



ANNUAL TRUSTEE REPORT  
Including Strategic Report  
And Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

Company registration number:	00198131
Country of incorporation:	England
Charity registration number:	313000
Registered office:	London Diocesan House 36 Causton Street London SW1P 4AU
Secretary:	Penny Roberts MBE
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 Puntney 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 funds.

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

## 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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Some weeks ago, I was in a school as part of a Borough wide pilgrimage, in one of the London Boroughs. The idea was that any child could ask any question, nothing was off limits. In this forum, I responded to questions that related to the shape of the Trinity, the place of Mary and a question that asked, did David in his encounter with Goliath break one of the Ten Commandments, you shall not kill! There is nothing like being put on the spot, and it was glorious. The children's faces eager to learn, eager to ask questions. In many ways, these children had a deep sense of curiosity, and this had been encouraged within the culture of the school community.

In a recent film produced by the Faith in the Nexus team at Christ Church Canterbury University, we are reminded that children, in developing their own vibrant spirituality, need space to ask lots of questions, as opposed to being faced with lots of full stops from adults who wish to make pronouncements about what the adults believe to be the right answer. Sadly, this research concludes that, because children do not witness adults being curious about their faith, asking lots of questions, amongst each other, this is not seen as important, and curiosity is diminished as a result.

As we serve the children of London, providing them with the best education that we can, we have thought much about the ability to ask questions and be curious. This has shaped much of our work within schools; developing vision statements, supporting when that phone call comes from OFSTED, enabling schools to tackle significant issues about falling rolls, HR concerns, or even the academisation strategy.

Our own staff team and our Trustee body have all been encouraged to be curious, living that culture that Jesus sets, who, on several occasions asks what he can do for us, whilst not sharing some doctrinal statement. A role modelling that speaks of a posture of welcome, relationship and of a desire to see the other flourish and not conform.

We have witnessed the importance of the ability ask questions in our diocesan gatherings, individual meetings and with our training sessions which have focussed primarily, this year, on good communications and on the Diocesan priority of racial justice.

And so, it is in the spirit of curiosity that we share this Annual Report with you. This is not to be placed in a computer file, never to be looked at again. Please do read this report with a spirit of curiosity. We would love you to ask questions, and so be the role models that children crave, and be the role models that will enable their relationship with Jesus Christ to flourish. As a result, I am without doubt that the Holy Spirit will lead us all into all truth, as this is what is promised.

I commend this Annual Report to you.



**The Rt Revd Rob Wickham**  
Chair of LDBS Board



## Church schools in the London Diocese serve 58,000 young Londoners

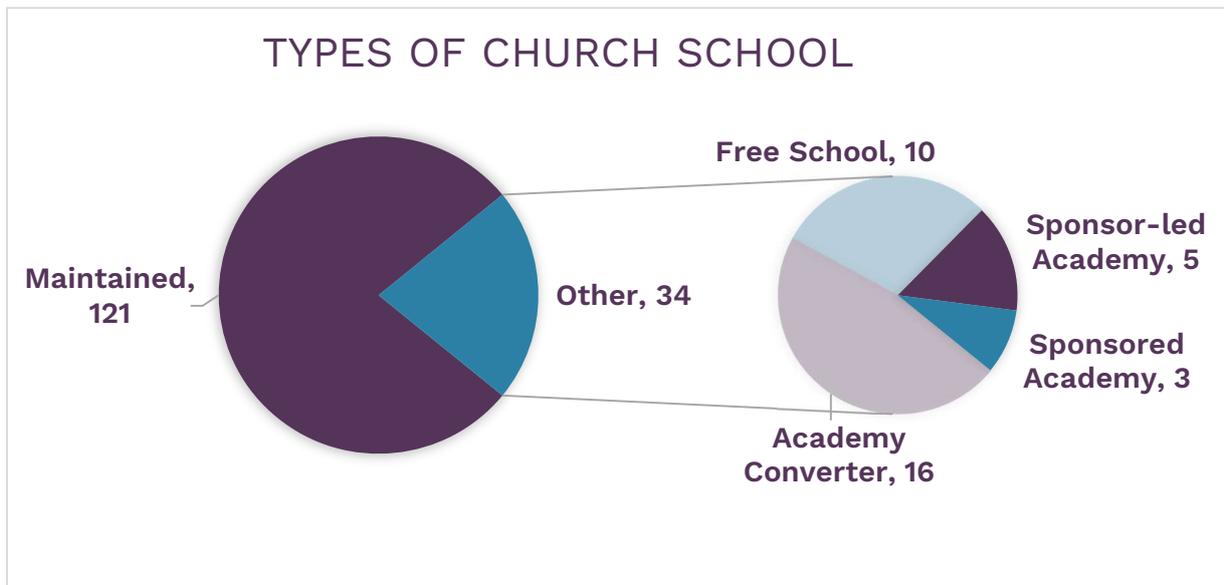
More than half of pupils in our schools have a Global Majority Heritage. One third have a White Heritage.

Church schools are **inclusive**: they have more primary children with a recognised special education need and/or Education Health Care Plan (EHP) than both the London and national averages.

Church schools serve pupils of Christian, other faith and no faith backgrounds.

Church schools serve **deprived communities**: there are more primary children registered for free school meals in Church schools than both the London and national averages.

Approximately 80% of Church schools are maintained (Voluntary Aided or Voluntary Controlled) and the remainder are Academies.



## Church schools in the London Diocese transform futures

Summer 2022 saw the return of SATs tests for Year 6 pupils at primary school, and the return of published results for Year 11 and Year 13 students at secondary school. Published results only give a snapshot of one dimension of school life. However, the diverse cohort of pupils attending Church schools in London continue to make more progress and to attain higher standards overall than both the London and national averages.

- 68% of our Year 6 pupils achieved expected levels in Reading, Writing and Maths ('RWM Expected') compared to 59% nationally.
- 14% of our year 6 pupils achieved higher levels in Reading, Writing and Maths ('RWM Higher') compared to 7% nationally.
- Our Year 11 students achieved an average Progress 8 score (progress made during secondary school across a range of subjects) of 0.38, compared to a London average of 0.22 and a national average of -0.03. This means that, on average, student progress resulted in achievement that was 0.38 of a grade higher than that achieved nationally.

- Our Year 11 students achieved an average Attainment 8 score (GCSE grades across a range of subjects) of 56.6 compared to a London average of 55.2 and a national average of 48.7. In simple terms, one point is equivalent to one grade.
- Our Year 11 students from deprived backgrounds achieved an average Progress 8 score of 0.14, compared to a London average of -0.15 and a national average of -0.55.
- Our Year 11 students from deprived backgrounds achieved an average Attainment 8 score of 50.6, compared to a London average of 45 and a national average of 37.5. This could equate to achieving two grades higher in six subjects than that achieved nationally.

## 2. LDBS priorities 2022-23

Responding to a range of strategic challenges faced by LDBS and by Church schools, LDBS has four strategic objectives for 2021-24:

- Providing a comprehensive programme of training and support for Church schools;
- Supporting schools to be places that are deeply Christian, serving the common good;
- Partnering with LDF colleagues (London Diocesan Fund) to provide a collaborative approach in areas where church, school and family life overlap;
- Refreshing internal LDBS structures and practices to ensure that LDBS adapts and responds to the changing needs of our schools.

In 2022-23 we have had a particular focus on ensuring that the LDBS service to schools is equitable and consistent.

The summary of activity below provides a snapshot of the support that has been provided this year through the LDBS Core Service and Grow Education Partners Ltd (Grow is the traded service of the LDBS which, by offering services to all schools, seeks to serve the common good), and it looks ahead to new initiatives for next year.

### 2.1. Training and support programme

#### 2.1.1. LDBS support for strategic school leadership

All Church schools receive LDBS school improvement support for their leaders; 75% of Church primary schools purchase an additional school improvement support package from LDBS through Grow Education Partners Ltd.

We undertook an extensive series of discussions, conferences and consultations with schools and wider stakeholders, including unions, to set a school organisation strategy for the future. The strategy responds to the structural challenges faced by the sector (including the challenge of school sustainability) and the changeable political climate in which schools operate. The strategy will enable LDBS and Church schools to respond decisively to any future move by the government to a fully academised school system. It also sets out the way that LDBS will support schools to establish Partnerships and Federations where it is more appropriate for them to remain in the maintained school sector at present.

In 2023-24 we will apply our strategy to all school organisation decisions and develop further support for governors making difficult decisions about the future of their school. We will also develop our support offer to aspiring school leaders who may consider Head of School and Executive Head opportunities alongside traditional Headteacher roles.

“It’s great to have LDBS on the front foot.”

*Headteacher*

### 2.1.2. Diverse leadership

Racism in schools is a complex issue, but one that LDBS is determined to address. We have given significant consideration to how to deploy our influence and resources in a way that will make a sustained difference. We are focusing our efforts on supporting schools to appoint excellent, diverse leaders. There is a historic under-representation of school leaders and governors with a global majority heritage despite diverse cohorts beginning teacher training. This is to the continuing detriment of our Church schools and the students we serve. In 2022-23:

- More than 50% of LDBS trainee teachers have a global majority heritage
- 40% of the senior leadership team of the LDBS has a global majority heritage
- 25% of LDBS Trustees have a global majority heritage
- 25% of new governors appointed by LDBS have a global majority heritage
- 10% of Church schools in London have a leaders with global majority heritage

LDBS is grateful for the partnership and support of several Church school leaders with global majority heritage. We look forward to launching a new programme in 2023-24, The Platform, to support the development of the next generation of diverse school leaders and we will continue to support the national Leaders Like Us programme in which several aspiring school leaders with a global majority heritage from the diocese are already participating.

