

**DERBY DIOCESAN BOARD OF EDUCATION**

**Incorporated as a company limited by guarantee**

**FINANCIAL STATEMENTS**

**YEAR ENDED**

**31 DECEMBER 2012**

**DERBY DIOCESAN BOARD OF EDUCATION**

**FINANCIAL STATEMENTS**

Year ended 31 December 2012

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## DERBY DIOCESAN BOARD OF EDUCATION

Incorporated as a company limited by guarantee

Registered as a Charity under the Charities Act 1993 No. 527038

<b>President</b>	The Rt. Reverend Dr. Alastair Redfern
<b>Chairman</b>	The Rt. Reverend Humphrey Southern (appointed 1 January 2013) The Reverend Canon N. Johnson (resigned 31 December 2012)
<b>Secretary and Director of Education</b>	Mr. D. Channon (appointed 1 September 2012) Mr. P. Moncur (resigned 31 August 2012)
<b>Directors/Trustees</b>	The Venerable C. Wilson Mrs. R. Attwood The Reverend M. Bishop Mr. E. Chambers Mrs. M. Cuttell Mrs. S. Davies Mrs. E. Embley Mrs. N. Futers Mrs. K. Gough Mrs. E. Hardwick-Higginson Mrs. J. Burrows Mr. D. Iliffe Miss E. Lomas Mr. S. Mitchell Mrs. E. Robbins Miss. L. Pearson Mrs. P. Simpson Mrs. M. Taulbut Mrs. R. Wibberley Mr. D. Willmott Mrs. J. Stanton (appointed 16 February 2012) Mr. D. Mayo-Braiden (appointed 16 February 2012) Mr. J. Horwood (appointed 16 February 2012) Mrs. J. Conacher (appointed 16 February 2012) Mr. R. Waller (appointed 16 July 2012)
<b>Registered Office</b>	Derby Church House Full Street Derby DE1 3DR
<b>Auditors</b>	Cooper Parry Group Limited Chartered Accountants and Statutory Auditor 3 Centro Place Pride Park Derby DE24 8RF
<b>Bankers</b>	National Westminster Bank Plc 7 Market Place Derby DE1 3ZF
<b>Solicitors</b>	J.H. Powell & Co. Cathedral Chambers Amen Alley Derby DE1 3GT
<b>Company Registered Number</b>	00463908
<b>Charity Registered Number</b>	527038

## DERBY DIOCESAN BOARD OF EDUCATION

### REPORT OF THE TRUSTEES

The trustees, who are also the directors of the charitable company, submit their report and the audited financial statements for the year ended 31 December 2012.

The financial statements have been drawn up in accordance with the Statement of Recommended Practice 2005 "Accounting and Reporting by Charities" (SORP) published in March 2005 and applicable accounting standards and comply with all statutory requirements and the charitable company's governing document.

#### **Trustees' responsibilities statement**

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including income and expenditure for that year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the charitable company will continue in operation.

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

#### **Constitution**

Derby Diocesan Board of Education is a charitable company limited by guarantee. The liability of the members is limited to £1.

#### **Structure, Governance and Management**

As set out in the Memorandum and Articles of Association the Chairman of the Board is appointed by the Bishop of Derby on the nomination of the Board. Sixteen members of the Board are elected by the Deanery Synods and two members are elected from its membership by the Diocesan Synod. The Bishop of Derby nominates four members of the Board and eight members are co-opted into membership by the Board. The Board is constituted under paragraph 1 and paragraph 2 (c) of the 1991 Diocesan Boards of Education Measure. All members serve for three years.

The trustees have considered the major strategic and operational risks, which the charitable company faces and are satisfied that the necessary steps have already been taken to lessen these risks.

New trustees are recruited as specified above. New members are offered an induction meeting with the Director (detailed below) and subsequently, training can be provided by Officers of the Board. Decisions are made democratically at Board Meetings, of which three are held each year.

#### **Directors and Trustees**

The directors of the Board, who are also the trustees of the charitable company during the year, and at the date of this report, are set out on page 1. The Board appoints a Director of Education to whom its officers are accountable.

The trustees of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the Board.

# DERBY DIOCESAN BOARD OF EDUCATION

## REPORT OF THE TRUSTEES

### Objectives and Activities

The objects of the Board are to advance the work of Christian education and training in the parishes of the Diocese, and to enable and support the work of the Church of England schools within the Diocese.

To achieve this the Board appoints officers to support the work of the church schools, children's and youth work in parishes, and the development of the ministry of lay people. It appoints staff for the officers and retains the services of a Treasurer.

In shaping the objectives for the year end planning activities, the trustees have considered the Charity Commission's guidance on public benefit.

During 2012, the Board aimed to promote and support work amongst children and young people in church contexts by means of holding training events and 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.

In a similar way, the Board also aimed to offer professional, pastoral and theological support to those working in and holding responsibility for the conduct of Church schools. Around one in four primary aged children across Derbyshire attends a Church of England school. The public benefit in this work relates to the provision of high quality education. In 2012 only one of the 110 Church of England schools in our two Local Authority areas was deemed "inadequate" by OFSTED.

A significant aim of the Board's work is to promote and facilitate building work in Church of England Aided schools within the Diocese of Derby. There is a well-researched link between the attractiveness of a school's environment and the performance of its pupils. Creating and maintaining high quality learning environments has clear public benefit.

