

Leicester Diocesan Board of Education

Company Limited by Guarantee

Report and Financial Statements

For the year ended 31 August 2018

Company Registration Number 08432843

Charity Registration Number 1151692

Leicester Diocesan Board of Education

Company Limited by Guarantee
Report and Financial Statements

For the year ended 31 August 2018

INDEX	PAGE
Administrative Details	1 - 2
Trustees' Annual Report (incorporating the directors' report)	3 – 10
Trustees' Responsibilities Statement	11 – 12
Independent Auditor's Report	13 – 14
Statement of Financial Activities (including income and expenditure account)	15
Statement of Financial Position	16
Notes to the Report & Financial Statements	17 - 30

Leicester Diocesan Board of Education

Company Limited by Guarantee
Administrative Details

For the year ended 31 August 2018

Registered charity name Leicester Diocesan Board of Education

Charity registration number 1151692

Company registration number 08432843

Chairman Mr S Adshead

**Diocesan Director of
Education and Secretary of the
Board** Canon Carolyn Lewis

Treasurer Mr S Adshead

Trustees and members of the Leicester Diocesan Board of Education ("the Board")

No Trustees had any beneficial interest in the charity during the year. The following Trustees, unless otherwise stated served during the year and are still in office at the date of this report:

Ex officio

Rt Revd M Snow (Bishop of Leicester)
Ven R Worsfold (Archdeacon of Leicester) appointed 1 January 2019
Ven C Wood (Archdeacon of Loughborough) appointed 8 October 2017
Mr S Adshead (Chairman)
Canon C Lewis (Diocesan Director of Education & Secretary)
Ven Dr T Stratford (Archdeacon of Leicester) resigned 31 December 2018

Elected by Diocesan Synod	Mr S Adshead	Revd Canon P O'Reilly
	Mrs C Bampton	Revd P Watson
	Mr D Jones	Mrs E Wayne-Hawker

Appointments during period:	Mrs M Green (1 January 2019)	Revd J Hargreaves (1 January 2019)
	Revd D Cowie (1 January 2019)	Miss A Reddecliffe (1 January 2019)
	Revd Canon E Davies (14 February 2019)	Dr C Spencer (1 January 2019)
	Revd A Hall (1 January 2019)	Revd E Wilson (1 January 2019)

Resignations during period:	Mrs S Bracey	Mr D Keith
	Mr C Broadhurst	Mrs D Wright
	Revd Canon Dr P G Hooper	

Co-opted by the Board	Mr R Andrews	Mr S E Roddy
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Appointments during period:	Mr N J Bardsley (17 January 2019)	Mrs E Prokipczuc (17 January 2019)
	Mrs A Leadbeater (17 January 2019)	Mrs C Ward-Lewis (17 January 2019)
	Mrs A McKenzie (17 January 2019)	

Resignations during period:	Mrs A Dewes	Ven D Newman
	Mrs A C Harvey	Mr E J O'Connor

Bishop's nominees	Mr J Kerry	Revd R Woodall
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Resignation during period	Mrs S Longhill	
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Leicester Diocesan Board of Education

Company Limited by Guarantee
Administrative Details

For the year ended 31 August 2018

**Registered office & Charity
address**

St Martins House
7 Peacock Lane
Leicester
LE1 5PZ

Telephone

0116 261 5200

Auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
Regent House
80 Regent Road
Leicester
LE1 7NH

Solicitors

Lee Bolton Monier-Williams
1 The Sanctuary
London
SW1P 3JT

Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

Bankers

Barclays Bank plc
Dominus Way
Meridian Business Park
Leicester
LE19 1RP

Chartered surveyors

YMD Boon Limited
York House
Ferne Road
Market Harborough
Leicestershire
LE16 7PH

Land agents

Andrew Granger & Co Ltd
2 High Street
Loughborough
Leicestershire
LE11 2PY

Investment managers

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Insurance brokers

Towergate Risk Solutions (Towergate Underwriting Group Limited)
Towergate House
Eclipse Park
Maidstone
Kent
ME14 3EN

Leicester Diocesan Board of Education

Company Limited by Guarantee
Trustees' Annual Report

For the year ended 31 August 2018

The Trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 August 2018.

Vision and strategy

The Board's vision and strategy is derived from our key partners, our Bishop and the wider Diocese, the Church of England's Vision for Education and the Board's own evaluation of the needs of our Church school family.

The *Diocesan Purpose* is driven from our Christian Vision: The Kingdom of God. We seek to support one another across our Diocesan family to consider how we are 'Shaped by God' and how our daily lives reflect ten marks of mission. This then extends to asking ourselves three key questions about how we are deepening discipleship, growing the number of disciples and offering loving service of the world.

The *Church of England's Education Office* has published its vision for Education, 'Deeply Christian, Serving the Common Good'. This vision, for all of education and not simply Church schools, embraces the spiritual, physical, intellectual, emotional, moral and social development of children and young people. The Church of England, as a whole, seeks a vision of human flourishing for all, one that embraces excellence and academic rigour, but sets them in a wider framework. This is worked out theologically and educationally through four basic elements which permeates the vision:

- Wisdom
- Hope
- Community
- Dignity

The vision, in line with the Church of England's role as the established Church, is for the common good of the whole human community and its environment, whether national, regional or local. It is hospitable to diversity, respects freedom of religion and belief, and encourages others to contribute from the depths of their own traditions and understandings.