“I have enrolled on this course because I am passionate that we recruit and support greater numbers of strong leaders from all backgrounds.”

*Headteacher*

### 2.1.3. Teacher training, early career and leadership development

We are delighted that our LDBS School Centred Initial Teacher Training course (SCITT) has been reaccredited by the government and also judged by Ofsted to be Outstanding in every category.

“All trainees receive exceptional training and pastoral support.”

*Ofsted March 2023*

LDBS is a delivery partner for the Early Career Framework for Westminster Early Career Teachers, serving approximately 30 Early Career Teachers.

From Autumn 2023 LDBS will be a delivery partner for the National Professional Qualifications (NPQs) that are provided by the Church of England Foundation for Educational Leadership (CEFEL). We are planning to deliver some courses centrally at Causton St and others in local clusters around the diocese. For more than 20 years LDBS has run popular and successful leadership development courses. The government is currently providing funding to cover the cost of NPQs which makes them a more realistic option for schools, so we are working hard to dovetail this government-funded training with LDBS leadership development courses to ensure they can continue.

### 2.1.4. School operations development

Strong management of finances, personnel and premises is crucial for the thriving of schools. Termly HR conferences for School Business Managers continue to be well attended

and well received. Basic HR support is provided to Church schools through the Core service, with an additional People & Culture service on offer through Grow. In 2022-23, 86 schools purchase this additional service.

GROW also offers a Data Protection Officer (DPO) service as part of our mission to serve the common good. In 2022-23, 220 schools purchased this additional service.

The range of services on offer through GROW has increased to include financial consultancy and communications advice.

“Grow offered the best value service and instilled confidence that they would provide sound, practical advice. The DPO was a life saver... we can't recommend it highly enough.”

*Grow customer*

### 2.1.5. Governor and trustee development

Governor training has continued on-line after attendance increased during the pandemic when courses moved from in-person to on-line. In 2022-23 LDBS offered more than 30 courses to governors on a wide range of topics from the Ofsted inspection framework to valuing all God's children, and from safer recruitment to resolving parental complaints; with overall attendance totalling more than 500.

The LDBS clerking service closed in the Summer of 2022; support was provided to clerks to enable them to continue to serve their schools where schools wanted to continue with their Clerk.

The recruitment of Foundation governors remains a significant challenge but with a new full time Head of Governance in post from June 2023 and new measures to engage with deaneries and churches we continue to raise awareness of vacant positions. Support for governing bodies is being extended to ensure that governors grappling with sustainability and leadership challenges have the support they need to make informed decisions.

“The advice provided by our LDBS link adviser and HR adviser was insightful and allowed us to make an informed decision. They attended meetings and supported us throughout.”

*Governor*

## 2.2. Deeply Christian, Serving the Common Good

Over 2022-23 LDBS has developed support for Church schools to put their character at the heart of their identity, as schools which are deeply Christian and serving the common good. Church schools receive a regular inspection of their Christian character: SIAMS (Statutory Inspection of Anglican and Methodist Schools). The SIAMS inspection framework is changing from September 2023 and significant effort has gone into equipping schools for the change. Most significantly, the whole inspection is framed around the school's vision, which must be a theologically-rooted Christian vision.

From September 2024 the LDBS school development service will increasingly be provided by specialists; this will include SIAMS visits. Each school will receive at least one SIAMS-focused visit each year, as well as a mid-cycle SIAMS health check.

In 2022-23 the LDBS RE adviser provided three whole-day training sessions for school RE leads as well as a video training resource. LDBS is also developing a network of school-based RE consultants to support the sharing of best-practice.

LDBS ran a residential Headteacher conference in 2022 on the theme of 'remaining anchored'. Mary Hawes, then the National Church of England Children and Youth Adviser, was one of the speakers and Rt Revd Rob Wickham provided pastoral support and led evening prayer and a Eucharist service for headteachers. We are looking forward to the next residential conference in October 2023 on the theme of 'how to run and not grow weary', considering what it means to lead an authentic school community.

Induction arrangements for new Church school leaders have been strengthened, especially those who have not worked before in a Church school.

LDBS support for chaplaincy has continued through a network of up to 50 chaplains, including those serving in independent schools, further and technical education and community school settings.

## 2.3. Partnerships between churches and schools

### 2.3.1. Partnership initiatives

There are many examples around the diocese of inspiring and powerful ministry provided by individual churches to their local school. We have been pleased to celebrate some of these on our website and news feed.

LDBS has included clergy in all the strategic discussions we have initiated this year, recognising the importance of their contribution and of the partnership between churches and schools. We are grateful for the way that many clergy spoke into the discussions about school sustainability and the government academy programme.

Twice yearly meetings for all headteachers and linked clergy are now established in each deanery (or in wider area groups where the number of Church schools is smaller). LDBS is grateful for the support of the Bishop of London and the Bishop of Edmonton in establishing these networks. The aim of the network meetings is to enable sharing of best practice, relationship-building and resolution of local issues.

2021-22 saw a successful pilot project to provide school placements for second-year curates in one episcopal area. In 2022-23 the pilot has been extended to three episcopal areas, and we anticipate being able to provide a school placement for every second-year curate in the diocese in 2023-24.

In May 2023, LDBS hosted the second shared meeting of the Bishop's Council and LDBS Trustees, in recognition of the importance of clergy development and school-church relationships.

The first Youth Minister to be based in a school opened in 2021. It had a difficult year and was discontinued at the end of 2022. LDBS has supported the lessons-learned process commissioned by the Diocese of London and will continue to support colleagues to develop a strategic approach to mission and discipleship among young people.

### 2.3.2. Living in Love and Faith

The resolution of the General Synod in February 2023 in relation to the Living in Love and Faith process has raised a new strategic risk for LDBS and Church schools; one that we have begun to respond to and will continue to respond to through next year. Within the London Diocese there will be significant differences of opinion and approach. In some places there will be churches, headteachers, governors and parents that hold a range of very different views, all of which are recognised as legitimate and authentic expressions of the faith of the Church of England.

On this or any other contested theological issue, LDBS is not an activist or campaigning organisation. It is our role to ensure that every Church school has the opportunity to receive ministry and support from its parish and other linked churches and to ensure that each school is equipped for SIAMS inspections, which includes consideration of 'how well school leaders work with local churches.'

LDBS has started to offer mediation support to churches and schools where relationships have broken down between clergy and schools, and there are now three trained mediators on our team. Practical pro-active help is also available for clergy, governors or headteachers who are concerned that there may be future difficulties and who wish to avoid a breakdown of relationships or a diminution of ministry.

### 2.4. Internal LDBS structures and processes

Since Penny Roberts took up her post as Director of Education in September 2022, the internal LDBS structures, processes and policies have begun to develop to reflect the current context in which LDBS and schools operate. The process of change will continue through 2023-24.

The new board of trustees, the first to be appointed under the 2021 Measure, has completed its first year in office. Trustees have provided faithful support, perceptive insights and challenging feedback.

Termly whole-staff training days have been introduced. Trustees have been invited to join part of these days to enable staff and trustees to begin to get to know one another.

A new senior leadership team was established in September 2022 comprising two Deputy Directors of Education (one with a focus on Christian distinctiveness and the other with a focus on school improvement), the Head of Finance and the Head of People and Culture.

The new 'People and Culture' team will be providing an HR service, a Recruitment and Selection service and mediation support, and internally within LDBS in relation to recruitment and organisational culture.

Line management arrangements have developed in line with the new team structure, and appraisal arrangements are becoming embedded.

In 2023-24 the LDBS structure, and individual roles and responsibilities, will continue to develop as LDBS strives to provide a consistent and equitable service to schools that matches the strategic responsibilities of the LDBS and the needs of schools and represents excellent value for money to schools.

In 2022-23 LDBS oversaw 150 school building projects with a total value of £9million. The projects ranged in value from less than £10,000 to a SALIX-funded decarbonisation project

with a value of £1.54million. (Salix is a non-departmental public body, owned wholly by the government). As part of the wider strategic priority to develop internal LDBS structures, processes and policies, we anticipate ongoing development of our approach to contractor management and building project management.

### 3. Financial Report

#### 3.1. Overall Financial Health

The full financial results for the Board are set out in pages 29 to 32. The following tables summarise the Income and Expenditure of the Board and the Balance Sheet.