The Derby Diocesan Board of Education (DDBE) operates a holding fund, which enables schools to have their Devolved Formula Capital Grant money lodged with the Board pending work being carried out. Interest is credited to schools' accounts. The DDBE charges a management fee for administration services. Currently this is 1% of income paid into the fund by DCSF.

The Board makes grants in accordance with the requirements of the Diocesan Board of Education (DBE) Measure and the specific terms and conditions imposed by the individual Trusts concerned.

### Achievements and Performance

During 2012 officers supported working the parishes through:

- training for children's workers;
- ecumenical training for youth workers;
- developing young peoples' faith through residentials and events;
- joint training for clergy and lay people;
- mailings and leaflets.

The Board continued to support the work of the church schools through:

- regular meetings for head teachers of voluntary aided and voluntary controlled schools;
- the support of denominational inspections and the training of inspectors;
- giving advice and support to governing bodies;
- managing admission appeals on behalf of voluntary aided schools;
- advice on religious education and collective worship;
- its continued work on the development and oversight of building projects in the voluntary aided schools;
- supporting governing bodies in the appointment of headteachers;
- providing headteachers with pastoral and professional support;
- organising conference for headteachers and parochial clergy;
- the appointment, support and training of foundation governors;

## DERBY DIOCESAN BOARD OF EDUCATION

### REPORT OF THE TRUSTEES

#### **Achievements and Performance (continued)**

- the management of trusts;
- arranging insurance cover for church schools;
- offering legal advice for trustees, governing bodies and head teachers;
- liaison with officers of national and local bodies;
- its representation on those committees of Derbyshire County and Derby City councils, which deal with education issues.

The Board's wholly-owned trading subsidiary, Derby Diocesan Education Services Limited, remains dormant and has not traded during the year ended 31 December 2012.

The Board invests the majority of its funds through its stockbrokers Brewin Dolphin who are accountable for investment performance. A substantial 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 Grants from DfE. In October 2009 the Board took possession of a former school house at Wessington upon the termination of a 99 year lease to the County Council, for which an annual rent of 50 pence had been payable. The house was sold at public auction in 2010 and the net proceeds £184,392 formed a new Restricted Fund which is being used to help subsidise school building projects where the governing body is experiencing difficulty in raising its 10% share.

As a Christian organisation we are rather more concerned with the development of spirituality in and the pastoral care of our clients and those they serve. Such matters do not easily lend themselves to being expressed in relation to "performance indicators". Feedback from those attending events has been overwhelmingly positive, but only God can judge its long-term impact.

In respect of building work in Aided schools, more than 90% of our 2012 total of 33 VA schools were assisted with building projects.

#### **Financial review**

The statement of financial activities for the year and the position of the charitable company at the year end are shown on pages 8 and 9 respectively.

Unrestricted funds show net outgoing resources before gains or losses on investment assets of £78,065 (2011: outgoing resources of £4,621).

Restricted funds show net outgoing resources before gains or losses on investment assets of £15,175 (2011: outgoing resources of £28,078).

The School's building fund is detailed in note 18 to the financial statements.

The work of the Board is funded jointly by the Derby Diocesan Board of Finance, (which pays the majority of the officers' salary costs and makes a grant towards operating costs) and income on the Board's investments. The Board also derives a small income from letting a number of properties. Additional income can be derived from the sale of redundant school buildings which DDBE hold as custodian trustee.

#### **Investment powers**

Under the Memorandum and Articles of Association, the Board has the power to make any investment that the trustees see fit. The Board has an agreed ethical stance on investments and will not make investments in companies that deal in or produce armaments. The performance of the investment fund has strengthened in the year with a net gain of £59,223 (2011: loss of £41,902).

# DERBY DIOCESAN BOARD OF EDUCATION

## REPORT OF THE TRUSTEES

### Reserves policy

The Board do not apply a rigid policy with regard to the maintenance of reserves. The Board strives to ensure that it maintains sufficient reserves to enable it to continue to achieve the objectives of the charitable company for the foreseeable future. This involves, as of necessity, ensuring that adequate reserves are maintained to provide a level of income that will support future activity. This income is supplemented by capital arising from the sale of buildings which may become surplus to requirements. This flexibility permits the charitable company's capital to be depleted in years of high expenditure on building projects.

The work of the Board is funded jointly by the Derby Diocesan Board of Finance, who pay the majority of the officers' salary costs and make a grant towards operating costs, and income on the Board's investments. The Board also derives a small income from letting a number of properties. Additional income can be derived from the sale of redundant school buildings.

### Plans for future periods

During 2013, the Board plans to further develop its programmes of planned support and training for those working with children and young people. An important development is the future training and development of clergy and curates to support their mission and ministry to schools. Specific new training will help schools and clergy to prepare for the new SIAMS (Statutory Inspection of Anglican and Methodist Schools) framework starting in 2013.