The Board believes that it makes its own, unique and distinct, contribution to the work of the wider diocesan purpose and the national Church. First of all, we recognise that we predominantly serve our family of Church schools and we aspire for them to contribute positively and effectively to the 'healthily plural educational system' by offering a distinctively Christian ethos. This, of course, must be delivered alongside academic rigour and excellence.

The Board also believe that our schools can and many already do, echo the marks of mission seen in 'Shaped by God.' Our schools can be places of transformation, inspiration, celebration and welcome.

The DBE's vision has captured the hearts and minds of many within our Church school family. There is some way to go and we believe that it is important to be consistent and steadfast in our work. We invite all schools to consider how their work reflects this vision and how they can play their part in the diocese and national network.

Leicester Diocesan Board of Education

Company Limited by Guarantee
Trustees' Annual Report

For the year ended 31 August 2018

The Vision of the Board is:

'Transforming the lives of children and young people'

Effective: As a result of **visionary leadership** and **inspirational teaching**, children and young people in the Diocese of Leicester achieve **excellence**. They are **well-rounded** and **confident** with a strong sense of **self-worth**. As **learners transformed**, they in turn transform their communities.

Distinctive: **Unequivocally Christ-like**, our schools offer children and young people the opportunity to hear the Christian response to **life's big questions**. **Christian Worship is invitational**, offering the whole school community an opportunity for **renewal** and to **encounter the person of Jesus Christ**. **Religious Education is exemplary**, enabling a genuine understanding of the role of **faith and belief in modern society**.

Rooted: Our schools are rooted in **prayer, partnership with parish** and wider community and the **teachings of Jesus Christ**. Children and young people receive **excellent Religious Education** equipping them with a **firm knowledge** of the **Christian faith** and **other key faiths**.

Inclusive: Like Jesus himself, our schools are **'scandalously inclusive'**. Children and families from **all faiths and none** are **welcomed, respected and cherished**. **Serving the community** in which they are placed, our schools exemplify, **'love your neighbour'**.

Objectives and activities

The Board's objectives are the same as its statutory functions determined by the Diocesan Boards of Education Measure 1991 ("the measure"). They are as follows:

- To promote or assist in the promotion of education in the Diocese, being education which is consistent with the faith and practice of the Church of England;
- To promote or assist in the promotion of religious education and religious worship in schools within the Diocese;
- To promote or assist in the promotion of church schools in the Diocese and to advise the governors of such schools and trustees of church educational endowments and any other body or person concerned on any matter affecting church schools in the Diocese;
- To promote cooperation between the Board and bodies or persons concerned in any respect with education in the Diocese;
- The functions assigned to the Board by the measure; and
- Such other functions not contrary to the measure as are assigned to the Board by the Diocesan Synod, other than functions relating to church schools or church educational endowments.

The Board's principal objective during the year was the promotion of lifelong learning throughout the Diocese, effect being given to the belief that all true education must be based on Christian principles, and the promotion and stimulation of religious education according to the doctrines of the Church of England.

To achieve this the Board appoints staff to support the work of the church schools and the development of the ministry of ordained and lay people.

An additional aim of the Board's work is to promote and facilitate building work in Church of England schools within the Diocese. Creating and maintaining high quality learning environments has clear public benefit.

Leicester Diocesan Board of Education

Company Limited by Guarantee
Trustees' Annual Report

For the year ended 31 August 2018

The Board operates a system which enables schools to have their Devolved Formula Capital Grant money lodged with the Board pending work being carried out. No charge is levied for administration purposes and interest received on these funds is re-invested for the purposes previously described.

The Board invests the majority of its funds through CCLA Investment Management who are accountable for investment performance. An element of the Board's funds need to be kept liquid because of its role in 'bridging' building projects in schools between payment of invoices to contractors and the receipt of grant funding.

The principal beneficiaries of the charity's services are the children and young people attending the 97 Church of England schools and academies in the Diocese. Wider than this, the Board also aims to promote and assist in the promotion of education consistent with the faith and practice of the Church of England

Achievements and performance

	Total	Primary	National	Secondary	National
Outstanding	15/97	15/93	19%	0/4	23%
	16%	16%		0%	
Good	68/97	65/93	72%	3/4	56%
	70%	70%		75%	
Requires Improvement	12/97	12/93	8%	0/4	15%
	12%	13%		0%	
Inadequate	2/97	1/93	1%	1/4	6%
	2%	1%		25%	
SIAMS		Outstanding	Good	Satisfactory	Inadequate
Primary		45	45	3	0
Secondary		1	3	0	0

During the financial year, the Board aimed to provide and support work amongst children and young people in church contexts by providing professional, pastoral and theological support. The principal public benefit of this work is the support offered by the Board for the provision of worthwhile organised activities for children and young people.

The Board continued to support this work through;

- Regular meetings for head teachers of church schools
- The support of denominational inspections and the training of inspectors
- Giving advice and support to governing bodies
- Managing the admission appeals on behalf of schools
- Advice and training on religious education and collective worship
- Advice and training on school effectiveness
- Development and oversight of building projects
- Supporting governing bodies in the appointment of head teachers

Leicester Diocesan Board of Education

Company Limited by Guarantee
Trustees' Annual Report

For the year ended 31 August 2018

Achievements and performance

- Providing head teachers with pastoral and professional support
- Organising conferences for head teachers and parochial clergy and lay leaders
- The appointment, support and training of foundation governors. This training has been broadened to include school effectiveness as well as distinctiveness and inclusiveness
- Offering legal advice for trustees, governing bodies and head teachers
- Liaison with officers of national and local bodies, including Teaching School Alliances, Multi Academy Trusts, Local Authorities, Department for Education, Regional Schools Commissioner and Ofsted
- Representation on those committees of Leicestershire County and City councils, which deal with education issues

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and setting the grant making policy for the period.

