CHESTER DIOCESAN BOARD OF EDUCATION

REGISTERED CHARITY: NO 525790
COMPANY LIMITED BY GUARANTEE: NO 85176

ANNUAL REPORT AND
FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

CHESTER DIOCESAN BOARD OF EDUCATION
ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2014

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CHESTER DIOCESAN BOARD OF EDUCATION

MEMBERS OF THE BOARD OF EDUCATION DURING THE YEAR ENDED 31 DECEMBER 2014

EX-OFFICIO
The Rt Rev The Bishop of Chester *

ELECTED MEMBERS 1 Clerical and 1 Lay elected by Diocesan Synod,
1 Clerical or Lay elected by each Deanery Synod.

Mr M Baxter (resigned 31/8/14)	Stockport Deanery
Mr R Blackhurst	Malpas Deanery
Mr S Cottam	Wallasey Deanery
Mr P A Edwards	Bowdon Deanery
Mr J Furse	Chadkirk Deanery
The Revd J L Goode	Great Budworth Deanery
The Revd Dr J Harries	Diocesan Synod
The Revd P Hartopp	Middlewich Deanery
Mr I Johnson	Mottram Deanery
The Revd S Mayo (appointed 1/9/14)	Stockport Deanery
Mr W I McKenzie	Birkenhead Deanery
Mr P Noden	Nantwich Deanery
The Revd D Newstead	Wirral North Deanery
Mr E Owen *	Frodsham Deanery
Mr I Roberts	Diocesan Synod
Mrs D Wisener	Congleton Deanery
Mr C Wilkinson	Chester Deanery
Mrs P Worswick	Macclesfield Deanery
Dr W Yates	Knutsford Deanery

CO-OPTED MEMBERS
The Revd L Bannon
The Revd D W Guest
Ms J Owen
Mr J Owens
Canon E Renshaw MBE *
Canon Prof T J Wheeler DL *

BISHOP'S NOMINEES
The Revd C Helm
The Rt Rev The Bishop of Birkenhead *
The Ven Dr M Gilbertson *

SECRETARY
Canon J Turnbull

* Also Director of the company

CHESTER DIOCESAN BOARD OF EDUCATION

DIRECTORS AND PROFESSIONAL ADVISORS

DIRECTORS OF THE COMPANY, LIMITED BY GUARANTEE

The Rt Rev The Bishop of Chester
The Rt Rev The Bishop of Birkenhead
The Ven Dr M Gilbertson
Canon E Renshaw MBE
Mr E Owen
Canon Prof T J Wheeler DL

SECRETARY AND REGISTERED ADDRESS/PRINCIPAL OFFICE

Canon J Turnbull
Church House, 5500 Daresbury Park, Daresbury, Warrington WA4 4GE

PROFESSIONAL ADVISORS

Bankers:	National Westminster Bank plc P O Box 8, 33 Eastgate Street, Chester, CH1 1XA
Solicitors:	Hibberts LLP 25 Barker Street, Nantwich, Cheshire, CW5 5EN Lee Bolton Monier-Williams 1 The Sanctuary, Westminster, London, SW1P 3JT
Registered Auditors:	BDO LLP 5 Temple Square, Temple Street, Liverpool, L2 5RH

CHESTER DIOCESAN BOARD OF EDUCATION

TRUSTEES REPORT, INCORPORATING THE STRATEGIC REPORT

The trustees are pleased to present their report together with the financial statements of the charity for the year ending 31st December 2014.

Reference and administrative details

Charity number: 525790

Company number: 85176

Principal Office: Church House, 5500 Daresbury Park, Daresbury, Warrington WA4 4GE

Directors and trustees

The directors 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 trustees.