In addition, as the education system in England faces unprecedented change, the Board intends to engage with the Academies agenda and the growing role of the Church of England as a provider of education with responsibility for the effectiveness of its schools. Mrs. Hazel Henson was appointed on a temporary basis in 2012 and will continue for a period in 2013 to provide some welcome capacity for this new work. The board are preparing different organisational structures to support Church School academies, should these be required. Preparation includes development of a Multi Academy Trust should this be needed for schools that want to become academies and also for those schools that require a sponsored academy solution under DFE policy due to their underperformance. In 2013, the board intends to develop a school improvement and monitoring framework and increasingly help to broker school improvement solutions for all schools. The board will also seek opportunities to develop and promote distinctively Christian education through partnership and collaboration in Teaching School Alliance(s).

The Board proposes to continue with its regular cycle of planned events and visits and to maintain its support for building projects in Aided Schools.

### Disclosure of information to auditors

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 to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed on behalf of the board of trustees

**David Channon**  
Secretary

Approved by the board on 02 July 2013

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

### **DERBY DIOCESAN BOARD OF EDUCATION (A COMPANY LIMITED BY GUARANTEE)**

We have audited the financial statements of Derby Diocesan Board of Education for the year ended 31 December 2012 as set out on pages 8 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' responsibilities statement set out on page 2, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012, 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.



**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF**

**DERBY DIOCESAN BOARD OF EDUCATION  
(A COMPANY LIMITED BY GUARANTEE)**

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime

Edward Rands (Senior statutory auditor)

for and on behalf of

**Cooper Parry Group Limited**

Chartered Accountants  
Statutory Auditor

Derby

Date: 18 July 2013

DERBY DIOCESAN BOARD OF EDUCATION

STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

Year ended 31 December 2012

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2012 Total Funds £	2011 Total Funds £
<b>Incoming resources</b>						
Incoming resources from generated funds:						
Investment income	2	65,005	5,306	-	70,311	81,962
Incoming resources from charitable activities	3	12,145	2,300,262	-	2,312,407	2,418,903
<b>Total incoming resources</b>		<u>77,150</u>	<u>2,305,568</u>	<u>-</u>	<u>2,382,718</u>	<u>2,500,865</u>
<b>Resources expended</b>						
Costs of generating funds:						
Investment management costs	4	60,967	-	-	60,967	11,536
Costs of charitable activities	5	85,744	2,315,663	-	2,401,407	2,507,808
Governance costs	10	6,792	6,792	-	13,584	14,220
<b>Total resources expended</b>		<u>153,503</u>	<u>2,322,455</u>	<u>-</u>	<u>2,475,958</u>	<u>2,533,564</u>
<b>Net outgoing resources before transfers</b>		<u>(76,353)</u>	<u>(16,887)</u>	<u>-</u>	<u>(93,240)</u>	<u>(32,699)</u>
Gross transfers between funds		<u>(1,712)</u>	<u>1,712</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net outgoing resources before other recognised gains and losses</b>		<b><u>(78,065)</u></b>	<b><u>(15,175)</u></b>	<b><u>-</u></b>	<b><u>(93,240)</u></b>	<b><u>(32,699)</u></b>
Gains/ (losses) on investment assets:						
Realised gains/ (losses)	12	<u>2,273</u>	<u>68</u>	<u>-</u>	<u>2,341</u>	<u>(10,814)</u>
Net expenditure for the year		<u>(75,792)</u>	<u>(15,107)</u>	<u>-</u>	<u>(90,899)</u>	<u>(43,513)</u>
Gains/ (losses) on investment assets:						
Unrealised gains/ (losses)	12	<u>38,531</u>	<u>16,483</u>	<u>1,868</u>	<u>56,882</u>	<u>(31,088)</u>
<b>Net movement in funds</b>		<b><u>(37,261)</u></b>	<b><u>1,376</u></b>	<b><u>1,868</u></b>	<b><u>(34,017)</u></b>	<b><u>(74,601)</u></b>
Fund balances brought forward as at 1 January 2012		<u>829,089</u>	<u>195,496</u>	<u>32,465</u>	<u>1,057,050</u>	<u>1,131,651</u>
Fund balances carried forward as at 31 December 2012		<u>791,828</u>	<u>196,872</u>	<u>34,333</u>	<u>1,023,033</u>	<u>1,057,050</u>

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 10 to 23 form part of these financial statements.

DERBY DIOCESAN BOARD OF EDUCATION

**BALANCE SHEET**  
**REGISTERED NUMBER: 00463908**

At 31 December 2012

	Notes	£	2012 £	£	2011 £
<b>Fixed assets</b>					
Tangible fixed assets	11		201,642		173,490
Investments	12		542,880		477,519
			<u>744,522</u>		<u>651,009</u>
<b>Current assets</b>					
Debtors	13	252,897		234,623	
Cash at bank and in hand	14	544,106		1,123,040	
		<u>797,003</u>		<u>1,357,663</u>	
<b>Creditors:</b> amounts falling due within one year	15	(513,992)		(946,122)	
<b>Net current assets</b>			<u>283,011</u>		<u>411,541</u>
<b>Total assets less current liabilities</b>			1,027,533		1,062,550
<b>Creditors:</b> amounts falling due after more than one year	16		(4,500)		(5,500)
<b>Net assets</b>			<u>1,023,033</u>		<u>1,057,050</u>
<b>Funds:</b>					
Unrestricted funds			791,828		829,089
Restricted funds	18		196,872		195,496
Endowment funds	20		34,333		32,465
			<u>1,023,033</u>		<u>1,057,050</u>

The financial statements have been prepared in accordance with the special provisions relating to small companies under Part 15 of the Companies Act 2006.