In light of the changing educational environment, there is an expectation that the Board become increasingly responsible for the quality of provision within their schools.

Structure, governance and management

Trustees

Recruitment and Appointment

Trustees are appointed under the categories shown in the Reference and Administrative information provided in this report.

Induction and training

At the first meeting of a new triennium the Board's role and function is explained. All members receive a copy of all the terms of reference for the sub-committees.

At the first meeting of each sub-committee the terms of reference are discussed and the sub-committee's remit clarified.

During triennium the Board has a variety of on-going opportunities to discuss the strategic plan for the coming three years.

Organisational and decision-making structure

The Board is part of the Synodical structure of the Church of England and is responsible to and reports to the Synod of the Diocese of Leicester.

The Board operates through its meeting and those of the various sub-committees. The Board makes all major decisions, including those relating to financial matters.

Sub-committees scrutinise issues and make recommendations to the Board. Sub-committees have certain delegated powers under their Terms of Reference.

Leicester Diocesan Board of Education

Company Limited by Guarantee
Trustees' Annual Report

For the year ended 31 August 2018

The Board is governed by the certificate of incorporation in accordance with the Companies Act 1985 to 2006 and the Charities Act 1992 to 2011.

The Board adopted and continue to operate within the core objectives and remit of the Board and had the following sub-committees in the period to 31 August 2018:

Church Schools Business & Finance Committee. The principal responsibilities of this sub-committee are formulating and overseeing a coherent strategy for existing and future school provision across the Diocese and to monitor local and national developments that impact upon the strategy. Also monitoring and managing all financial and property matters appertaining to the Board including maintenance and repair of voluntary aided schools in the Diocese, management of the Board's trustee responsibilities and investments and scrutiny of the Board's financial position and risk management policy and procedures.

Supporting Church Schools Committee. This sub-committee is responsible for formulating and overseeing a coherent strategy for existing and future church school provision across the Diocese in respect of their effectiveness, distinctiveness and inclusivity. Also, to provide support and training services to schools, governors and teachers, to provide guidance on policy and curriculum issues, respond to resolutions from General Synod in relation to church schools and promote and pursue partnerships with Local Authorities. The committee oversees the appointment of Foundation Governors and is responsible for the management of SIAMS (Statutory Inspection of Anglican and Methodist Schools). The committee oversees the Board's Admissions guidance and its support for schools in these matters.

Strategic Group. This sub-committee works with the Director on all matters of strategy and monitors the Board's progress towards its vision. The committee regularly reviews the development and growth of Multi Academy Trusts.

Related parties

Through the Synodical structure the Board is related to the Leicester Diocesan Board of Finance from whom it receives grant support, details of which are shown at note 5(i) to the financial statements.

Risk management

The Trustees are required, under the Charities SORP 2015, to confirm as part of the Trustees' report that they have reviewed and taken steps to mitigate the major risks to which the Board is exposed. The following are assessed by the Board as major risks:

Our church schools fail to maintain good or outstanding educational provision through ineffective governance, failure to recruit a head teacher or inadequate monitoring:

Actions:

- Monitor and support our schools, maintaining communication and ensuring regular updates.
- Meet regularly with key strategic partners such as Local Authorities and the Regional Schools Commissioner.
- Through the partnership agreement, and delivery of courses to our schools we ensure schools are up to date with educational changes and continue professional development.
- Seek to support governors when recruiting a Head teacher.
- Attendance at conferences and courses to maintain relations, support and listen to schools.

Leicester Diocesan Board of Education

Company Limited by Guarantee
Trustees' Annual Report

For the year ended 31 August 2018

DBE appears remote to headteachers, governors and clergy resulting in a lack of engagement at critical times, e.g. HT recruitment, financial challenges:

- Actions:
- Build relationships with schools through visits, social media interactions, pastoral care and training events.
 - Ensure the Partnership Agreement is attractive to schools and adds value to their work.
 - Target schools with communication projects that showcase their work.
 - Strengthen engagement with Foundation Governors through communication and training.
 - Build on positive relationships with clergy through involvement in key diocesan events and partnership with Mission & Ministry.

Investments do not generate acceptable yields to enable the Board to continue to deliver their objectives and statutory functions:

- Actions:
- The Board regularly review their portfolio and maintain communication with the DBF who support and assist with portfolio review and management.

The responsibilities of the Trustees cover the identification and assessment of risks, taking appropriate steps to mitigate those highlighted as major risks to the Board and an annual review of risk so as to ensure that the measures taken are adequate.

Modern Slavery Statement

The Board and the Charitable Foundations for which we are Trustee, are strongly opposed to slavery and human trafficking. We strive to act ethically and with integrity in all our business dealings and relationships to ensure that slavery and human trafficking is not taking place within our organisation or our supply chains.

Financial review

In financial terms during 2018 the Board planned to:

- ensure that expenditure from general reserves did not exceed income before any realised or unrealised gains or losses on investments, for the period
- ensure that expenditure from s554 funds did not exceed those funds' income, before capital receipts and any realised or unrealised gains or losses on investments, for the period.