The trustees serving during the year and since the year end were as follows:

Ex-officio trustee:	The Rt Revd The Bishop of Chester
Bishop of Chester nominees:	The Rt Revd The Bishop of Birkenhead The Ven The Archdeacon of Chester
Elected trustees:	E Owen Canon E Renshaw MBE Canon Prof T J Wheeler DL
Secretary:	Canon J Turnbull

Structure, Governance and Management

Governing Document

The Chester Diocesan Board of Education is a company limited by guarantee governed by its Memorandum and Articles of Association of 1943 amended on 17 October 1995. It is registered as a charity with the Charity Commission. Members of the company are elected or appointed in accordance with The Chester Diocesan Board of Education Order 1993. Following elections to Diocesan Synod, the Board was reconstituted on 1 January 2013. There were 28 members at the year-end (29 in 2013), each of whom agree to contribute £1 in the event of the charity winding up.

The Bishop of Chester is a member and he nominates two members from among the suffragan bishops, full time assistant bishops or archdeacons in the Diocese. He may also nominate two additional members. Diocesan Synod elects two members and each Deanery Synod elects one member. The trustees have the power to co-opt up to eight further members to fill specialist roles. All members serve for a period of three years.

When considering co-opting members, the Board has regard to the requirement for any experience needed, for example in Church schools in the Diocese or work with children, young people or in the FE or HE sector in the Diocese.

Appointment of trustees

As set out in the Articles of Association the chair of the trustees is the Bishop of Chester except that, if he does not desire to be Chairman, the members after consultation with the Bishop, shall appoint some other person (whether or not a member) to be Chairman. The Bishop of Birkenhead was the Chairman throughout the year.

CHESTER DIOCESAN BOARD OF EDUCATION

The trustees comprise the Chairman of the Association, the members appointed by the Bishop from among the suffragan bishops, full time assistant bishops or archdeacons in the Diocese and up to four other members elected by the members of the Board.

Trustee induction and training
New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity.

Trustees also meet key employees and are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation
The board of trustees administers the charity. The board meets regularly together with the Secretary who manages the day to day operations of the charity. To facilitate effective operations, the Secretary has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and school related activities.

Related parties
The charity has a close relationship with Chester Diocesan Board of Finance (a company limited by guarantee registered in England (no. 7826) and a registered charity (no. 248968)) which funds the work with children and young people and provides office accommodation.

The charity has a close relationship with Chester Diocesan Academies Trust (a company limited by guarantee registered in England (no. 8451787) and an exempt charity) which was established during the year as a multi-academy trust within the Diocese.

The charity jointly owns DBE Services Ltd with Blackburn Diocesan Board of Education, Carlisle Diocesan Board of Finance, Liverpool Diocesan Board of Finance, Manchester Diocesan Board of Education and York Diocesan Board of Finance. This company undertakes support work across the six dioceses and gift-aids any profit back to the six Boards.

Objectives and activities
The charity acts as the Education Authority for the Church of England in the Diocese of Chester, in accordance with The Diocesan Boards of Education Measure 1991. The objects of the charity are:

- to promote education consistent with the faith and practice of the Church of England in the Diocese;
- to promote religious education and religious worship in schools in the Diocese;
- to promote church schools in the Diocese;
- to advise the governors of Church schools in the Diocese;
- to advise the trustees of church educational endowments in the Diocese;
- to promote youth and children's work in the Diocese;
- to support work in institutions of further and higher education in the Diocese.

CHESTER DIOCESAN BOARD OF EDUCATION

One of the principal activities is the administration of grant claims in respect of building and maintenance work carried out on school properties together with all other related matters which promote the efficiency of or otherwise benefit the schools in the Diocese.

The company also acts as custodian trustee for a number of specific trusts (referred to as Specific Purpose Funds in the attached accounts).

The strategies employed to achieve the charity's objectives are to:

- Administer and advise on building work, particularly in aided schools in the Diocese;
- Advise and support governing bodies in aspects of their role such as appointments, admissions and ethos;
- Support and promote quality religious education and worship in church schools in the Diocese;
- Arrange for and support staff and governors through denominational inspection procedures;
- Provide training opportunities for staff and governors;
- Provide pastoral and other support to schools experiencing difficulties;
- Work with other Diocesan Boards of Education in the DBE Services group to provide high quality services to schools;
- Represent the Diocese on committees and groups involved in school work;
- Advise and support the trustees of church educational endowment held wholly or partly for or in connection with any church school.