##### Income and Expenditure

	Education	Uniform Statutory Trust	City & Diocese	School Building & Maintenance	Others	Endowment capital	TOTAL 2023	TOTAL 2022
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
School subs and sales	565	-	-	909	-	-	<b>1,474</b>	604
Grow Education sales and fees	972	-	-	-	-	-	<b>972</b>	513
Teaching London	932	-	-	-	-	-	<b>932</b>	709
Donations and grants inc. LDF	538	-	21	-	-	-	<b>559</b>	476
Investment income	36	1,540	-	-	-	-	<b>1,576</b>	378
Reimbursement from schools	50	-	-	-	-	-	<b>50</b>	-
Other Charitable income	-	-	-	-	13,997	-	<b>13,997</b>	10,485
<b>TOTAL INCOME</b>	<b>3,093</b>	<b>1,540</b>	<b>21</b>	<b>909</b>	<b>13,997</b>	<b>0</b>	<b>19,560</b>	13,165
LDBS	(2,179)	-	-	-	-	-	<b>(2,179)</b>	(2,146)
SCITT	(836)	-	-	-	-	-	<b>(836)</b>	(718)
Grow Education	(577)	-	-	-	-	-	<b>(577)</b>	(703)
Charitable activities	-	-	-	(1,006)	(10,353)	-	<b>(11,359)</b>	(9,694)
<b>TOTAL EXPENDITURE</b>	<b>(3,592)</b>	<b>0</b>	<b>0</b>	<b>(1,006)</b>	<b>(10,353)</b>	<b>0</b>	<b>(14,951)</b>	(13,261)
<b>Operating Surplus/(Deficit)</b>	<b>(499)</b>	<b>1,540</b>	<b>21</b>	<b>(97)</b>	<b>3,644</b>	<b>0</b>	<b>4,609</b>	(96)
Transfers and other changes	499	120	0	0	0	(42)	<b>577</b>	4,524
Net movements in funds	0	1660	21	(97)	3,644	(42)	<b>5,186</b>	4,428

LDBS TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2023

Opening reserves	559	31,765	5,686	729	3,402	1,371	<b>43,512</b>	39,084
<b>Closing reserves</b>	<b>559</b>	<b>33,425</b>	<b>5,707</b>	<b>632</b>	<b>7,046</b>	<b>1,329</b>	<b>48,698</b>	43,512

**Balance Sheet**

Tangible fixed assets	9	-	-	-	-	-	<b>9</b>	16
Property	-	25,578	5,686	-	6,450	-	<b>37,714</b>	38,193
Investments		3,468			385	1,329	<b>5,182</b>	4,147
<b>Total</b>	<b>9</b>	<b>29,046</b>	<b>5,686</b>	<b>-</b>	<b>6,835</b>	<b>1,329</b>	<b>42,905</b>	42,356
<b>Current assets</b>	<b>1,536</b>	<b>8,210</b>	<b>76</b>	<b>632</b>	<b>211</b>	<b>-</b>	<b>10,665</b>	9,160
<b>Liabilities</b>	<b>(986)</b>	<b>(3,831)</b>	<b>(55)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,872)</b>	(8,004)
<b>Net current assets</b>	<b>559</b>	<b>33,425</b>	<b>5,707</b>	<b>632</b>	<b>7,046</b>	<b>1,329</b>	<b>48,698</b>	43,512

There was a net inflow of funds for the year of £5.2m which increased the value of net assets of LDBS to £48.7m.

Cash balances remained stable at £8.8m of which £1.7m represents deposits received from schools in advance of expenditure for building maintenance. Cash balances also include £0.67m of School Condition Allocations and £1.2m of Devolved Capital which has not yet been committed to building projects.

Net current assets exceed long term creditors by £5.8m (2022 £1.2m).

All investment properties are now fully let including Archer Street which was let at the end of 2022. This will improve the overall income and return on the portfolio.

Trading activities achieved sales of £970k (2022: £1.1m) which provided a distribution to LDBS of £395k (2022: £410k).

### 3.2. Unrestricted Funds

Unrestricted funds can be used to meet all costs including central costs and costs in furtherance of the charitable objectives. Education fund, Teaching London and Grow Education Partners are the three unrestricted funds of the LDBS.

Unrestricted Income and Expenditure: LDBS & Grow Education Partners Ltd  
LDBS earns income from subscriptions and services provided to schools directly, through Teaching London or through its trading subsidiary, Grow Education Partners Ltd. These sources of income cover 67% (2022: 68%) of expenditure with the remainder provided by grants from the London Diocesan Fund and the Uniform Statutory Trust, for which LDBS is sole trustee.

<b>Group unrestricted income</b>	<b>2023</b>	<b>2022</b>
	£000's	£000's
LDBS School subscriptions and sales	565	605
Grow Education sales and fees	972	1,117
Teaching London	932	709
London Diocesan Fund	538	456
Interest income	36	1
Reimbursement from schools	50	220
	<b>3,093</b>	<b>3,108</b>
<b>Group unrestricted expenditure</b>		
LDBS	2179	2,161
Teaching London	836	712
Grow Education	577	703
	<b>3592</b>	<b>3,576</b>
<b>Group operating deficit</b>	<b>(499)</b>	<b>(468)</b>
Grant from Uniform Statutory Trust	499	450
Transfer from SCITT restricted fund	0	14
<b>Net movement in unrestricted funds</b>	<b>0</b>	<b>(4)</b>

Any surplus balance from Grow Education Partners Ltd is gift aided to LDBS and this resulted in a distribution of £395k (2022: £414k).

### 3.3. Restricted Funds

Restricted funds are to be used for specified purposes laid down by the donor / granting body. The LDBS currently operates three restricted funds. They are:

#### a) Uniform Statutory Trust

The Trust was established under Section 557 of the 1996 Education Act to hold the assets of schools which had been closed. LDBS is the sole trustee and must apply capital and income 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. It is also allowed to apply income to school sites and buildings.

Investment income is derived from letting former schools and other investment property to third parties. Rents increased from £640k to £930k; £200k rent of the former St Matthias Primary school in Bethnal Green has been brought in to the year. Consequently, the Uniform Statutory Trust increased its grant to the Education Fund from £450k to £600k. With an unrealised loss on pooled investment funds of £280k, this resulted in a deficit of £81k for the year. The Uniform Statutory Trust ended the year with resources of £31.7m.

#### b) City and Diocese of London Voluntary Schools Fund

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.

Following a lengthy marketing period the property at Archer Street has been let for a term of three-years.

The gymnasium built adjacent to Bishop Wand School, Sunbury, is let to Spelthorne Gymnastics with the School having use of parts of the building during school hours. The

Club has continued to pay rent and make loan repayments which allowed the Charity to pay interest on the £900k borrowed from the Uniform Statutory Trust for this facility.

The pooled investment funds held as part of the permanent endowment provide the income that funds grants for disadvantaged pupils mainly in respect of school trips. Investment income of £20k is set aside for grants. The Charity has awarded grants of £24k to compensate for some of trips cancelled by schools during 2021 and 2022 due to Covid-19.

At the end of March 2023 the valuation of Archer Street remained at £4.1m.

The net worth of the City & Diocese Fund at the end of March 2023 is £3.3m (2022: £3.3m) with the permanent endowment value remaining level at £1.2m and the accumulated surplus on unrestricted funds at £2.1m.

### c) Schools' Building Maintenance Scheme

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.

	<b>2023</b>	<b>2022</b>
	£000's	£000's
School Balances brought forward	729	720
School subscriptions	909	925
Interest income	0	1
	<b>1,638</b>	<b>1,646</b>
Expenditure	(167)	(151)
Contributions to building projects	(839)	(766)
School Balances carried forward	<b>632</b>	<b>729</b>

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

## 4. Looking ahead to 2023-24

### 4.1. Governance

All activity of the London Diocesan Board for Schools (LDBS) is governed within legal parameters. LDBS was incorporated as a Company Limited by Guarantee on 22 May 1924. It is a registered charity (charity number: 313000). The 2021 Diocesan Boards of Education Measure, the 2021 Diocese of London Diocesan Board of Education Scheme and the Articles and Memorandum of Association set the parameters for activity. Although 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.

LDBS Trustees are appointed by the Bishop of London on the recommendation of a Nominations Committee, with members drawn from the Diocesan Synod and the LDBS.

Since January 2022 the LDBS Board has comprised eleven or twelve trustees, chaired by the Bishop of Edmonton. The Board is diverse, with appointments based on skills, experience and a commitment to the vision and work of the LDBS.

The Board meets at least five times each year to set vision, strategy and budgets, to monitor risk, and to review progress.

The LDBS Board are Company Members, Directors and Trustees. Their liability is limited to £1 in the event of the winding up of the company.