The principal funding sources for the charity are currently by way of grants from the Diocese of Leicester Board of Finance and investment income.

In the year the Board:

- made a surplus before any realised or unrealised gains or losses on investments on its general fund of £77,719 (2017: deficit £40,137).
- made a deficit on its s554 funds before any realised or unrealised gains or losses on investments of £105,561 (2017: surplus £100,832).

Although the general fund records a deficit for the year, the Board has during this time, restructured its operations and incurred costs in respect of preparing to market a property asset. The structural budget position demonstrates a surplus position for future years and trustees scrutinise assets routinely to secure the most effective returns. In addition, the Diocesan Board of Finance continues to support the statutory work of the Board of Education through grant funding.

The Board has reviewed all available information, taking account of the current position and principal risks and have a reasonable expectation that the charity will be able to continue in operation and meet its liabilities as they fall due.

Leicester Diocesan Board of Education

Company Limited by Guarantee
Trustees' Annual Report

For the year ended 31 August 2018

Overall financial performance

The overall financial performance in 2018 may be summarised as follows:

	£	2018	£	£	2017	£
General funds						
Income and endowments		225,627			210,848	
Less: expenditure		<u>(147,908)</u>			<u>(250,985)</u>	
			77,719			(40,137)
Endowment funds						
Income and endowments excluding capital receipts		164,454			177,321	
Less: expenditure including transfers		<u>(270,015)</u>			<u>(76,489)</u>	
			<u>(105,561)</u>			<u>100,832</u>
			27,842			60,695
Other movement						
DLES transfer of trade and assets			-			(46,248)
Movements in capital funds						
Gains and losses on revaluation of investment property		(725,000)			-	
Gains and losses on revaluation of share portfolio		110,623			134,153	
Net movement in funds during the period as shown on the SOFA		<u>(642,219)</u>			<u>148,600</u>	

Reserves

The reserves of the Board comprise those which may be expended for the normal objectives of the Board and those arising from Educational Foundations within the trusteeship of the Board (the Consolidated Fund), which may only be expended for specific purposes as shown in note 18 on pages 29 and 30.

As at 31 August 2018 the reserves are £3,474,269 (2017: £4,116,489) as shown in the Statement of Financial Position on page 16.

Investment policy

The investments of the Board are represented by:

- properties held under trusts
- investments in the CBF Investment and Property funds managed by CCLA Investment Management Limited.

The movements in the Board's investments are shown at note 12 to these financial statements.

In the light of the market conditions prevalent during the period the Trustees consider the performance of the Board's investments to be satisfactory.

It is the policy of the Board to adhere to the ethical investment guidelines issued by the Church of England.

Grant making policies

During the period the Board made grants to the governors of aided schools in relation to the Department for Education (DfE) scheme. Details of the grants made may be found in note 6 on page 23 of these financial statements.

Funds held as custodian trustee

The Board acts as custodian trustee for a number of small religious education funds.

Leicester Diocesan Board of Education

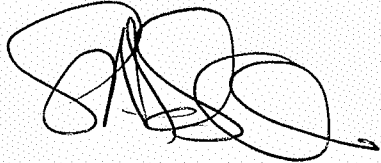
Company Limited by Guarantee
Trustees' Annual Report

For the year ended 31 August 2018

The assets of these funds consist of either cash deposits or shares in the CBF Investment Fund. All such assets are held in accounts separate from those of the Board.

The total value of the assets held as custodian trustee is £105,137 (2017: £101,548).

The trustees report was approved by the Board of Trustees on 9 May 2019 and signed behalf of the board of trustees by:

A handwritten signature in black ink, appearing to be 'S Adshead', written over a horizontal line.

Mr S Adshead, Chairman

Leicester Diocesan Board of Education

Company Limited by Guarantee
Trustees' Responsibilities Statement

For the year ended 31 August 2018

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year. The Trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland. The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure of the charity for that year.

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 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Appointment of auditors

The trustees confirm that

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The re-appointment of Grant Thornton UK LLP as auditors to the Board will be proposed at the Annual General Meeting.

Leicester Diocesan Board of Education

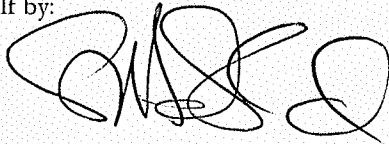
Company Limited by Guarantee
Trustees' Responsibilities Statement

For the year ended 31 August 2018

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The trust approved by order of the members of the board of trustees on 9 May 2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'S Adshead', written over a horizontal line.

Mr S Adshead, Chairman

Leicester Diocesan Board of Education

Company Limited by Guarantee
Independent Auditor's Report

For the year ended 31 August 2018

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; 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, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Frostwick
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leicester

Date: 10 May 2019

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Leicester Diocesan Board of Education

Company Limited by Guarantee
Independent Auditor's Report

For the year ended 31 August 2018

Opinion

We have audited the financial statements of Leicester Diocesan Board of Education ('the charitable company') for the year ended 31 August 2018 which comprise the Statement of Financial Activities (which include the Income and Expenditure Account), the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its 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

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under that Act. 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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, set out on pages 3 to 10 other than the financial statements and our auditor's report thereon. 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.