Signed on behalf of the Board of trustees

**RT. REV H SOUTHERN**

Approved by the board on 02 July 2013

The notes on pages 10 to 23 form part of these financial statements.

# DERBY DIOCESAN BOARD OF EDUCATION

## NOTES RELATING TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

### 1 Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charitable company's financial statements.

#### Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published March 2005 and applicable accounting standards. The company has a dormant subsidiary which has not been consolidated into these financial statements, and the directors consider that the effect of such consolidation would be immaterial.

#### Cashflow exemption

As the charitable company is defined as a small charitable company under Companies Act 2006, in line with the requirements of Financial Reporting Standard 1, there is no cashflow included within these financial statements.

#### Company status

The charitable company is a company limited by guarantee. The members of the company are the directors set out on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member.

#### Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, excluding freehold land, over their estimated useful lives as follows:

Freehold property	written off over useful economic life
Fixtures fittings and equipment	33.3% straight line
Improvements to tenanted property	2% straight line

Freehold land is not depreciated. The de minimis level used for asset capitalisation was £500 during the year.

#### School properties

The charitable company acts solely as custodian trustees in respect of the school properties and the net acquisition costs, if any, of these properties are therefore written off in the year of acquisition. The proceeds of sale of any of these properties are therefore included in the charitable company's funds in the year of disposal. Costs incurred in respect of properties held for tenancy or ultimate sale are capitalised if material and are deemed to be improving the value of the property in line with the requirements of Financial Reporting Standard 15.

#### Fund accounting

Funds held by the charitable company are either:

Unrestricted funds – These are general funds which can be used in accordance with the charitable company's objectives at the discretion of the trustees.

# DERBY DIOCESAN BOARD OF EDUCATION

## NOTES RELATING TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

### 1 Accounting policies (continued)

#### Fund accounting (continued)

Restricted funds – These are funds which are to be used in accordance with specific restrictions imposed by donors or which has been raised by the charitable company for particular purposes.

Endowment funds – These funds represent those assets which must be held permanently by the charitable company. The use of the income arising on these funds is restricted and specific. Any capital gains or losses arising on the investments form part of the fund.

Further explanation of the nature and purpose of each fund is included in note 18 and note 20 of the financial statements.

#### Incoming resources

Incoming resources are included in the statement of financial activities (SOFA) when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Grants receivable represent amounts due on the basis of qualifying expenditure incurred in the year.

The charitable company operates a scheme for holding Devolved Formula Capital Grants (DFC) paid to schools in advance of the expenditure on projects. This income is deferred in the balance sheet and reflected in cash at bank on receipt and only recognised as income in the SOFA when the school has confirmed that they have a legal or constructive obligation to pay for expenditure (see note 14).

Rental income is recognised on an accruals basis.

#### Fixed asset investments

Investments are stated at market value at the balance sheet date. Any gain or loss on revaluation or disposal is taken to the SOFA.

#### Resources expended

Expenditure and grants payable are included on an accruals basis and recognised as resources expended when there is a legal or constructive obligation to pay for expenditure.

Certain expenditure is directly attributable to specific activities and has therefore been included in these cost categories. Certain other costs which are attributable to more than one activity are apportioned across cost categories on the basis of an estimate of the proportion of time spent on these activities. Irrecoverable VAT is expensed in the SOFA (or if incurred as part of a fixed asset addition capitalised) and classified under the heading to which the expenditure relates to.

Up to 50% of the charitable company's budgeted administration expenses are met by Derby Diocesan Board of Finance. It is the policy of the charitable company to allocate 50% of these monies to restricted funds.

#### Restricted funds - School Building Fund

Contributions to the School Building Fund by individual school governing bodies are accounted for on an accruals basis.

#### Pension costs

Contributions in respect of the personal pension scheme of employees are charged to the statement of financial activities on an accruals basis.

**DERBY DIOCESAN BOARD OF EDUCATION**

**NOTES RELATING TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2012

**1 Accounting policies (continued)**

**Operating leases**

Rentals under operating leases are charged on a straight line basis over the lease term.

**2 Investment income**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Rental income	49,639	61,249
Bank deposit interest	1,451	1,557
Quoted investment income	19,221	19,137
Interest on miscellaneous loans	-	19
	70,311	81,962
	70,311	81,962

**3 Incoming resources from charitable activities**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Insurance receipts	9,633	5,884
DfE administration fee	1,890	5,734
Other income	622	98
Restricted income (restricted income: note 18)	2,300,262	2,407,187
	2,312,407	2,418,903
	2,312,407	2,418,903

**4 Costs of generating funds**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Property running costs	58,147	9,789
Depreciation of improvements to tenanted properties	2,820	1,747
	60,967	11,536
	60,967	11,536

**DERBY DIOCESAN BOARD OF EDUCATION**

**NOTES RELATING TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2012

**5 Charitable activities**

	<b>Note</b>	<b>Support costs £</b>	<b>Other direct costs £</b>	<b>Total 2012 £</b>	<b>Total 2011 £</b>
Grants payable	18	-	2,098,577	2,098,577	2,241,179
Administration costs	6	287,957	-	287,957	248,465
Establishment expenses	7	13,133	-	13,133	16,429
Training and resources	8	1,740	-	1,740	1,735
		<u>302,830</u>	<u>2,098,577</u>	<u>2,401,407</u>	<u>2,507,808</u>