Work with children and young people is supported entirely by Chester Diocesan Board of Finance.

Strategic Report

Risk management

The trustees have a risk management strategy which comprises:

- an annual review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan, and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

This work has identified only a few minor new risks but it has resulted in better emergency procedures and contingency plans and has given the impetus for better planning. A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees. There is trustee indemnity insurance in place.

Grant making policy

The charity makes discretionary grants to governors or schools as financial assistance towards the cost of approved school projects. In deciding whether to make a grant, the trustees consider the school's ability to fund the work themselves by obtaining information using an application form which asks for information on other sources of finance.

Achievements, Performance and Public Benefit

The Department for Education which provides grants for building work in aided schools has continued to provide Devolved Formula Capital to schools, but at a reduced level. Aided schools in the Diocese have continued to have this money held by the charity. This indicates the level of regard with which the charity is held and has also enabled us to allow some schools to expend money which they will not receive until the following year.

The charity has provided public benefit in the following ways:
Many schools benefited from building work and the support of staff and consultants from DBE Services Ltd. Projects with work over £100,000 included:

- Bunbury Aldersey — Replacement of a mobile with permanent accommodation
- Grappenhall St Wilfrid — Kitchen Adaptations, reroofing, increase of power supply
- Hartford — Reroofing
- Heswall St Peter — Replacement of Boiler and associated pipework

• Norley	Provision of secure entrance and offices
• Oxton St Saviour	Refurbishment of classrooms
• Stockport St George	Internal Adaptations
• Stretton St Matthew	Resolution of various condition issues
• Woodcock's Well	Internal Adaptations and refurbishment

Capital grant for building work in schools was again limited to funding for one year which produces difficulty in ensuring the most needy projects are undertaken. This year a great deal of work was undertaken to implement the Government's initiative for Universal Infant Free School Meals. A change in the procedures connected with the provision of grant for capital building work in aided schools occurred during the year.

The administration of denominational inspection is now undertaken by the Diocese of Liverpool on behalf of this Diocese and the Diocese of Manchester. In addition, the charity continued to support schools before and after these inspections and it is of great benefit in further developing the Christian foundation of our schools as well as offering a means of pastoral support to senior managers. The following schools are to be congratulated on being seen as outstanding church schools by their inspector during the year:

- Delamere C of E Academy
- Macclesfield St John the Evangelist C of E School
- Grappenhall St Wilfrid's C of E School
- Oxton St Saviour's C of E School
- Witton Church Walk C of E School
- Guilden Sutton C of E School
- St Oswald's Worleston C of E School
- Birkenhead Christ Church C of E School

99% of church schools in the Diocese are currently graded 'Outstanding' or 'Good' in their denominational inspection.

The charity is being seen as more responsible for standards in church schools in the Diocese. 89% of schools in the Diocese are currently graded 'Outstanding' or 'Good' by Ofsted.

Birkenhead Christ Church C of E Primary School became voluntary aided (from voluntary controlled) on 1 September. The school has been supported by officers during and after the change.

The charity continues to assist schools as they consider academy status. Mossley and Smallwood C of E Primary Schools became academies during the year and St Matthew's C of E Primary School in Stockport became the first academy in Chester Diocesan Academies Trust. Woodchurch High School was granted Church of England designation bringing the number of academies in the Diocese to eight.

The charity has supported governors in the usual round of senior appointments in church schools and other issues. Successful training courses, some in conjunction with DBE Services and the National College, have been run to support the development of Christian leaders for schools.