Leicester Diocesan Board of Education

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

For the year ended 31 August 2018

	Note	Unrestricted funds £	Endowment funds £	Total 2018 £	Total 2017 £
Income and endowments					
Donations and legacies	5(i)	188,586	-	188,586	233,819
Charitable activities	5(ii)	22,431	63,215	85,646	45,078
Other trading activities	5(iii)	-	44,018	44,018	37,368
Investment income	5(iv)	14,610	57,221	71,831	71,904
Total income		225,627	164,454	390,081	388,169
Expenditure					
Expenditure on raising funds:					
Cost of raising donations and legacies	6(i)	-	16,013	16,013	15,560
Cost of other trading activities	6(ii)	-	2,492	2,492	4,663
Expenditure on charitable activities	6(iii)	197,119	202,299	399,418	307,251
Total expenditure		197,119	220,804	417,923	327,474
Net income /(expense)		28,508	(56,350)	(27,842)	60,695
Transfers between funds	17	49,211	(49,211)	-	-
Net income/(expense)		77,719	(105,561)	(27,842)	60,695
Transfer of deficit from related party	16	-	-	-	(46,248)
Unrealised gains/(losses) in year on:					
Land and property		(768,000)	43,000	(725,000)	-
Unlisted investments		20,387	90,235	110,622	134,153
Net movement in funds		(669,894)	27,674	(642,220)	148,600
Reconciliation of funds					
Total funds brought forward		647,466	3,469,023	4,116,489	3,967,889
Total funds carried forward	18	(22,428)	3,496,697	3,474,269	4,116,489

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure of the charity are derived from continuing activities.

The accompanying accounting policies and notes form an integral part of these financial statements.

Leicester Diocesan Board of Education

Company Limited by Guarantee
Statement of Financial Position

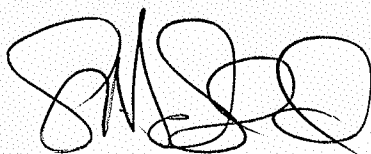
For the year ended 31 August 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible fixed assets	11	36,130		45,210	
Property investments	12	760,000		1,485,000	
Other investments	12	1,846,181		1,735,362	
			2,642,311		3,265,572
Current assets					
Debtors	13	840,272		529,191	
Deposits		117,121		553,928	
Cash at bank		174,835		226,577	
		1,132,228		1,309,696	
Creditors: amounts falling due within one year					
Creditors	14	161,985		222,811	
DFC Funds held for schools	15	138,285		235,968	
		300,270		458,779	
Net current assets			831,958		850,917
Net assets			3,474,269		4,116,489
Funds of the charity					
Unrestricted funds	18	(22,428)		647,466	
Endowment funds	18	3,496,697		3,469,023	
Total charity funds	18		3,474,269		4,116,489

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of Trustees and authorised for issue on 9 May 2019 and were signed on its behalf of the board by:

Mr S Adshead
Chairman



The accompanying accounting policies and notes form an integral part of these financial statements.

Leicester Diocesan Board of Education

Company Limited by Guarantee
Notes to the Report and Financial Statements

For the year ended 31 August 2018

1 General Information

The Charitable Company is a private company limited by guarantee without share capital, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is St Martins House, 7 Peacock Lane, Leicester, LE1 5PZ.

2 Statement of compliance

The financial statements have been prepared in accordance with FRS 102, 'the Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), (Charities SORP (FRS 102)) and the Charities Act 2011.

3 Accounting policies

The principal accounting policies are as follows:

Basis of preparation

The financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of investment properties and fixed asset investments which are measured at their market value through income or expenditure.

The financial statements are prepared in sterling which is the functional currency of the entity.

Going concern policy

The trustees regularly assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

The trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Academy group accounts policy

On 1 April 2013 two trusts (The Diocese of Leicester Educational Trust and the Diocese of Leicester Academies Trust) and an additional company (Diocese of Leicester Educational Services Ltd) were transferred to the Board from the Leicester Diocesan Board of Education Trustees. The two trusts and another company were set up under the government initiative for school academies to ensure the religious character of the school is protected. The Board's policy is for non-consolidation of either of the academy trusts or the Company into the Board accounts as it can demonstrate no parent/subsidiary relationship exists.

The policy is reviewed annually to ensure compliance with the national guidance and any developments in the relationship between the Board and the Trusts.

Cash flow statement

The trustees have taken advantage of the exemption in FRS 102 and SORP 2015 from including a cash flow statement in the financial statements on the grounds that the charity qualifies as a small charity under the standard.

Leicester Diocesan Board of Education

Company Limited by Guarantee
Notes to the Report and Financial Statements

For the year ended 31 August 2018

3 Accounting policies (continuing)

Fund accounting

Fund balances are split between unrestricted and endowment (restricted) funds:

- the general fund is an unrestricted fund, which may be used at the Trustees' discretion;
- the endowment (restricted) fund consists of funds where there are imposed restrictions on its use.

Income

Donations and legacies

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided there are no donor-imposed restrictions as to the timing of any related expenditure, in which case recognition is deferred until the pre-condition is met.

Revenue grants included in donations and legacies are credited as income when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Charitable activities

Income from charitable activities relate to appeal costs, conference and course income and are accounted for when payment is received.

Expenditure

All expenditure is included in the financial statements on an accruals basis. Expenditure includes any VAT which cannot be fully recovered and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising donations and legacies
- expenditure on charitable activities includes all costs incurred by a charity in undertaking their charitable activities, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- cost of other trading activities include expenditure that relates to the delivery of courses to schools.

Expenditure is allocated to those cost categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Support costs are apportioned between the activities on a reasonable and consistent basis.

Grants payable

Grants to schools are charged to expenditure as they are incurred.