Trustee	Other relevant roles	Term of office end date
Rt Revd Rob Wickham Chair of the Board	The Bishop of Edmonton	Ex Officio
Paula Aitcheson-Walker	Headteacher, Christ Church CofE Primary School NW1, Camden	31.12.25 (First term)
Stephanie Ajayi	Chair of Governors, The Blue CofE Primary School, Hounslow Diocese of London Racial Justice Priority Group Chair of Hounslow School Appeal Panel	31.12.25 (First term)
Catherine Allard	Headteacher, John Keble CofE Primary School, Brent	31.12.25 (Second term)
Revd. Stephen Coleman	Vicar, St Peter's Church, Grange Park Trustee, The Wren Academy Trust Governor, St Paul's CofE Primary School, Winchmore Hill Trustee, Ecclesiastical Law Society Honorary Research Fellow, St Stephen's House, Oxford	31.12.24 (Second term)
Monica Duncan	Headteacher, Duke Aldridge Academy Trustee, St Luke's CofE Primary School, Camden	31.12.23 (First term)
Andrew Garwood-Watkins	Chair of Governors, St James and St John CE School, Westminster Westminster Schools Forum, Chair Trustee, LDBS Academies Trust (from September 2022)	Until 31.12.22
Simon Judge Vice Chair of the Board	Trustee, Kemnal Academy Trust Trustee, The City Literary Institute	31.12.25 (Second term)
Carla Munoz Slaughter	Chair of Governors, St Cuthbert and St Matthias CE School	31.12.24 (First term)
Revd. Nicholas Pye	Vicar, St Paul's Church, Finchley Governor, St Mary's CofE Primary School, Finchley	31.12.23 (First term)
Revd. William Rogers	Vicar, St Matthew's Church, Fulham	31.12.24 (First term)
Zoe Vickerman	Governor, St Mary Abbott CofE Primary School London Diocesan Synod member	31.12.24 (First term)

Trustees appointed in 2022 were appointed on two, three or four-year terms to ensure that term dates are staggered. In future, it is anticipated that trustees will be appointed to a four-year term and that they will step down for at least two years once they have served two terms.

We are indebted to Andrew Garwood-Watkins for supporting the transition to the new board. Andrew stood down as a trustee in December 2022. We are delighted to continue to benefit from his expertise in his new role as interim Head of Property. This is a new position, supporting the current change management priorities and a permanent Director of Operations will be appointed in due course.

Trustees have co-opted a further eleven people to committees. Five of these have been appointed since April 2022: Lyn Meadows to the Governance Committee, Rev Matthew Knox and Victor Selvaraj to the Education Committee, and Alen Ong and Michael Poulard to the Operations Committee. They have all been co-opted for a four-year term.

We are indebted to Fr Simon Clark for supporting the establishment of the Governance Committee and the transition of the Appointment Panel, and Ann George for supporting the

transition of the Education Committee. Both are former trustees who agreed to continue to support a committee through the transition period, and who stood down during the year.

The Rt Revd Rob Wickham left his position as Bishop of Edmonton in June 2023, and the next Bishop of Edmonton will Chair the LDBS Board as part of their role. We are grateful to the Rt Hon and Rt Revd Dame Sarah Mullally DBE for allowing Bishop Rob to remain as Chair until his successor takes up their post in early 2024.

In the Autumn 2023 the Nominations Committee will seek applicants to fill the vacant trustee position and any others that arise. The two trustees whose term ends in December 2023 are both serving their first term and will be invited to apply to serve a second term, alongside any others who may be interested to join the board.

We are always keen to hear from people who may be interested in being a trustee or serving on a committee or working group.

## 4.2. 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.

## 4.3. Training and Induction of Trustees

Trustees were appointed on the basis of skills and experience and as a group they provide a tremendous depth and breadth of knowledge relevant to the work of LDBS, confirmed by a skills audit carried out at the time of appointment. LDBS will always welcome opportunities to strengthen the board further, and the overall skills balance will be considered in making future trustee appointments and committee co-options.

During 2022-23, trustees have undertaken a range of training and development activities as a group and/ or with LDBS staff:

- Staff and trustee anti-racism workshop
- A workshop on trustee fiduciary duties
- Staff and trustee communications workshop
- Every trustee has current safeguarding training

## 4.4. Volunteers

LDBS does not make direct use of volunteers in delivery of the core service.

## 4.5. Committee Overview

### 4.5.1. Education Committee

The Education Committee meets three times each year to determine and monitor educational policy, especially in relation to the religious education, collective worship and the Christian distinctiveness of Church schools.

**Members:** Alero Abbey (Vice Chair), Catherine Allard (Chair), Rev Matthew Knox, Rev Nicholas Pye, Victor Selvaraj, Zoe Vickerman

The City & Diocese Grants Fund Panel makes grants to 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. It meets three times each year and reports to the Education Committee.

**Members:** Catherine Allard (Chair), Rebecca Anson, Rev Matthew Knox, Rev Nicholas Pye, David Richards, Zoe Vickerman

#### 4.5.2. Governance Committee

The Governance Committee was established in January 2022 in recognition of the significant role that LDBS plays in developing the quality of governance in Church schools. The committee meets three times each year to determine and monitor governance policy.

Governance Committee members also serve on the Governor Appointment Panel. The Panel meets monthly to make LDBS appointments to governing bodies, trust boards, SACRE committees, LA scrutiny panels and other bodies to which the LDBS appoints.

**Members:** Paula Aitchison-Walker (Chair), Rev Stephen Coleman (Vice Chair), Lyn Meadows, Carla Muñoz Slaughter, David Richards

#### 4.5.3. Operations Committee

The Operations Committee was established in January 2022 and replaces the previous Finance and Executive Committee. It meets three times each year to determine policy and monitor financial, property and HR matters.

**Members:** Stephanie Ajayi (Chair), Richard Brown, Anthony David, Alen Ong (from May 2023) Michael Poulard (from May 2023), Rev William Rogers (Vice Chair), Rt Revd Rob Wickham

#### 4.5.4. Audit and Risk Committee

The Audit Committee provides an independent view of the Board's financial affairs, internal controls and risk management. It meets two or three times each year.

**Members:** Adrian Barrett (Vice Chair), Monica Duncan, Simon Judge (Chair), Elizabeth Marshall

#### 4.5.5. Standing Committee

The Committee Chairs, together with the Chair and Vice Chair of the Board, form a Standing Committee. Meetings of the Committee can be called to consider matters of an urgent nature which cannot wait for consideration by the Board, to ensure that decisions can be made in a timely manner. The Standing Committee has met regularly in 2022-23 to ensure that the Board is kept apprised of changes and to ensure that internal LDBS developments can take place in a timely way. Meetings, their business and any decisions taken, are reported back to the full Board at its next meeting.

#### 4.5.6. Nominations Committee

The Nominations Committee meets between July and November of any year in which a trustee vacancy is anticipated. The committee leads the recruitment process for new trustees and makes recommendations to the Bishop of London for her appointment. The committee did not meet in 2022. It will meet in 2023.

**Members:** Four LDBS Trustees (usually the committee chairs) and two representatives of the Diocesan Synod (the Chairs of the Houses of Laity and Clergy or their representatives).

#### 4.5.7. Grow Education Partners Ltd

The Grow board meets three times each year to review the activities of Grow Education Partners Ltd. Grow is a wholly-owned subsidiary of LDBS and the majority of directors are LDBS employees.

**Directors:** Andrew Garwood-Watkins (Chair), Adeola Olededejo, Helen Ridding, Penny Roberts (Vice Chair), Dee Thomas

#### 4.5.8. Working Groups

Trustees periodically establish task-and-finish groups to enable rapid progress on specific issues, or careful monitoring of specific projects. These groups have no delegated authority to make decisions; recommendations are reported to trustees for consideration.

In 2022 trustees set up a working group to develop and advise on strategy in relation to the academisation of Church schools in the diocese. Group membership included trustees, LDBS staff and co-opted Headteachers.

## 5. Public benefit

LDBS trustees 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. Some Church schools are Academies. Academies are charities in their own right and for most of these schools, the LDBS is a Member of the Academy Trust.

58,000+ children and young people are educated in these schools with pupils drawn from a wide variety of backgrounds and faiths. Church schools in London are diverse and inclusive places; for example, around 55% of pupils have a global majority backgrounds, 24% are registered as being entitled to free school meals and 2.9% have an Education Health Care Plan because of a special educational need or disability.

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. Our assessment is that schools where children are making the best progress in reading are those which have increased the support they buy from GROW. Where a school encounters difficulty or is vulnerable, the LDBS is proactive in supporting that school.

## 6. Relationships with other bodies

### 6.1. Related Parties

#### 6.1.1. Voluntary Aided and Voluntary Controlled Schools

Each voluntary aided school and voluntary controlled school has its own governing body with separate charitable status. LDBS appoints a minority of the governors to the governing body of any school and as such these schools are not related parties.

#### 6.1.2. Academies

For any Single or Multi-Academy Trust where LDBS is a Member, the LDBS is treated by ESFA as a related party. Services that can only be delivered by the diocese are deemed as meeting the 'at-cost' requirement and delivered through the Core Service. Trusts should seek prior approval from ESFA when the relevant financial thresholds are reached.

In 2022-23 LDBS provided in-kind benefits to the St Mary Magdalene Academy to the value of £238k through the use by the Academy of the former Clerkenwell buildings.

#### 6.1.3. The Diocese of London

The LDBS is an independent charity, but we share the 2030 Vision and work closely with the wider diocese.

The London Diocesan Fund (LDF) is the body corporate for the Diocese of London and as such is a related party to the LDBS. Some LDBS Trustees are employed by LDF or serve on the Bishop's Council, Diocesan Synod or another diocesan committee.

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 £538k (2022: £456k) with a cash element of £171k (2022: £117k).