School governors were particularly supported as they needed to reconstitute their governing bodies under new regulations. The new requirements for appointing foundation governors are seeking to ensure that governing bodies have the appropriate skill set. An initiative to recruit appropriate foundation governors was begun and SGOSS, a Charity which encourages businesses to provide governors for schools, has proved helpful in some areas. Aided schools and academies were supported as they reviewed their admissions policies following the provision of a new framework.

The 'Chester Diocesan Family of Schools' has continued successfully for a sixth year with membership of schools remaining high. Schools pay an annual subscription to be a member and receive discounts on courses provided and receive other benefits. The courses for teachers and governors have continued to be successful and maintain the profile of the charity. The accessibility of the new Church House has seen a consistently high attendance

at events. RE support continues to be provided to member schools through exemplar lesson plans as well as regular meetings for RE co-ordinators.

The charity received two important national reports: one on RE standards in Church schools and one on the future of small rural schools. Guidance on dealing with homophobic bullying, 'Valuing All God's Children' was also provided by the National Society.

The annual Year 6 leavers' services were again well-attended and appreciated by all who attended, with two services held in the Cathedral for a second year. We are most grateful to the Cathedral and Astbury St Mary's Church for hosting these events.

The reduced funding for local authorities has resulted in schools looking for increased support and the charity is seeking ways to ensure appropriate provision is provided. In some areas, church schools are seeking more productive ways to work together for mutual support and this is being encouraged by the charity. Particularly productive work has been undertaken by church schools in the Wirral Local Authority.

The regular half-termly newsletter which goes to all church schools and other interested parties and also the website, has been successful in communicating the charity's work and supporting school staff and governors in their respective roles.

The chaplains of secondary schools have continued to be supported through regular meetings.

An initiative was begun to assist parish churches to work effectively with their local schools..

Financial Review
The financial statements have been prepared according to the principles contained in the Statement of Recommended Practice 'Accounting and Reporting by Charities (revised 2005)' issued by the Charity Commissioners for England and Wales and in accordance with the accounting policies detailed in note 1 to the accounts.

As detailed in the Statement of Financial Activities, and in note 8, the company was acting as custodian trustee and holding Specific Purpose funds totalling £410,281 at 31 December 2014 compared to £470,882 at the beginning of the year.

The Statement of Financial Activities shows net outgoing resources of £172,144 before gains of £339,214 resulting in a net movement in funds of £167,070.

The overall result for the year has led to a total increase in funds held (excluding Specific Purpose funds) of £227,671, as shown on the Statement of Financial Activities on page 13 comprising an Unrestricted General fund surplus of £202,959 and Restricted Trust fund surplus of £24,712.

Investment Policy
The charity owns a number of properties as well as holding investments in CBF Church of England Funds and cash reserves. Of the charity's total gross assets (excluding Specific Purpose fund investments), 19% is held as cash, 12% in property and 69% in CBF investments. The properties bring income through leases. Of the CBF investments (excluding Specific Purpose fund investments), 78% are investment shares and 11% Global Equity shares that are intended to provide steadily growing income and capital appreciation to provide long-term protection from inflation; 11% are property shares which provide higher income and some protection against inflation. In all cases performance is in line with expectations.

The CBF guarantee that investments are made in accordance with the ethical standards of the Church of England.

The trustees regularly consider the performance of the shares to ensure that the return in terms of capital growth and income is appropriate to the needs of the charity. This year the review led the trustees to sell all fixed interest securities held and invest in more property shares as the income from fixed interest shares reduced and their medium term value is expected to fall as bank interest rates rise.

CHESTER DIOCESAN BOARD OF EDUCATION

Reserves Policy
The charity is almost entirely dependent on the income from its investments to support its work. Consequently investments are maintained and the trustees would only consider expending capital in exceptional cases.