Leicester Diocesan Board of Education

Company Limited by Guarantee
Notes to the Report and Financial Statements

For the year ended 31 August 2018

3 Accounting policies (continuing)

Tangible fixed assets and depreciation

Fixed assets (excluding investments) are stated at cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight line basis over their expected useful life, as follows:

Office equipment	- 10 years
Computer equipment	- 3 years

Property Investments

Property investments are held at open market value based upon external property valuations.

Investments

Investments are shown at market value at the date of the statement of financial position and any gain or loss taken to the Statement of Financial Activities. Investments held by the Board as custodian trustee are not included in these financial statements.

Realised gains or losses on investments are recognised when investments are sold. Unrealised gains or losses are accounted for on the revaluation of investments.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described above, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Management do not deem there to be any key sources of estimation uncertainty. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Investment properties

The critical judgement that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements is the valuation of the investment properties. These are valued by the trustees using guidance from an independent professional valuer. Investment properties are measured at each year end at their open market value.

4 Pension costs

Four employees of the Board participate in pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Board and the other participating employers. This is the Church Workers Pension Fund. The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

Leicester Diocesan Board of Education

Company Limited by Guarantee

Notes to the Report and Financial Statements

For the year ended 31 August 2018

These schemes are multi-employer last man standing defined benefit pension schemes for which the Board is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme.

Church Workers Pension Fund – Pension Builder Scheme

The Board participates in the Pension Builder Scheme section of the Church Workers Pension Fund 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 Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Leicester Diocesan Board of Education

Company Limited by Guarantee
Notes to the Report and Financial Statements

For the year ended 31 August 2018

4 Pension costs (continuing)

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement.

Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' normal pension age.

There is no subdivision of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme, this means it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the scheme were a defined contribution scheme. The pension costs charged to the SoFA in the year represent contributions payable.

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2013. This revealed, on the ongoing assumptions used, a surplus of £0.5m. There is no requirement for deficit payments at the current time.

Pension Builder 2014 will be valued in relation to the lump sum payable to members at normal pension age. There are no annual pension benefits. Pension Builder 2014 commenced in February 2014 so the first full valuation of that section will be carried out at the next Church Workers Pension Fund valuation date, 31 December 2016.

The Board contributes 10% of basic salary. There is no minimum contribution for employees. The pension costs for the period of £12,905 (2017: £14,156) are equal to the contributions paid by the Board and there were no contributions outstanding at the period end.

Teachers' Pension Scheme

The remaining employee currently participates in the Teachers' Pension Scheme.

The Diocesan Director of Education is a member of the Teachers' Pension Scheme (England & Wales). The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Regulations (2010).

The Teachers' Pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases).

From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

4 Pension costs (continuing)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%));
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Board has set out above the information available on the scheme.

The pension costs for the period of £11,350 (2017: £11,159) are equal to the contributions paid by the Board.

Leicester Diocesan Board of Education

Company Limited by Guarantee
Notes to the Report and Financial Statements

For the year ended 31 August 2018

5 Incoming and endowments

(i) Donations and legacies

	Unrestricted funds £	Endowment funds £	Total 2018 £	Total 2017 £
Grant from Leicester DBF	188,586	-	188,586	233,819
	<u>188,586</u>	<u>-</u>	<u>188,586</u>	<u>233,819</u>

(ii) Charitable activities

	Unrestricted funds £	Endowment funds £	Total 2018 £	Total 2017 £
Admission appeal costs	-	1,917	1,917	2,085
Partnership Agreement & Courses	-	58,145	58,145	-
Other income	22,431	3,153	25,584	42,993
	<u>22,431</u>	<u>63,215</u>	<u>85,646</u>	<u>45,078</u>

(iii) Other trading activities

	Unrestricted funds £	Endowment funds £	Total 2018 £	Total 2017 £
Rents received	-	44,018	44,018	37,368
	<u>-</u>	<u>44,018</u>	<u>44,018</u>	<u>37,368</u>

(iv) Investment income

	Unrestricted funds £	Endowment funds £	Total 2018 £	Total 2017 £
Other interest	348	-	348	40
Investment income	13,763	56,211	69,974	69,147
Deposit interest	499	1,010	1,509	2,717
	<u>14,610</u>	<u>57,221</u>	<u>71,831</u>	<u>71,904</u>

Leicester Diocesan Board of Education

Company Limited by Guarantee
Notes to the Report and Financial Statements

For the year ended 31 August 2018

6 Resources expended

(i) Cost of raising donations and legacies

	Unrestricted funds £	Endowment funds £	Total 2018 £	Total 2017 £
Rent costs	-	6,236	6,236	4,643
Baxter Hall costs	-	9,777	9,777	10,917
	-	16,013	16,013	15,560

(ii) Cost of other trading activities

	Unrestricted funds £	Endowment funds £	Total 2018 £	Total 2017 £
Course costs	-	2,492	2,492	4,663
	-	2,492	2,492	4,663

(iii) Expenditure on charitable activities

	Unrestricted funds £	Endowment funds £	Total 2018 £	Total 2017 £
Grants				
Advice to and work with schools	98,045	116,777	214,822	236,291
Governance costs	64,460	-	64,460	48,621
Support costs	34,614	85,522	120,136	22,339
	197,119	202,299	399,418	307,251

In addition, there are grants made to School Governors of aided schools in respect of repairs and improvements. These amounts are fully recoverable from the DfE, School Governors and other third parties. In 2018, these figures were £466,643 and £466,643 respectively (2017: £654,531 and £654,531 respectively).