## 6.2. Relationships with other stakeholders

The LDBS takes seriously its responsibility to co-operate with other bodies concerned with education in the Diocese of London and beyond, including communication, dialogue and/ or partnership with:

- Churches and Church of England office holders within the Diocese of London
- The Church of England Education Office including the SIAMS team
- The other Diocesan Boards of Education
- The Education teams in the 18 Boroughs in which there are Church schools in the London Diocese
- The main Unions representing school staff
- The Regional Directors' office of the DfE
- The other DfE teams responsible for regulation of the education sector
- Ofsted and other bodies responsible for school accountability

## 7. Policies

In 2022-23 LDBS has refreshed its policies fully. All staff and trustees have access to the full set of policies. The focus for 2023-24 is to embed the policies into our regular practice, and to make sure that they are effective.

Trustees have agreed a review schedule for all policies to ensure that they are each reviewed on a regular basis for content, effectiveness and compliance. Review dates are brought forward if there are changes to the statutory or advisory frameworks in which LDBS operates.

### 7.1. HR Policies including remuneration

This suite of policies was overhauled in 2021 and updated in 2022. LDBS employs staff on terms comparable to those working in schools; in particular, the national teachers' pay scale and the pay scales used in schools for support staff.

### 7.2. Safeguarding Policy

LDBS Trustees approved a new Safeguarding Policy in March 2022, having regard to the 2022 Guidance from the House of Bishop's *'Guidance for Diocesan Boards of Education: Identifying Safeguarding Serious Incidents and Reporting to the Charity Commission'*.

### 7.3. Finance Policies

#### 7.3.1. Reserves Policy

A refreshed Reserves Policy was approved by trustees in March 2023. Each year under the policy a lower and upper reserves threshold is set for unrestricted LDBS monies. For 2022-23 the agreed thresholds were £500,000 and £700,000. On 31 March 2023 the unrestricted reserve was £559k.

### 7.3.2. Investment Policy

A refreshed Investment Policy was approved by trustees in March 2023. The objective is to provide a stable, long-term income stream to LDBS to enable us to provide predictable and transparent levels of support to schools.

Approximately 90% of net capital resources are held in property and 10% in cash. At 31 March 2023, all properties were let. With investment properties valued every five years, total return for each year is not calculated.

There was a loss on pooled investment funds of 2.6% with income providing 4.2% and capital depreciation of 6.8% (2022: return of 12% with income providing 4.5% and capital appreciation 8.2%.)

## 8. Risks and challenges

### 8.1. Strategic and operational risks

The LDBS risk register lists the main operational risks faced by the organisation. It is a helpful management tool and the full list is reviewed annually by the Audit and Risk Committee. This enables the Committee to be assured that significant risks are appropriately identified and managed. It also enables the committee and LDBS leadership team to identify those areas where specific scrutiny activity would be beneficial for the ongoing development of the organisation. For example, last year a more detailed review of data protection was undertaken as an outcome of this process.

LDBS trustees identified seven overarching strategic risks for 2022-23:

- school sustainability
- school governor recruitment
- academisation
- post-covid recovery in schools
- internal LDBS structure and systems
- LDBS strategic direction, and
- unknown unknowns

Each risk is allocated either to the main board or to a committee, and they are monitored termly. Understanding and managing the consequences of the Living in Love and Faith process was added as an additional strategic risk in March 2023 for regular monitoring by trustees in 2023-24.

### 8.2. Compliance risks

A refreshed approach to policy setting, monitoring and compliance supports the management of compliance risks. There is a new policy for making grants from the City & Diocese Grants Fund Panel to ensure that grants are fully compliant with the terms of the trust.

The Audit and Risk Committee has provided detailed scrutiny over data protection issues as LDBS developed its practices in 2022-23. The focus for the Committee in 2023-24 is the development of the practices relating to contractor and consultant management. Ongoing monitoring ensures that new actions and processes are embedded after initial changes.

A refreshed safeguarding policy is now embedded, having been approved with due regard to the guidance of the House of Bishops.

### 8.3. Financial risks

#### 8.3.1. Funding and liquidity risks

For routine maintenance projects for school buildings, the Education and Skills Funding Agency provides School Condition Allocations (SCA) grant funding quarterly and Devolved Formula Capital (DFC) annually in May. As funding is received before payments are made to contractors, there is an active management of surplus balances. LDBS maintains adequate liquidity so as to be able to pay contractors in accordance with the terms of their building contracts should grant funding be delayed for some reason.

#### 8.3.2. 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. LDBS has benefited from taking out, in March 2006, an unsecured 30-year fixed rate £3m loan at 5.46% per annum. Interest payments are covered by rental income.

#### 8.3.3. 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.

### 8.4. Reputational risk

LDBS is always at risk of reputational damage because ultimately Church of England schools are responsible for their own decisions and actions. By monitoring the risks that schools face as well as the risks faced by LDBS we hope to intervene and support wherever possible to ensure that, for example, schools have good or better Ofsted and SIAMS outcomes. For 2023-24, LDBS has secured the services of communications specialists to ensure that an appropriate public response can be made if necessary.

### 8.5. LDBS Priorities

LDBS has an important role to play in supporting school governors and trustees to make wise decisions in relation to school organisation. Governors need to make decisions in the best interests of their individual school and its community. LDBS decisions need to be strategic and for the long-term good of the whole family of Church schools in London. It is in all of our interests to work together wherever possible to find creative ways forward in the face of the very real challenges of falling pupil rolls, school sustainability and structural reorganisation.

LDBS also has an important role to play in supporting every school and its linked parish or parishes so that authentic and distinctive ministry can flourish. Where this goes well, LDBS celebrates with schools and churches and shares best practice. Where difficulties arise, LDBS will seek to help all parties to navigate a way forward. This is especially important in the light of emerging differences arising from the Living in Love and Faith process.

Education is a sector that is politicised and reliant on regulation and policy set by government, so LDBS will always need to be alert for the 'unknown unknowns' that can mean that a rapid response is needed to new priorities.

LDBS has begun an important journey to revisit and overhaul systems and processes to ensure they are suitable for the challenges facing schools in 2023. This presents current risks but also opportunities and the aspiration that LDBS will be able to serve schools even more effectively in the future than in the past.

Internally, the change management process continues, and this will continue to be a priority in 2023-24. In areas where significant progress has been made, time is needed for new structures to become embedded and part of the LDBS culture; this is not taken for granted.

The need to support the whole network of schools to meet the challenges of school sustainability and covid recovery will also continue. LDBS aspires to sector leadership in supporting our large, successful family of schools to contribute to evidence-based decision making.

Further work will be required in 2023-24 to align our investment portfolio with our new investment policy, and to ensure that schools and LDBS properties are making pro-active progress towards Net Zero Carbon.

The LDBS Core Service has been reframed for 2023-24 to better reflect the strategic responsibilities held by LDBS and the unique role that LDBS plays in support of the whole network of Church schools as well as LDBS support for individual school development.

There are three strands to this approach:



### Advocacy

LDBS represents school concerns, promotes the interests of church schools and highlights the key difference they make to the education system.



### Collaboration

LDBS provides the network through which individual schools, partnerships, federations and trusts can work together to strengthen education.



### School Support

LDBS offers bespoke support to individual schools so that they can provide the best possible education for students.

In summary, LDBS recognises the risks and challenges faced by the Church schools that we serve and support. We also recognise the importance of being an outward-facing organisation and speaking into the wider context so as to advocate for and promote Church of England education in London.

## 9. 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.

## 10. 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.

## 11. Statement of Trustee responsibilities

LDBS Trustees are also Directors of London Diocesan Board for Schools for the purposes of company law. They are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. 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).

## 12. 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 Haysmacintyre LLP was passed at the Trustees' meeting held on 12 July 2023.

The Trustees' Annual Report (including the Strategic Report) was approved by the Board on 12 July 2023.

On behalf of the Board



**Rt Revd Rob Wickham**

Chair of LDBS Board

London Diocesan Board for Schools

Company number 00198131

Registered Office: 36 Causton Street, London SW1P 4AU

## **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 2023 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 the parent charitable company's affairs as at 31 March 2023 and of the group'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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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 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
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 24, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and the Charities Act 2011 and we considered the extent

to which noncompliance might have a material effect on the financial statements. We also considered other factors such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and concluded that the risk was low. Audit procedures performed by the engagement team included:

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

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



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

10 Queen Street Place  
London, EC4R 1AG

Date: 27 September 2023

**LONDON DIOCESAN BOARD FOR SCHOOLS**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Unrestricted Funds 2023 £000's	Restricted Funds 2023 £000's	Endowment Funds 2023 £000's	Total 2023 £000's	Total 2022 £000's
<b><u>Income from:</u></b>						
Donations and grants	3a	538	21	-	559	476
Charitable activities	3b	1,547	14,906	-	16,453	10,485
Other trading activities	4	972	-	-	972	1,117
Investments	3c	36	1,540	-	1,576	1,087
Other income		-	-	-	-	-
<b>Total</b>		<b>3,093</b>	<b>16,467</b>	<b>-</b>	<b>19,560</b>	<b>13,165</b>
<b><u>Expenditure on:</u></b>						
Raising funds and investment management	5a	-	(467)	-	(467)	(335)
Commercial trading operations	4	(577)	-	-	(577)	(703)
Charitable activities	5b	(3,012)	(10,895)	-	(13,907)	(12,223)
<b>Total</b>		<b>(3,589)</b>	<b>(11,362)</b>	<b>-</b>	<b>(14,951)</b>	<b>(13,261)</b>
Net gains/(losses) on investments		(3)	622	(42)	577	4,433
<b>Net income/(expenditure) before transfers</b>		<b>(499)</b>	<b>5,727</b>	<b>(42)</b>	<b>5,186</b>	<b>4,337</b>
Transfers between funds	7	499	(499)	-	-	-
<b>Net income</b>		<b>-</b>	<b>5,228</b>	<b>(42)</b>	<b>5,186</b>	<b>4,337</b>
<b>Other recognised gains</b>						
Change in fair value provision of debtors	11	-	-	-	-	91
<b>Net movement in funds</b>		<b>-</b>	<b>5,228</b>	<b>(42)</b>	<b>5,186</b>	<b>4,428</b>
<b>Reconciliation of Funds</b>						
Fund balances at the beginning of the year		559	41,582	1,371	43,512	39,084
Net movement in funds for year		-	5,228	(42)	5,186	4,428
<b>Fund balances at the end of the year</b>		<b>559</b>	<b>46,810</b>	<b>1,329</b>	<b>48,698</b>	<b>43,512</b>

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 34 to 45 form an integral part of these financial statements.