The Restricted Trust Funds arise out of the sale of school properties which in past years came under various Educational Endowment Orders and were amalgamated into a uniform statutory trust in 1995 following the provisions of the Education Act 1993. The use of these funds is restricted to the following:

a) funding the purchase, or erection of, improvement or enlargement of, relevant school premises in the area;
b) funding maintenance costs of any relevant school in the area;
c) funding the costs of the administration of the trust and the costs of providing advice, guidance and resources in connection with any matter related to the management of, or education provided at any relevant school in the area.

The Unrestricted General Funds held are historic funds and may be used for the general purposes of the Board in achieving its charitable objectives.

Plans for Future Periods
The major task for the charity will be to respond appropriately to changes in Government policy, particularly following a General Election, in order to support trustees, governors and staff in schools. Schools are suffering from the reduction in Local Authority support, changes in school funding, the introduction of a new curriculum and changes to assessment.

The major changes to the provision of capital building work in aided schools expected four years' ago has still not occurred, but the charity will undergo a major change as long-standing officers retire during the year: Mrs Christine Woodward has supported the charity in financial, legal and property matters and will be greatly missed as will Mrs Sandra James whose duties have included being the Director's secretary. Both have served the charity well for twenty-six years.

Following the election, there may be further pressure on schools to become academies and the charity needs to be in a position to respond to the needs to advise and support schools appropriately.

The charity is particularly keen to ensure that church schools take their rightful place in the overall mission of the Church and will continue to work to ensure this occurs. Work will continue to seek to support churches in their mission to all schools in their parish. The challenges posed by the 'A Diocesan Board of Education for the Future' Report will inform the priorities of the charity and its self-evaluation framework used to reach a sound conclusion as to the effectiveness of the leadership and management of the charity; the effectiveness of the Church schools within the Diocese; and an assessment of how well integrated education is within the wider diocesan mission.

The revision of the Primary RE Guidelines will be undertaken following the release of information on the National Society's national initiative on teaching Christianity in schools.

Funds Held as Custodian Trustee on Behalf of Others
The charity acts as custodian trustee in respect of funds held on behalf of local trustees and such specific purpose funds are shown separately in the financial statements.

The company also acts as custodian trustee in respect of funds arising out of the sale of school properties where the funds are held pending the issue of an Order or other determination.

The Devolved Formula Capital for aided schools is held by the charity as part of these funds.

CHESTER DIOCESAN BOARD OF EDUCATION

In respect of each Trustee at the date the Trustee's Report is signed:

- so far as we are aware, there is no information needed by the Charity's auditors in connection with preparing their report (relevant audit information) of which they are unaware, and
- as the trustees of the Charity we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors
A resolution will be proposed at the Annual General Meeting that BDO LLP be re-appointed as auditors to the charity for the ensuing year.

By order of the trustees, the Trustees Report, incorporating the Strategic Report, has been approved by

The Rt Revd K Sinclair (Chairman)

Date: 30 APRIL 2015

CHESTER DIOCESAN BOARD OF EDUCATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2014

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The Trustees are also responsible for preparing the financial statements in accordance with 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that show and explain the charity's transactions, 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 Companies Act 2006. 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.

CHESTER DIOCESAN BOARD OF EDUCATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESTER DIOCESAN BOARD OF EDUCATION YEAR ENDED 31 DECEMBER 2014

We have audited the financial statements of Chester Diocesan Board of Education for the year ended 31 December 2014 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet and the related notes. 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 charity'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 charity'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 charity and the charity's 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 statement of trustees' responsibilities, the trustees (who are also directors of the 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 Financial Reporting council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2014 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 matters prescribed by the Companies Act 2006

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

CHESTER DIOCESAN BOARD OF EDUCATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHESTER DIOCESAN BOARD OF EDUCATION (CONT'D) YEAR ENDED 31 DECEMBER 2014

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.