Governance

	Unrestricted funds £	Endowment funds £	Total 2018 £	Total 2017 £
Audit fee	9,750	-	9,750	11,000
Other statutory costs	30,673	-	30,673	26,860
Support costs	24,037	-	24,037	10,761
	64,460	-	64,460	48,621

Leicester Diocesan Board of Education

Company Limited by Guarantee
Notes to the Report and Financial Statements

For the year ended 31 August 2018

7 Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total 2018 £	Total 2017 £
Cost of raising donations and legacies	16,013	-	16,013	15,560
Charitable expenditure	214,822	120,136	334,958	258,630
Cost of other trading activities	2,492	-	2,492	4,663
Governance costs	40,423	24,037	64,460	48,621
	<u>273,750</u>	<u>144,173</u>	<u>417,923</u>	<u>327,474</u>

8 Net income

Net income is stated after charging or crediting:

	2018 £	2017 £
Depreciation of tangible fixed assets	9,079	1,513
Fees payable for the audit of the financial statements	<u>10,250</u>	<u>9,950</u>

9 Staff numbers and costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	Total 2018 £	Total 2017 £
Wages and salaries	174,125	184,688
Social security costs	16,441	18,181
Pension costs	<u>24,255</u>	<u>25,315</u>
	<u>214,821</u>	<u>228,184</u>

Average number employed	Number	Number
Administration and support	<u>5</u>	<u>7</u>

During the year there was one employee whose emoluments amounted to more than £60,000 but less than £70,000 (excluding pension contribution and employers National Insurance) (2017: one). No other employees earned £60,000 or more in the current or preceding period. Pension payments of £11,350 were made for this employee (2017: £11,159).

Wages and salaries costs include £nil of recharges from the Diocese of Leicester Academies Trust (2017: £52,133). This relates to no individuals (2017: five) employed by the Diocese of Leicester Academies Trust providing services to the Board. These employees are not included within the average number of employees' disclosure.

Leicester Diocesan Board of Education

Company Limited by Guarantee
Notes to the Report and Financial Statements

For the year ended 31 August 2018

10 Board trustee members' emoluments and expenses

None of the Board members received any emoluments from the Board for services performed as trustees. Board members do receive the reimbursement of travelling and out of pocket expenses.

11 Tangible fixed assets

	Office equipment £	Computer equipment £	Total 2018 £
Cost or valuation			
At 1 September 2017	27,836	18,887	46,723
Additions at cost	-	-	-
At 31 August 2018	27,836	18,887	46,723
Depreciation			
At 1 September 2017	464	1,049	1,513
Charge for the year	2,784	6,296	9,080
At 31 August 2018	3,248	7,345	10,593
Net book value at 31 August 2018	24,588	11,542	36,130
Net book value at 31 August 2017	27,372	17,838	45,210

12 Fixed asset investments

	Investment properties £	Unlisted investments £	Total 2018 £
Cost or valuation			
At 1 September 2017	1,485,000	1,735,362	3,220,362
Additions at cost	-	196	196
Revaluation adjustment	(725,000)	110,623	(614,377)
At 31 August 2018	760,000	1,846,181	2,606,181
Historical cost (unlisted investments only)	-	738,000	738,000

Leicester Diocesan Board of Education

Company Limited by Guarantee
Notes to the Report and Financial Statements

For the year ended 31 August 2018

12 Fixed asset investments (continuing)

The difference between historical cost and market value is included within the relevant funds.

The investment properties were valued at 31 August 2018 by the Board's land agents, Andrew Granger & Co Ltd, Chartered Surveyors. The basis of valuation was on an open market basis based on existing use and prevailing permissions.

The Leicester Diocesan Board of Education acts as a custodian of two properties on behalf of The Saint Nicholas House Educational Foundation. These properties have not been recognised in the accounts of Leicester Diocesan Board of Education as it does not have beneficial interest. The valuation of these properties is £700,000.

All the unlisted investments of the Board are in CBF Church of England Common Investment Funds managed by CCLA Investment Management Limited.

	Total 2018 £	Total 2017 £
CBF Investment Fund	1,251,930	1,158,876
CBF Property Fund	594,251	576,486
Total investments	1,846,181	1,735,362

13 Debtors

	Total 2018 £	Total 2017 £
In respect of Schools' Building Works	71,913	99,266
Other loans	16,654	15,000
Other debtors	91,021	253,007
Amounts due from related parties	658,435	157,064
VAT	2,249	4,854
	840,272	529,191

Included in the amounts due from related parties is £58,435 (2017: £57,064) relate to amounts due from the Diocesan of Leicester Educational Trust which is not receivable within the year. Amounts due relates to income and expenditure which has passed through the Board as detailed at note 16.

14 Creditors: amounts falling due within one year

	2018 £	2017 £
Schools' Building works and other creditors	127,166	193,725
Accruals	34,819	29,086
	161,985	222,811

Leicester Diocesan Board of Education

Company Limited by Guarantee
Notes to the Report and Financial Statements

For the year ended 31 August 2018

15 Schools' DfE funds

With effect from 1 April 2006 the DfE paid over to schools the funds available for 2006/07 plus any unspent funds from prior years, which could be used for the 90% cost of building works, previously reimbursed by the DfE.

The Voluntary Aided Schools agreed that the Board should hold these funds and meet any 90% contributions from them. The value of the funds at 31 August 2018 was £138,285 (2017: £235,968).