LONDON DIOCESAN BOARD FOR SCHOOLS

CONSOLIDATED BALANCE SHEET AT 31 MARCH 2023

	Notes	Unrestricted Funds 2023 £000's	Restricted Funds 2023 £000's	Endowment Funds 2023 £000's	Group 2023 £000's	Group 2022 £000's
<b>Fixed assets</b>						
Tangible fixed assets	8	9	-	-	9	16
Investments	9	-	41,567	1,329	42,896	42,340
		<b>9</b>	<b>41,567</b>	<b>1,329</b>	<b>42,905</b>	<b>42,356</b>
<b>Current assets</b>						
Finance lease receivable after more than one year	10	-	1,228	-	1,228	1,305
Finance lease receivable within one year	10	-	77	-	77	72
Trade and other debtors	11	81	453	-	534	327
Cash at bank and in hand		1,455	7,371	-	8,826	7,456
		<b>1,536</b>	<b>9,129</b>	<b>-</b>	<b>10,665</b>	<b>9,160</b>
<b>Liabilities</b>						
Creditors falling due within one year	12a	(986)	(2,043)	-	(3,029)	(6,037)
		<b>550</b>	<b>7,086</b>	<b>-</b>	<b>7,636</b>	<b>3,123</b>
<b>Net current assets</b>						
		<b>559</b>	<b>48,653</b>	<b>1,329</b>	<b>50,541</b>	<b>45,479</b>
<b>Total assets less current liabilities</b>						
Creditors falling due after more than one year	12b	-	(1,843)	-	(1,843)	(1,967)
		<b>559</b>	<b>46,810</b>	<b>1,329</b>	<b>48,698</b>	<b>43,512</b>
<b>Total assets</b>						
<b>Funds</b>						
Unrestricted		559	-	-	559	559
Expendable capital	15	-	46,810	-	46,810	41,582
Permanent capital	16b	-	-	1,329	1,329	1,371
<b>Total Funds</b>		<b>559</b>	<b>46,810</b>	<b>1,329</b>	<b>48,698</b>	<b>43,512</b>

These financial statements were approved and authorised for issue by the directors on 12 July 2023



Simon Judge, Director

12 July 2023



Rt Revd Rob Wickham, Director

The accompanying accounting policies and notes on pages 34 to 45 form an integral part of these financial statements.

LONDON DIOCESAN BOARD FOR SCHOOLS

CHARITABLE COMPANY BALANCE SHEET AT 31 MARCH 2023

	Notes	Unrestricted Funds 2023 £000's	Restricted Funds 2023 £000's	Endowment Funds 2023 £000's	Total 2023 £000's	Total 2022 £000's
<b>Fixed Assets</b>						
Tangible fixed assets	8	9	-	-	9	16
Investments	9	-	41,567	1,329	42,896	42,340
		<b>9</b>	<b>41,567</b>	<b>1,329</b>	<b>42,905</b>	<b>42,356</b>
<b>Current assets</b>						
Finance lease receivable after more than one year	10	-	1,228	-	1,228	1,305
Finance lease receivable within one year	10	-	77	-	77	72
Trade and other debtors	11	42	453	-	495	294
Cash at bank and in hand		1,277	7,371	-	8,648	7,251
		<b>1,319</b>	<b>9,129</b>	<b>-</b>	<b>10,448</b>	<b>8,922</b>
<b>Liabilities</b>						
<b>Creditors falling due within one year</b>	12a	(769)	(2,043)	-	(2,812)	(5,799)
<b>Net current assets</b>		<b>550</b>	<b>7,086</b>	<b>-</b>	<b>7,636</b>	<b>3,123</b>
<b>Total assets less current liabilities</b>		<b>559</b>	<b>48,653</b>	<b>1,329</b>	<b>50,541</b>	<b>45,479</b>
<b>Creditors falling due after more than one year</b>	12b	-	(1,843)	-	(1,843)	(1,967)
<b>Total assets</b>		<b>559</b>	<b>46,810</b>	<b>1,329</b>	<b>48,698</b>	<b>43,512</b>
<b>Funds</b>						
Reserves		559	-	-	559	559
Expendable capital	15	-	46,810	-	46,810	41,582
Permanent capital	16b	-	-	1,329	1,329	1,371
<b>Total Funds</b>		<b>559</b>	<b>46,810</b>	<b>1,329</b>	<b>48,698</b>	<b>43,512</b>

These financial statements were approved and authorised for issue by the directors on 12 July 2023



Simon Judge, Director

12 July 2023



Rt Revd Rob Wickham, Director

The accompanying accounting policies and notes on pages 34 to 45 form an integral part of these financial statements.

**LONDON DIOCESAN BOARD FOR SCHOOLS**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023**

	<b>Note</b>	<b>2023</b> <b>£000's</b>	<b>2022</b> <b>£000's</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	13	<b>(49)</b>	<i>(1,010)</i>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		1,576	1,087
Purchase of property, plant and equipment		(4)	(6)
Proceeds from sale of investments		-	24
<b>Net cash provided by investing activities</b>		<b><u>1,572</u></b>	<b><u>1,105</u></b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(119)	(113)
Interest paid		(106)	(111)
Finance lease repayments		72	70
<b>Net cash (used in) financing activities</b>		<b><u>(153)</u></b>	<b><u>(154)</u></b>
<b>Net increase in cash and cash equivalents</b>		<b>1,370</b>	<b>(59)</b>
Cash and cash equivalents at the beginning of the year		7,456	7,515
<b>Cash and cash equivalents at the end of the year</b>		<b><u>8,826</u></b>	<b><u>7,456</u></b>

The accompanying accounting policies and notes on pages 34 to 45 form an integral part of these financial statements.

## LONDON DIOCESAN BOARD FOR SCHOOLS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

	2023		2022	
	Unrestricted	Restricted	Unrestricted	Restricted
	£000's	£000's	£000's	£000's
Auditor's remuneration:				
- the statutory audit - LDBS	31	1	26	1
- the statutory audit - trading subsidiary	4	-	4	-
Depreciation on freehold and leasehold properties	-	24	-	24
Depreciation on fixtures, fittings and equipment	8	-	11	-

#### 3 INCOME FROM:

	2023		2022	
	Unrestricted	Restricted	Unrestricted	Restricted
	£000's	£000's	£000's	£000's
<b>(a) Donations and grants</b>				
Grant from London Diocesan Fund (see note 14)	538	-	456	-
Spelthorne Gymnastics	-	19	-	19
HMRC tax relief on gift aid donations	-	1	-	1
	<b>538</b>	<b>21</b>	<b>456</b>	<b>20</b>

#### (b) Charitable activities

Grants and contributions receivable from Education & Skills Funding Agency, Local Authorities and other public bodies	-	10,425	-	7,903
Sales, fees and subscriptions	1,497	909	1,315	925
Reimbursement from schools	50	2,192	220	122
	<b>1,547</b>	<b>14,906</b>	<b>1,535</b>	<b>8,950</b>

#### (c) Investments

Distributions from unlisted pooled investment funds	-	208	-	195
Rental income from investment properties	-	1,192	-	849
Interest on cash deposits	36	140	-	43
	<b>36</b>	<b>1,540</b>	<b>-</b>	<b>1,087</b>

#### 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.

	2023	2022
	£000's	£000's
Turnover	972	1,117
Cost of sales	(573)	(699)
Gross profit	399	418
Administrative expenses	(4)	(4)
Net profit	395	414
Gift aid to LDBS	(395)	(414)
Balance added to reserves	-	-

Aggregate total liabilities and aggregate total assets are both £236k (2022: £236k)

