schools Trust to unrestricted funds	(360)	(280)
	2,749	1,824

16(b) Permanent endowment funds:	Balance 1 April 2018	Recognised gains/(losses)	Balance 31 March 2019	Balance 1 April 2019	Recognised gains/(losses)	Balance 31 March 2020
	£000's	£000's	£000's	£000's	£000's	£000's
City & Diocese of London Voluntary Schools Fund	1,018	38	1,056	1,056	197	1,253
Uxbridge Lecturer's Fund	15	1	16	16	-	16
David Greig trust 1949	75	9	84	84	2	86
	1,108	48	1,156	1,156	199	1,355

The balance on the City & Diocese of London Voluntary Schools Fund includes a 13.125% interest in the property at 13/14 Archer Street (see note 9).

LONDON DIOCESAN BOARD FOR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

16 SOLE TRUSTEE FUNDS continued Uniform Schools Trust (Established 1996)

The Trust was established under Section 557 of the 1996 Education Act. The Trustee may apply capital and income in expenditure on school sites and buildings. The Trustee may also apply income 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 Diocese.

The City & Diocese of London Voluntary Schools Fund (Established 1813)

This charity (registered no 312259) may provide grants to schools for maintenance of school premises and to young persons under the age of 25 years who have for at least two years at any time attended a Church of England Voluntary School in the Diocese of London (Accounts are available from the Registered Office).

The Uxbridge Lecturer's House Fund (Established 1721)

This charity provides grants to Church of England schools in the Parish of Uxbridge.

St John's School, Bethnal Green - the Mrs May Hollings Fund incorporating the Sir Daniel Keymer Memorial Fund

The LDBS became sole trustee of this fund in 2020 which provides grants to St John's School.

The St Jude's, Mildmay Park, Church of England Primary School Foundation (Established 1857)

This charity owns land and buildings which were formerly used by St Jude & St Paul Church of England School. The Foundation is for the sole benefit of this School.

David Greig Trust 1949

The charity benefits pupils of Greig City Academy. In 2020 the Uniform Schools Trust granted the Academy £60,000 towards the cost of a STEM centre. The David Greig Trust 1949 is reimbursing the Uniform School Trust from investment income over a period of years to 2036.

The London Diocesan Board for Schools Trust Property (Established 2008)

This charity was set up to administer and hold land to the west of Warnham Road and to the north-west, north and east of Hilton Avenue, London N12 9HB as a permanent endowment. The land is leased to the Wren Academy for 125 years from 1 September 2008. No financial transactions have taken place nor has any value been ascribed to the land.

17 TRUST FUNDS

In its capacity as trustee of a number of schools the LDBS is the owner of a number of school sites. No value is ascribed to these sites whilst they continue to operate as voluntary aided schools.

		2020	2019
		£000's	£000's
The LDBS is custodian trustee for:	Investments at Market Value		
Bartlett Legacy - St Saviours School, Poplar	CBF Investment Fund	2	3
St Paul's with St Michael's School, Haggerston	CBF Deposit Fund	2	2
Latymer & All Saints School, Edmonton	CBF Investment Fund	17	17
Latymer & All Saints School, Edmonton	CBF Deposit Fund	1	1
Holy Trinity School, Tottenham - Girls Green School Fund	COIF Charities Investment Fund	46	47
		<u>68</u>	<u>70</u>

18 CONTINGENT LIABILITIES

At 31 March 2020 there were no contingent liabilities

19 CAPITAL COMMITMENTS

At 31 March 2020 there were capital commitments of £nil (2019: nil).

20 PENSIONS - Defined Benefit Scheme

London Diocesan Board for Schools (LDBS) participates in the Defined Benefits Scheme section of Church Workers Pension Fund (CWPF) for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

For funding purposes, the DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

LONDON DIOCESAN BOARD FOR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

20 PENSIONS - Defined Benefit Scheme continued

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS102. It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. This means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the consolidated SOFA in the year are contributions payable towards benefits and expenses accrued in that year plus any impact of deficit contributions (see below).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2016. In this valuation, the Life Risk Section was shown to be in deficit by £2.6m and £2.6m was notionally transferred from the employers' sub-pools to the Life Risk Pool. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £26.2m.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 30% of pensionable salary and expenses of £8,600 from 1 April 2018. There are 23 active and 20 deferred members as at 31 March 2020.

The completed service section of the DBS (active and deferred members) for the LDBS sub-pool had a surplus of £268k at 31st December 2016.

10 employees (8 full time and 2 part-time) are members of the Teachers' Pension Scheme with the LDBS making a contribution of 23.68% (2019: 16.48%) of their salary. Contributions increased from 16.48% to 23.68% of salary on 1 September 2019.

21 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019

	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total £000's
Income from:				
Donations and grants	512	85	-	597
Charitable activities	832	22,891	-	23,723
Other trading activities	901	-	-	901
Investments	2	1,139	-	1,141
Other	-	-	-	-
Total	2,247	24,115	-	26,362
Expenditure on:				
Raising funds and investment management	-	(263)	-	(263)
Commercial trading operations	(451)	-	-	(451)
Charitable activities	(2,055)	(23,329)	-	(25,384)
Total	(2,506)	(23,592)	-	(26,098)
Net gains on investments	-	72	48	120
Net income/(expenditure) before transfers	(259)	595	48	384
Transfers between funds	280	(280)	-	-
Net income	21	315	48	384
Other recognised gains				
Change in fair value provision of debtors	-	36	-	36
Net movement in funds	21	351	48	420
Reconciliation of Funds				
Fund balances at the beginning of the year	552	24,173	1,108	25,833
Net movement in funds for year	21	351	48	420
Fund balances at the end of the year	573	24,524	1,156	26,253