**6 Administration costs**

	<b>2012 £</b>	<b>2011 £</b>
Specialist conferences	3,447	3,550
Subscriptions	2,064	1,343
Travel expenses	13,192	12,086
Photocopying operating lease rentals	2,705	3,537
Postage	3,469	2,917
Stationery	2,785	2,701
Telephone	1,722	1,772
Hospitality	523	349
Sundry expenses	7,328	1,338
Legal and professional fees	11,638	10,274
Contingencies	-	1,000
Bank charges	1,347	1,319
Office staff costs (note 9)	236,709	207,438
Appeals	1,028	(1,159)
	<u>287,957</u>	<u>248,465</u>

**7 Establishment expenses**

	<b>2012 £</b>	<b>2011 £</b>
Computer costs	3,876	3,150
Maintenance of equipment	2,244	1,900
Hire of equipment	4,018	3,356
Insurance	2,845	2,666
Depreciation of temporary classroom	-	5,357
Depreciation of office equipment	150	-
	<u>13,133</u>	<u>16,429</u>

**DERBY DIOCESAN BOARD OF EDUCATION**

**NOTES RELATING TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2012

**8 Training and resources**

	<b>2012</b>	<b>2011</b>
	£	£
Events and publicity	1,301	924
Resources library	439	811
	1,740	1,735
	1,740	1,735

**9 Staff costs**

	<b>2012</b>	<b>2011</b>
	£	£
Wages and salaries	195,701	171,994
Social security costs	21,650	18,416
Other pension costs	19,358	17,028
	236,709	207,438
Grant received towards salary, wages and pension cost (note 18)	(168,559)	(143,373)
Transferred to schools building fund (note 18)	(11,858)	(11,512)
	56,292	52,553
	56,292	52,553

The charitable company employed 5 officers and administrative staff during the year (2011: 5).

No employee earned more than £60,000 per annum.

Trustees' travel expenses of £464 (2011: £1,175) were reimbursed during the year. No trustee received any remuneration during the year (2011: £nil).

**10 Governance costs**

	<b>2012</b>	<b>2011</b>
	£	£
Auditors' fees for audit services	13,440	13,440
Legal and professional fees	144	780
	13,584	14,220
	13,584	14,220



DERBY DIOCESAN BOARD OF EDUCATION

NOTES RELATING TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

11 Tangible fixed assets

	Freehold land and property £	Fixtures fittings and equipment £	Improvements to tenanted properties £	Total £
<b>Cost</b>				
At 1 January 2012	74,485	1,162	141,078	216,725
Additions	-	1,348	29,775	31,123
	<u>74,485</u>	<u>2,510</u>	<u>170,853</u>	<u>247,848</u>
At 31 December 2012	<u>74,485</u>	<u>2,510</u>	<u>170,853</u>	<u>247,848</u>
<b>Depreciation</b>				
At 1 January 2012	19,363	1,162	22,710	43,235
Charge for the year	-	150	2,821	2,971
	<u>19,363</u>	<u>1,312</u>	<u>25,531</u>	<u>46,206</u>
At 31 December 2012	<u>19,363</u>	<u>1,312</u>	<u>25,531</u>	<u>46,206</u>
<b>Net book value</b>				
At 31 December 2012	<u>55,122</u>	<u>1,198</u>	<u>145,322</u>	<u>201,642</u>
At 31 December 2011	<u>55,122</u>	-	<u>118,368</u>	<u>173,490</u>

Included within freehold land and property is land which is not depreciated with a cost of £55,122 (2011: £55,122).

DERBY DIOCESAN BOARD OF EDUCATION

NOTES RELATING TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

12 Investments

	2012 £	2011 £
At market value:		
UK quoted investments	542,880	477,519
Investment in subsidiary	-	-
	<u>542,880</u>	<u>477,519</u>
At historical cost:	<u>370,099</u>	<u>361,577</u>

At year end, the value of investments allotted to ranges under the Trustees investment act were as follows:

	2012 £	2011 £
Wide range	359,783	311,193
Narrow range	988	1,047
Special range	182,109	165,279
	<u>542,880</u>	<u>477,519</u>

Analysis of movement of investments

	£
Market value at 1 January 2012	477,519
Additions	32,905
Disposals	(26,767)
Unrealised gains	56,882
Realised gains	2,341
Market value at 31 December 2012	<u>542,880</u>

Investments representing more than 5% of the total investments were as follows:

	Market Value 2012 £	Market Value 2011 £
CBF Investment Fund	43,363	39,445
Equities Investment Fund for Charities	94,786	86,117
	<u>138,149</u>	<u>125,562</u>

The charitable company owns 100% of the issued ordinary share capital of Derby Diocesan Education Services Limited, a company incorporated in Great Britain. The company was dormant throughout the year ended 31 December 2012 and reserves amounted to £100, and as the company is not trading a provision has been made against the investment.