## LONDON DIOCESAN BOARD FOR SCHOOLS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### 5 EXPENDITURE ON:

			2023			2022	
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	
	£000's	£000's	£000's	£000's	£000's	£000's	
<b>(a) Raising funds and investment management</b>							
Investment property expenses	-	236	236	-	153	153	
Professional fees for investment and trust properties	-	123	123	-	71	71	
Bank loan interest	-	106	106	-	111	111	
	-	467	467	-	335	335	
<b>(b) Charitable activities</b>							
Grants to schools (see details in Note 5(c))	-	235	235	-	211	211	
Grants to individuals through the City & Diocese of London Voluntary Schools Fund (see Note 16)	-	24	24	-	30	30	
School building works and repairs	-	10,404	10,404	-	8,863	8,863	
Salaries, social security and pension costs (see note 6)	2,157	159	2,316	1,984	82	2,066	
PGCE SCITT course delivery costs	480	-	480	371	-	371	
Depreciation -investment assets	-	24	24	-	24	24	
Support costs: Depreciation -fixed assets	8	-	8	11	-	11	
Occupancy costs	300	-	300	295	-	295	
Audit fees	35	1	36	30	1	31	
Other costs	32	48	80	181	140	321	
	3,012	10,895	13,907	2,872	9,351	12,223	
<b>(c) Grants made to Schools</b>							
St Jude & St Paul's School, Mildmay Park	-	131	131	-	96	96	
Holy Trinity School, Dalston	-	82	82	-	77	77	
St John's School, Bethnal Green	-	15	15	-	31	31	
St George the Martyr School, Holborn	-	7	7	-	7	7	
	-	235	235	-	211	211	
<b>(d) Trustees' expenses</b>							

Travel expenses of £14 were reimbursed to one Trustee (2022: £54).

As permitted by LDBS's Articles and Memorandum of Association the resources expended by the charity include £36,590 (2022: £36,590) in respect of indemnity insurance for the trustees and officers.

	2023	2022
	£000's	£000's
<b>6 STAFF COSTS</b>		
Wages and salaries	1,707	1,797
Social security costs	211	211
Pension costs	388	389
	2,306	2,397

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	15	16
Primary trading and non statutory support	12	15
	27	31
Average number of employees	43	46

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	3	2
£80,001 - £ 90,000	2	6
£90,001 - £100,000	3	3
£100,001 and above	1	1

Aggregate employer pension contributions for the employees above were £176,000 (2022: £192,300), payable to defined benefit schemes, Church Workers Pension Fund for four (2022: four) employees and Teachers' Pension Scheme for seven (2022: nine) employees.

£282k of staff costs allocated to trading activities (2022: £411k) and £1,986k allocated to charitable activities (2022: £1,986k).

The total amount of employee benefits, including health insurance, received by LDBS staff was £454k (2022: £365k).

## LONDON DIOCESAN BOARD FOR SCHOOLS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### 7 TRANSFERS BETWEEN FUNDS

The Uniform Statutory Trust (Restricted Fund) made a grant to the Education Fund (Unrestricted) of £499k (2022:£450k).

#### 8 TANGIBLE FIXED ASSETS

Group and Charity	Fixtures, Fittings & Equipment			Total	
	1 April 2022	Additions	Disposals	31 March 2023	31 March 2022
	£000s	£000s	£000s	£000s	£000s
Cost	97	4	(6)	95	97
Depreciation	(81)	(8)	2	(86)	(81)
Net book value	<u>16</u>	<u>(4)</u>	<u>(3)</u>	<u>9</u>	<u>16</u>

#### 9(a) INVESTMENTS AT MARKET VALUE

	2023		Total	2022	
	Restricted Funds	Endowment Funds		Restricted Funds	Endowment Funds
	£000's	£000's	£000's	£000's	£000's
<b>Unlisted</b>					
Central Board of Finance of the Church of England (CBF)					
- Investment fund	1,088	587	1,675	1,128	608
- Property fund	614	88	702	729	104
- Global Equity Income fund	-	116	116	-	121
M&G Charifund	2,151	-	2,151	2,291	-
	<u>3,853</u>	<u>791</u>	<u>4,644</u>	<u>4,148</u>	<u>833</u>
<b>Freehold Properties</b>					
Moreton Street SW1	2,450	-	2,450	2,450	-
School House, Johns Mews WC1	2,420	-	2,420	2,420	-
Half Acre, Brentford TW8	1,070	-	1,070	1,070	-
Bishops Avenue SW6	11,600	-	11,600	11,600	-
Fulham High Street, SW6	3,400	-	3,400	3,400	-
West End Lane NW3	1,754	-	1,754	2,800	-
35 Treadgold Street, W11	436	-	436	581	-
Friern Barnet Scout Hut NW11	340	-	340	340	-
St Jude's School, King Henry's Walk N1	1,500	-	1,500	1,500	-
St Jude's Cottages, King Henry's Walk N1	926	-	926	926	-
St Matthias School, Bethnal Green (closed school)	4,024	-	4,024	4,024	-
Clerkenwell Parochial School, EC1	2,108	-	2,108	-	-
13/14 Archer Street W1	3,562	538	4,100	3,562	538
	<u>35,590</u>	<u>538</u>	<u>36,128</u>	<u>34,673</u>	<u>538</u>
<b>Leasehold Property</b>					
Long lease of land at Sunbury	90	-	90	90	-
Gymnasium at Sunbury	2,174	-	2,174	2,174	-
Less depreciation	(140)	-	(140)	(116)	-
	<u>2,124</u>	<u>-</u>	<u>2,124</u>	<u>2,148</u>	<u>-</u>
<b>Investments at Market Value</b>	<b>41,567</b>	<b>1,329</b>	<b>42,896</b>	<b>40,969</b>	<b>1,371</b>
	<u><u>41,567</u></u>	<u><u>1,329</u></u>	<u><u>42,896</u></u>	<u><u>40,969</u></u>	<u><u>1,371</u></u>

Clerkenwell Parochial School was valued by Dalton Warner Davis LLP, Chartered Surveyors on 29 March 2023. The former St Matthias School, Bethnal Green was valued by Dalton Warner Davis LLP, Chartered Surveyors on 31 March 2022. The other 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 Statutory Trust as security for inter-fund indebtedness. The amount outstanding at 31 March 2023 is £3.575m (2022: £3.575m).

**LONDON DIOCESAN BOARD FOR SCHOOLS**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

9(b) INVESTMENTS AT COST	2023		2022	
	Restricted Funds £000's	Endowment Funds £000's	Restricted Funds £000's	Endowment Funds £000's
<b>Unlisted</b>				
Central Board of Finance of the Church of England (CBF)				
- Investment fund	367	50	367	50
- Property fund	526	75	526	75
- Global Equity Income fund	-	53	-	53
M&G Charifund units	2,083	-	2,083	-
	<u>2,976</u>	<u>178</u>	<u>2,976</u>	<u>178</u>
<b>Property</b>	6,823	262	6,823	262
All investments are held in the United Kingdom.	<u>9,799</u>	<u>440</u>	<u>10,239</u>	<u>440</u>

**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	2023 £000's	2022 £000's
under one year	77	71
one to five years	321	310
later than five years	907	995
	<u>1,305</u>	<u>1,376</u>

11 TRADE AND OTHER DEBTORS	Group 2023 £000's	Charity 2023 £000's	Group 2022 £000's	Charity 2022 £000's
Outstanding claims				
- Department for Education & local authorities	6	6	6	6
Amounts due from schools	150	111	144	111
Trade debtors	375	375	173	173
Other debtors (comprise loans to employees)	3	3	4	4
	<u>534</u>	<u>495</u>	<u>327</u>	<u>294</u>

12 CREDITORS	Group 2023 £000's	Charity 2023 £000's	Group 2022 £000's	Charity 2022 £000's
12(a)- Amounts falling due within one year				
Trade creditors	547	526	1,818	1,802
Other creditors	24	24	19	19
Loan repayments	118	118	118	118
Accruals and deferred income	2,340	2,144	4,082	3,860
	<u>3,029</u>	<u>2,812</u>	<u>6,037</u>	<u>5,799</u>

Accruals and deferred income include amounts of £2.3m (2022: £4.1m) in respect of grants and contributions received in advance of related expenditure being incurred. £1.9m (2022: £2.2m) 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 2023

#### 12 CREDITORS continued

12(b)- Amounts falling due after one year	Group	Charity	Group	Charity
	2023	2023	2022	2022
	£000's	£000's	£000's	£000's
Loan repayments				
due within 1 to 2 years	129	129	124	124
due within 2 to 5 years	427	427	407	407
due thereafter	1,287	1,287	1,436	1,436
	<b>1,843</b>	<b>1,843</b>	<b>1,967</b>	<b>1,967</b>

- 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 to net cash flow from operating cash activities	2023	2022
	£000's	£000's
Net income for the year as per the Statement of Financial Activities	4,269	4,337
Depreciation charges	32	35
Losses/(Gains) on investments	340	(4,434)
Dividends, interest and rents from investments	(1,576)	(1,087)
Interest paid	106	111
(Increase)/ Decrease in debtors	(207)	670
(Decrease) in creditors	(3,013)	(642)
<b>Net cash (outflow) from operating activities</b>	<b>(49)</b>	<b>(1,010)</b>

#### 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 Ltd. 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 £367,000 (2022: £339,000).