Each school's unspent amount of the total is identifiable.

16 Related party transactions

The Board is related to Leicester Diocesan Board of Finance, Diocese of Leicester Educational Trust, Diocese of Leicester Educational Services Ltd and Diocese of Leicester Academies Trust.

At the end of the period the following amounts, were receivable or (payable) by the Board in respect of related parties:

	2018 £	2017 £
Leicester Diocesan Board of Finance in respect of loans and contribution to costs	600,085	90,288
Diocese of Leicester Educational Trust	58,435	57,064
Diocese of Leicester Educational Services Ltd	-	-
Diocese of Leicester Academies Trust	-	10

The Board was charged £136,527 (2017: £102,345) by the Leicester Diocesan Board of Finance in the period for salaries, accounting and related services.

Income and expenditure in the period which passed through the Board, but relate to related companies, can be summarised as follows:

	2018		2017	
	Income £	Expenditure £	Income £	Expenditure £
Diocese of Leicester Educational Trust	1,000	2,371	-	1,450
Diocese of Leicester Educational Services Ltd	-	-	46,585	64,062
Diocese of Leicester Academies Trust	-	-	-	53,556

In the year, the Diocese of Leicester Academies Trust incurred expenditure on behalf of the Board totalling £nil (2017: £67,650).

Included in the above expenditure analysis are staff & expense recharges to each company totalling £nil, £nil and £nil respectively (2017: £nil, £10,353 and £9,727 respectively).

Leicester Diocesan Board of Education

Company Limited by Guarantee
Notes to the Report and Financial Statements

For the year ended 31 August 2018

16 Related party transactions (continued)

Key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the Charitable Company. During 2018 this was the Diocesan Director of Education and Secretary of the Board, Carolyn Lewis. During the year, remuneration (excluding Employers National Insurance) and pension amounting to £80,224 was paid (2017: £78,875).

17 Analysis of transfers between funds

	Unrestricted funds £	Endowment funds £	Total 2018 £	Total 2017 £
Apportionment of overhead costs	49,211	(49,211)	-	-
	<u>49,211</u>	<u>(49,211)</u>	<u>-</u>	<u>-</u>

Leicester Diocesan Board of Education

Company Limited by Guarantee
Notes to the Report and Financial Statements

For the year ended 31 August 2018

18 Analysis of charitable funds

	Balance at 01/09/17 £	Income £	Expenditure £	Transfers £	Other recognised gains and losses £	Balance at 31/08/18 £
Unrestricted funds						
General fund	647,466	225,627	(197,119)	49,211	(747,613)	(22,428)
Total unrestricted funds	647,466	225,627	(197,119)	49,211	(747,613)	(22,428)
Endowment funds						
s554 Income Fund	367,212	155,883	(211,027)	(49,211)	-	262,857
s554 Capital Fund	2,829,150	-	-	-	125,728	2,954,878
Baxter Hall Fund	171,765	7,401	(9,777)	-	5,000	174,389
Other foundations	100,896	1,170	-	-	2,507	104,573
Total endowment funds	3,469,023	164,454	(220,804)	(49,211)	133,235	3,496,697
Total funds	4,116,489	390,081	(417,923)	-	(614,378)	3,474,269

Endowment funds

s554 Income and Capital funds

These principally represent funds and income arising therefrom, held under trusts arising from the sale of redundant educational properties. The Board as trustees may, after payment of any expenses incurred in connection with the administration of the trusts, apply the capital and income of the relevant trust assets for any of the following purposes:

- in or towards the purchase of a site for, or the erection, improvement or enlargement of:
 - the premises of any relevant school in the area
 - the premises of a teacher's house for use in connection with any relevant school in the area
 - for the maintenance of any relevant school in the area or of a teacher's house for use in connection with any relevant school in the area.

The income arising from these trusts may additionally be used, after payment of any expenses incurred in connection with the administration of the trust, for any of the following purposes:

- in or towards the provision of advice, guidance and resources (including materials) in connection with any matter related to the management of, or education provided at, any relevant school in the area
- the provision of services for the carrying out of any inspection of any relevant school in the area required by Part I of the School Inspection Act 1996(a); and
- to defray the cost of employing or engaging staff in connection with the application of capital or income of the relevant trust assets.

Leicester Diocesan Board of Education

Company Limited by Guarantee
Notes to the Report and Financial Statements

For the year ended 31 August 2018

18 Statement of funds (continued)

The Baxter Hall fund

This represents rental income received less costs and will be applied as required to the maintenance of the property.

Other foundations

	2018 £	2017 £
Gilmorton, Edward Chandler	3,112	2,902
Leicester, G A Robinson	8,706	7,796
Stoke Golding	391	390
Rev Towers Earl Shilton	33,378	31,104
Hathern Old School House	59,550	59,357
	<u>105,137</u>	<u>101,548</u>

At 31 August 2018, the Board held nominal capital plus interest of £72,251 (2017: £72,017) waiting orders under Section 2 or Section 86 schemes. During the period ending 31 August 2018 accumulated interest of £234 (2017: £416) was due to be transferred to Educational Foundations and accumulated interest of £12,463 (2017: £12,229) was due to be transferred to the General account.

During any year the Board can become aware of redundant schools and/or schoolhouses of which it has no record. When this occurs, the Board acts under current legislation to acquire the asset for its work. The Board has no means of identifying such cases in advance.