DERBY DIOCESAN BOARD OF EDUCATION

NOTES RELATING TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

<b>13 Debtors</b>		
	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Grants receivable	238,306	208,940
Other debtors	14,591	25,683
	<u>252,897</u>	<u>234,623</u>
	<u><u>252,897</u></u>	<u><u>234,623</u></u>
<b>14 Cash at bank and in hand</b>		
Included within cash is £391,927 (in two separate ring fenced bank accounts) at the balance sheet date (2011: £807,408) which is Devolved Formula Capital Grant held by the charitable company on behalf of a number of schools.		
<b>15 Creditors: amounts falling due within one year</b>		
	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Other creditors	512,992	945,122
Other loans (note 17)	1,000	1,000
	<u>513,992</u>	<u>946,122</u>
	<u><u>513,992</u></u>	<u><u>946,122</u></u>
<b>16 Creditors: amounts falling due after one year</b>		
	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Other loans (note 17)	4,500	5,500
	<u>4,500</u>	<u>5,500</u>
	<u><u>4,500</u></u>	<u><u>5,500</u></u>
<b>17 Loans</b>		
	<b>£</b>	<b>£</b>
Falling due within one year	1,000	1,000
Falling due after more than one year:		
Repayable within five years in instalments	4,000	4,000
Repayable after five years in instalments	500	1,500
	<u>5,500</u>	<u>6,500</u>
	<u><u>5,500</u></u>	<u><u>6,500</u></u>

The above loans from the Central Board of Finance are repayable in equal half yearly instalments over the original terms of 20 and 30 years and are interest free.

**DERBY DIOCESAN BOARD OF EDUCATION**  
**NOTES RELATING TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2012

**18 Restricted funds**

	Schools					Youth			Children	Endowment Funds (see note 20)	Derby Diocesan Board of Finance		2012 Total Funds £	
	Schools Building £	Wessington Property Sale £	Schools Improvement Officer £	NCSL £	Bring 200 £	Youth Opportunities Fund £	Youth Evangelism £	Youth Mission Fund £	Young Vocations £	Open the book £	Specific Projects £	General Fund £		
<b>Income</b>														
Investments	-	4,322	-	-	-	-	-	-	-	-	984	-	-	5,306
Grants:														
Derby Diocesan Board of Finance	-	-	20,475	-	-	-	-	-	-	-	-	168,559	54,918	243,952
Receipts from LEA, DfE and school governing bodies	2,048,930	-	-	-	-	-	-	-	-	-	-	-	-	2,048,930
School Development Support Agency	-	-	6,900	-	-	-	-	-	-	-	-	-	-	6,900
Charitable donations	-	-	-	-	-	240	-	-	240	-	-	-	-	480
<b>Total income</b>	<b>2,048,930</b>	<b>4,322</b>	<b>27,375</b>	<b>-</b>	<b>-</b>	<b>240</b>	<b>-</b>	<b>-</b>	<b>240</b>	<b>-</b>	<b>984</b>	<b>168,559</b>	<b>54,918</b>	<b>2,305,568</b>
<b>Expenditure</b>														
Charitable donations and grants	-	-	-	380	4,732	2,230	55	1,430	4,389	5	400	-	-	13,621
Grants payable to schools	2,038,781	-	-	-	-	-	-	-	-	-	-	-	-	2,038,781
Schools insurance	6,251	-	-	-	-	-	-	-	-	-	-	-	-	6,251
	<b>2,045,032</b>	<b>-</b>	<b>-</b>	<b>380</b>	<b>4,732</b>	<b>2,230</b>	<b>55</b>	<b>1,430</b>	<b>4,389</b>	<b>5</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>2,058,653</b>
Management and administration costs	11,858	1,215	27,252	-	-	-	-	-	-	-	-	168,559	48,126	257,010
Governance costs	-	-	-	-	-	-	-	-	-	-	-	-	6,792	6,792
Bad debt provision	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditure</b>	<b>2,056,890</b>	<b>1,215</b>	<b>27,252</b>	<b>380</b>	<b>4,732</b>	<b>2,230</b>	<b>55</b>	<b>1,430</b>	<b>4,389</b>	<b>5</b>	<b>400</b>	<b>168,559</b>	<b>54,918</b>	<b>2,322,455</b>
<b>Net (expenditure)/income</b>	<b>(7,960)</b>	<b>3,107</b>	<b>123</b>	<b>(380)</b>	<b>(4,732)</b>	<b>(1,990)</b>	<b>(55)</b>	<b>(1,430)</b>	<b>(4,149)</b>	<b>(5)</b>	<b>584</b>	<b>-</b>	<b>-</b>	<b>(16,887)</b>
Transfers between funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from unrestricted funds	1,712	-	-	-	-	-	-	-	-	-	-	-	-	1,712
Realised gains on investment assets	-	68	-	-	-	-	-	-	-	-	-	-	-	68
Unrealised gains on investment assets	-	16,483	-	-	-	-	-	-	-	-	-	-	-	16,483
<b>Net movement</b>	<b>(6,248)</b>	<b>19,658</b>	<b>123</b>	<b>(380)</b>	<b>(4,732)</b>	<b>(1,990)</b>	<b>(55)</b>	<b>(1,430)</b>	<b>(4,149)</b>	<b>(5)</b>	<b>584</b>	<b>-</b>	<b>-</b>	<b>1,376</b>
Balance at 31 December 2011	4,781	155,462	-	5,896	4,732	2,367	109	2,510	5,193	593	8,887	-	4,966	195,496
Balance at 31 December 2012	(1,467)	175,120	123	5,516	-	377	54	1,080	1,044	588	9,471	-	4,966	196,872

## DERBY DIOCESAN BOARD OF EDUCATION

### NOTES RELATING TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

#### 18 Restricted funds (continued)

##### **Schools building fund**

The schools building fund represents grants payable to Church of England Aided Schools within the Diocese of Derby towards the cost of building work and repairs.