The cash grant provided by The London Diocesan Fund during the year was £171,000 (2022: £117,064). In addition the Fund reimbursed LDBS £16,524 (2022: £11,886) and recharged expenses of £1,870,679 (2022: £2,039,000). The balance owed to London Diocesan Fund at 31 March 2023 was £nil (2022: nil).

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.

LDBS received £15,139 (2022: £10,486) from LDBS Academies Trust; Nil (2022: nil) was paid to the LDBS Academies Trust. In addition LDBS Academies Trust paid £54,246 (2022: £13,677) to Grow Education Partners Limited and received nil (2022: nil). LDBS Academies Trust 2 paid nil to Grow Education Partners Limited (2022: nil). No balances were outstanding at the year end.

Christ Church School NW3 sponsors the LDBS SCITT PGCE Course and receives grants for students from the Education and Skills Funding Agency and Student Loans Company. LDBS drew down £800,000 from this Account (2022: £580,000) to cover course running costs.

Clerkenwell Parochial School is leased to the Hive Educational Trust, of which the LDBS is a corporate member, for a peppercorn rent. No balances were outstanding at the year end.

**LONDON DIOCESAN BOARD FOR SCHOOLS**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

**15 RESTRICTED FUNDS**

	Balance 1 April 2022	Incoming Resources	Resources Expended	Transfers	Recognised gains/(losses)	Balance 31 March 2023
	£000's	£000's	£000's	£000's	£000's	£000's
Schools Building Maintenance Fund	729	909	(167)	(838)	-	633
Sole Trustee Funds -see note 16(a)	40,853	15,557	(11,195)	340	(295)	45,260
	<b>41,582</b>	<b>16,466</b>	<b>(11,362)</b>	<b>(498)</b>	<b>(295)</b>	<b>45,893</b>

	Balance 1 April 2021					Balance 31 March 2022
Schools Building Maintenance Fund	720	1,915	(151)	(1,755)	-	729
PGCE SCITT/School Direct Course	14	-	-	(14)	-	-
Sole Trustee Funds (see note 16)	36,486	8,141	(9,535)	1,306	608	40,853
	<b>37,220</b>	<b>10,056</b>	<b>(9,686)</b>	<b>(463)</b>	<b>608</b>	<b>41,582</b>

**16 SOLE TRUSTEE FUNDS**

**16(a) Restricted Funds**

	Balance 1 April 2022	Incoming Resources	Resources Expended	Transfers	Recognised gains/(losses) & fair value adjustments	Balance 31 March 2023
	£000's	£000's	£000's	£000's	£000's	£000's
Uniform Schools Trust	31,765	15,244	(10,928)	372	(281)	36,172
City & Diocese of London						
Voluntary Schools Fund	2,083	126	(115)	(29)	-	2,065
David Greig Trust 1949	-	3	-	(3)	-	-
Uxbridge Lecturer's Fund	4	-	-	-	-	4
St John's School, Bethnal Green	400	11	(14)	-	(14)	383
St Jude & St Paul Mildmay Park	2,591	114	(136)	-	-	2,569
St Matthias's School Bethnal Green	4,010	59	(2)	-	-	4,067
	<b>40,853</b>	<b>15,557</b>	<b>(11,195)</b>	<b>340</b>	<b>(295)</b>	<b>45,260</b>

	Balance 1 April 2021					Balance 31 March 2022
Uniform Schools Trust	31,383	7,880	(9,233)	1,337	398	31,765
City & Diocese of London						
Voluntary Schools Fund	2,120	112	(121)	(28)	-	2,083
David Greig Trust 1949	-	3	-	(3)	-	-
Uxbridge Lecturer's Fund	3	1	-	-	-	4
St John's School, Bethnal Green	388	11	(31)	-	32	400
St Jude & St Paul Mildmay Park	2,592	110	(111)	-	-	2,591
St Matthias's School Bethnal Green	-	24	(39)	-	4,025	4,010
	<b>36,486</b>	<b>8,141</b>	<b>(9,535)</b>	<b>1,306</b>	<b>4,455</b>	<b>40,853</b>

Transfers to/(from) Uniform Schools Trust comprise	2023	2022
Transfer of subscriptions from Schools Building Maintenance Fund	839	766
Transfer of devolved capital from Schools Building Maintenance Fund	-	989
Transfers from other sole trustee funds	32	32
Transfer from Uniform Schools Trust to unrestricted funds	(499)	(450)
	<b>372</b>	<b>1,337</b>

<b>16(b) Permanent endowment funds:</b>	Balance 1 April 2021	Recognised gains/(losses)	Balance 31 March 2022	Balance 1 April 2022	Recognised gains/(losses)	Balance 31 March 2023
	£000's	£000's	£000's	£000's	£000's	£000's
City & Diocese of London						
Voluntary Schools Fund	1,170	59	1,229	1,229	(37)	1,192
Uxbridge Lecturer's Fund	20	2	22	22	(1)	21
David Greig trust 1949	111	9	120	120	(4)	116
	<b>1,301</b>	<b>70</b>	<b>1,371</b>	<b>1,371</b>	<b>(42)</b>	<b>1,329</b>

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 9a).

## LONDON DIOCESAN BOARD FOR SCHOOLS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### 16 SOLE TRUSTEE FUNDS continued

##### Uniform Statutory 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).

##### 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 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

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.

##### Former St Matthias School, Bethnal Green closed in summer 2021

The land and buildings have been let to a provider of special needs education. The funds are held in trust until the DfE gives direction as to how the funds can be used for the benefit of other Church of England schools.

##### 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.

		2023	2022
	Investments at Market Value	£000's	£000's
The LDBS is custodian trustee for:			
Bartlett Legacy - St Saviours School, Poplar	CBF Investment Fund	3	3
St Paul's with St Michael's School, Haggerston	CBF Deposit Fund	2	2
Latymer & All Saints School, Edmonton	CBF Investment Fund	21	22
Latymer & All Saints School, Edmonton	CBF Deposit Fund	1	1
Holy Trinity School, Tottenham - Girls Green School Fund	COIF Charities Investment Fund	58	60
		<b>85</b>	<b>88</b>

#### 18 CONTINGENT LIABILITIES

At 31 March 2023 there were no contingent liabilities

#### 19 CAPITAL COMMITMENTS

At 31 March 2023 there were capital commitments of £nil (2022: 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.

## LONDON DIOCESAN BOARD FOR SCHOOLS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### 20 PENSIONS - Defined Benefit Scheme continued

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.

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 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Pool- the LDBS notional share was £172k. This increased the Employer contributions that would otherwise have been payable.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 35.2% of pensionable salary and expenses of £9,500 from 1 April 2022 (£9,500 from 1 April 2021). The contribution rate reduced to 30% on 1 January 2023. There are 15 active and 29 deferred members as at 31 March 2023.

The completed service section of the DBS (active and deferred members) for the LDBS sub-pool had a surplus of £483k at 31st December 2019.

10 employees (6 full time and 4 part-time) are members of the Teachers' Pension Scheme with the LDBS making a contribution of 23.68% (2022: 23.68%) of their salary.

**LONDON DIOCESAN BOARD FOR SCHOOLS**

**21 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022**

	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total £000's
<b>Income from:</b>				
Donations and grants	456	20	-	476
Charitable activities	1,535	8,950	-	10,485
Other trading activities	1,117	-	-	1,117
Investments	-	1,087	-	1,087
Other	-	-	-	-
<b>Total</b>	<b>3,108</b>	<b>10,057</b>	<b>-</b>	<b>13,165</b>
<b>Expenditure on:</b>				
Raising funds and investment management	-	(335)	-	(335)
Commercial trading operations	(703)	-	-	(703)
Charitable activities	(2,872)	(9,351)	-	(12,223)
<b>Total</b>	<b>(3,575)</b>	<b>(9,686)</b>	<b>-</b>	<b>(13,261)</b>
Net gains on investments	(1)	4,364	70	4,433
<b>Net income/(expenditure) before transfers</b>	<b>(468)</b>	<b>4,735</b>	<b>70</b>	<b>4,337</b>
Transfers between funds	464	(464)	-	-
<b>Net income</b>	<b>(4)</b>	<b>4,271</b>	<b>70</b>	<b>4,337</b>
<b>Other recognised gains</b>				
Change in fair value provision of debtors	-	91	-	91
<b>Net movement in funds</b>	<b>(4)</b>	<b>4,362</b>	<b>70</b>	<b>4,428</b>
<b>Reconciliation of Funds</b>				
Fund balances at the beginning of the year	563	37,220	1,301	39,084
Net movement in funds for year	(4)	4,362	70	4,428
<b>Fund balances at the end of the year</b>	<b>559</b>	<b>41,582</b>	<b>1,371</b>	<b>43,512</b>

# LONDON DIOCESAN BOARD FOR SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 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
St Matthias School, Bethnal Green (a closed school)	sole trustee

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

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 Statutory 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.

## LONDON DIOCESAN BOARD FOR SCHOOLS

### **(c) Other trading activities**

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. 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/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 are levied 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 2023 was 35.2% up to 31 December 2022 and 30% from 1 January 2023 (2022: 35.2%) of salary plus expenses of £7,125 to 31 December 2022 (2022: £9,500). The expenses are not charged from 1 January 2023.

Due to the nature of this scheme, 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.