Since April 2006 Devolved Formula Capital Grant (DFC) from the DfE has been paid to schools in advance of the work being carried out, and Derby Diocesan Board of Education now operate a holding fund pending work being carried out. The value of DFC income and expenditure recognised in the year was £2,040,942 (2011: £2,183,256). A contribution of £1,712 has been received in the year from un-restricted funds.

##### **Wessington Property Fund**

Income of £188,180 gross of sales expenses was received by the Board in the year ending 31 December 2010. The Board has researched the restrictions attached to the fund and has ringfenced this fund. The restrictions attached are that the proceeds can only be used 'in or towards the purchase of a site for, or the erection, improvement or enlargement of the premises of any Church of England Voluntary School in the Diocese of Derby or a teacher's house for use in connection with such a school'. Income of £4,322 (2011: £2,700) has been generated through the investment of the fund with trusted investment managers. Due to these investments unrealised and realised gains have also been recognised. The transfer between funds of £nil (2011: £12,500) is in order to recognise 10% debts that were unlikely to be paid.

##### **School Improvements Officer Fund**

This fund pays for the secondment of a head teacher. She works with the Director and Deputy in matters of school improvement, academies and Religious Education.

##### **NCSL Fund**

Funding provided by the National College of School Leadership specifically to facilitate the development of leadership of teachers in church schools.

##### **Bring 200 Fund**

One off charity appeal to support the building work at two Church of North India schools.

##### **Youth opportunities fund**

Income is released as expenditure is incurred on youth opportunities. The funds are to be spent by the Youth Council on events, activities, equipment and expenses which promote the development of the Youth Council.

##### **Youth Evangelism fund**

Income is released as expenditure is incurred for youth evangelism. The funds are spent by the Youth Council on events and activities which provide youth evangelism.

##### **Youth Mission Fund**

To be used for various youth projects such as vocations and youth reading.

##### **Young Vocations**

Specific conference set up for young people to explore Christian vocation. This fund is held for the four dioceses in the local area, Derby, Leicester, Nottingham and Sheffield.

##### **Open the Book fund**

During the year restricted income of £nil (2011: £nil) was received for expenditure on Open the Book projects. Income is released as expenditure is incurred. In 2012 expenditure of £5 was incurred (2011: £200).

# DERBY DIOCESAN BOARD OF EDUCATION

## NOTES RELATING TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

### 18 Restricted funds (continued)

#### Specific projects

Investment income on endowment funds is spent on specific projects. Funds are released when expenditure is incurred (see note 20). Expenditure was incurred during the year totalling £400 (2011: £300).

#### Derby Diocesan Board of Finance fund

During the year £168,559 (2011: £143,373) was received from the Derby Diocesan Board of Finance as a contribution towards certain officers' salaries.

#### General fund

In the year a grant of £54,918 (2011: £54,088) was received from the Derby Diocesan Board of Finance as a contribution towards general running costs.

### 19 Grants payable

Grants made in the year over £20,000 were payable to the following institutions in relation to building project support, in-line with the objective to support the work of the Church of England schools within the Diocese.

	£
Bishop Lonsdale C.E. Primary School	45,639
Carsington & Hopton C.E. V.A Primary School	27,827
Critch Fritchley C.E. V.A Primary School	24,898
Walter Evans C.E Primary School, Darley Abbey	188,768
Denby Free C.E. V.A. Primary School	88,109
St James' C.E. V.A Infant School	50,599
St James' C.E. V.A Junior School	60,356
St Andrew's C.E/Meth. V.A Primary School, Dronfield	230,880
William Gilbert C.E. V.A Primary School, Duffield	209,822
Longstone (Church of England) Primary School, Great Longstone	116,622
St Michael's C.E. V.A Primary School, Hathersage	143,266
St Peter's C.E. V.A Junior School, Littleover	38,951
St Lawrence C.E. V.A Primary School, Long Eaton	122,388
Newbold C of E Primary School	59,244
St George's C.E. V.A Primary School, New Mills	126,568
Pilsley C.E. V.A Primary School	162,350
Bishop Pursglove C.E. V.A Primary School, Tideswell	41,193
Turnditch C of E Primary School	30,086
All Saints C.E. V.A Primary School, Youlgreave	28,820

## DERBY DIOCESAN BOARD OF EDUCATION

### NOTES RELATING TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

#### 20 Endowment funds

The income arising from the endowment funds is transferred to the restricted funds of the charitable company and may be used as follows:

- |   |  |
|---|--|
| <b>Special Projects Funds</b>                   | <ul style="list-style-type: none"><li>- 80% towards general commitments and special projects</li><li>- 5% towards religious education</li><li>- 5% towards Sunday schools</li><li>- 10% towards youth work</li></ul> |
| <b>Derbyshire Association of Church Schools</b> | <ul style="list-style-type: none"><li>- The funding of repairs, alterations or improvements in church schools, which are not eligible for grants from DfE or the local authority.</li></ul>                          |
| <b>Gell Memorial Prizes Fund</b>                | <ul style="list-style-type: none"><li>- The making of awards and prizes to children within the Diocese in respect of religious education projects.</li></ul>   |
| <b>Byroms Charity</b>                           | <ul style="list-style-type: none"><li>- The furtherance of Christian education in certain parishes in Derby.</li></ul>   |

DERBY DIOCESAN BOARD OF EDUCATION

NOTES RELATING TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

20 Endowment funds (continued)

	Special projects £	Derbyshire Association of Church Schools £	Gell Memorial Prizes Fund £	Byrom's charity £	Total 2011 £	
<b>Capital – Endowment funds</b>						
Balance of fund at 1 January 2012	13,808	7,171	10,621	865	32,465	
Increase in valuation of investments	426	466	976	-	1,868	
Balance of fund at 31 December 2012	14,234	7,637	11,597	865	34,333	
<b>Investments, at market value</b>						
	Cost £				Total 2012 £	Total 2011 £
3,101 units of Charities ethical investment fund income units	469	5,022	-	-	5,022	4,596
1,078 3½% War stock	500	-	988	-	988	1,047
512 units Central Board of finance investment account	956	-	5,812	-	5,812	5,287
952 units Central Board of finance investment account	898	-	-	10,806	10,806	9,830
Amounts due from unrestricted funds		9,212	837	791	10,840	10,840
Central Board of Finance deposit account		-	-	865	865	865
	14,234	7,637	11,597	865	34,333	32,465
<b>Income</b>						
	Special projects £	Derbyshire Association of Church Schools £	Gell Memorial Prizes Fund £	Byrom's charity £	Total 2012 £	Total 2011 £
Investment income	219	286	461	18	984	975
Charitable expenditure	-	-	(400)	-	(400)	(300)
<b>Net income for the year</b>	219	286	61	18	584	675
<b>Endowment income deemed to be restricted funds, held as "Specific Projects" in note 18 and represented by:</b>						
	Special projects £	Derbyshire Association of Church Schools £	Gell Memorial Prizes Fund £	Byrom's charity £	Total 2012 £	Total 2011 £
Monies held in NatWest account brought forward	1,794	1,819	4,013	-	7,626	6,967
Net income	219	286	61	-	566	659
Monies held in Nat West account carried forward	2,013	2,105	4,074	-	8,192	7,626
Monies held in CBF deposit account brought forward	-	-	-	1,261	1,261	1,245
Net income	-	-	-	18	18	16
Monies held in CBF deposit account carried forward	-	-	-	1,279	1,279	1,261
	2,013	2,105	4,074	1,279	9,471	8,887



**DERBY DIOCESAN BOARD OF EDUCATION**

**NOTES RELATING TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2012

**21 Summary of net assets by fund**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Endowment funds £</b>	<b>Total £</b>
Tangible fixed assets	201,642	-	-	201,642
Investments	370,090	150,151	22,639	542,880
Current assets	252,575	532,734	11,694	797,003
Current and long term liabilities	(32,479)	(486,013)	-	(518,492)
<b>Total net assets</b>	<u>791,828</u>	<u>196,872</u>	<u>34,333</u>	<u>1,023,033</u>

**22 Operating lease commitments**

At 31 December 2011 the charitable company had annual commitments under other non-cancellable operating leases as follows:

	<b>2012 £</b>	<b>2011 £</b>
<b>Expiry date:</b>		
Between 2 and 5 years	2,117	2,280

**23 Contingent liabilities**

By virtue of the nature of the charitable company's activities there may be potential liabilities in respect of past property transactions in relation to which the legalities have not been completed. There are no such potential liabilities known to the members of the Board at this time.

**24 Capital commitments**

As part of its general activities the charitable company is committed to substantial expenditure on the construction, improvement and repair of church schools. The majority of these costs will however be eligible for reimbursement by virtue of grants received or contributions from the individual school governing bodies and the Board does not deem these costs to be capital commitments entered into by the Board.

**25 Pension scheme**

The pension cost charge represents contributions paid by the charitable company to personal pension schemes of employees during the year to the value of £19,358 (2011: £17,028).

**26 Related party transactions**

During the year an amount of £1,364 (2011: £742) was paid to The Peak Centre at Champion House, a charitable company, relating to payments made for youth activities. These payments are in line with the charitable activities of Derby Diocesan Board of Education. Mrs R Wibberley is a director of both companies.

The work of Derby Diocesan Board of Education is funded partly by the Derby Diocesan Board of Finance, who pays the majority of the officers' salary costs and makes a grant towards operating costs.

During the year an amount of £223,477 (2011: £201,761) was received from the Derby Diocesan Board of Finance. The Rt. Reverend Dr Alastair Redfern and The Venerable C Wilson are trustees of both companies.

**27 Controlling party**

The charitable company is controlled by the Board of Trustees. In the opinion of the trustees, there is no overall controlling party.