BDO LLP

Mark Sykes (Senior statutory auditor)
for and on behalf of BDO (UK) LLP, Statutory auditor
Manchester, UK

Date 7 May 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

CHESTER DIOCESAN BOARD OF EDUCATION

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2014

	Note	Unrestricted General Funds £	Restricted Funds £	Specific Purpose Funds £	Total 2014 £	Total 2013 £
INCOMING RESOURCES	1.2					
Incoming resources from generated funds:						
Investment income and interest	2.2	**74,337**	**213,919**	**3,595**	**291,851**	298,241
Incoming resources from Charitable activities	2.1	**98,424**	**-**	**-**	**98,424**	94,426
		172,761	**213,919**	**3,595**	**390,275**	392,667
Other incoming resources						
Further funds received		**-**	**-**	**-**	**-**	85,083
TOTAL INCOMING RESOURCES		**172,761**	**213,919**	**3,595**	**390,275**	477,750
RESOURCES EXPENDED	1.3					
Cost of generating funds						
Charitable activities	3.1	**-**	**451,971**	**-**	**451,971**	505,471
Governance costs	3.1	**2,430**	**41,486**	**-**	**43,916**	47,391
	3.1	**2,430**	**493,457**	**-**	**495,887**	552,862
Funds divested		**-**	**-**	**66,532**	**66,532**	30,372
TOTAL RESOURCES EXPENDED		**2,430**	**493,457**	**66,532**	**562,419**	583,234
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		**170,331**	**(279,538)**	**(62,937)**	**(172,144)**	(105,484)
Gross transfers between funds	3.7	**-**	**-**	**-**	**-**	-
NET INCOMING/(OUTGOING) RESOURCES BEFORE REVALUATIONS AND INVESTMENT ASSET DISPOSALS		**170,331**	**(279,538)**	**(62,937)**	**(172,144)**	(105,484)
Gain on investment assets	6.1	**32,628**	**292,252**	**2,336**	**327,216**	483,508
Gain on disposal of investment property	4.1	**-**	**11,998**	**-**	**11,998**	-
NET MOVEMENT IN FUNDS		**202,959**	**24,712**	**(60,601)**	**167,070**	378,024
Fund balances brought forward at 1 January 2014		**2,184,759**	**5,934,849**	**470,882**	**8,590,490**	8,212,466
FUND BALANCES CARRIED FORWARD AT 31 DECEMBER 2014	10	**2,387,718**	**5,959,561**	**410,281**	**8,757,560**	8,590,490

CHESTER DIOCESAN BOARD OF EDUCATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 DECEMBER 2014

	2014	2013
	£	£
Gross income of continuing operations	**390,275**	477,750
Total expenditure of continuing operations	**(495,887)**	(552,862)
Net (deficit)/surplus for the year	**(105,612)**	(75,112)

All amounts relate to continuing operations.

CHESTER DIOCESAN BOARD OF EDUCATION

COMPANY NUMBER: 85176

BALANCE SHEET
31 DECEMBER 2014

	Notes	2014		2013	
		£	£	£	£
Fixed assets					
Tangible fixed assets					
- investment properties	4.1		**1,009,700**		1,169,700
- fixtures and office equipment	4.2		**1,038**		-
Investments	6.2		**6,780,661**		5,797,390
Investment in associated company	6.3		**12**		12
			7,791,411		6,967,102
Current assets					
Debtors	5		**610,614**		811,540
Cash at bank			**1,633,650**		1,715,587
			2,244,264		2,527,127
Creditors – amounts falling due within one year	7.1		**(1,276,075)**		(900,059)
Net current assets			**968,189**		1,627,068
Total assets less current liabilities			**8,759,600**		8,594,170
Creditors – amounts falling due after more than one year	7.2		**(2,040)**		(3,680)
Net assets			**8,757,560**		8,590,490
Funds					
Specific purpose funds	8		**410,281**		470,882
Restricted trust funds	9		**5,959,561**		5,934,849
Unrestricted general funds			**2,387,718**		2,184,759
			8,757,560		8,590,490

Approved and authorised for issue by the Board on 30 April 2015

+ Keith Birkenhead

The Rt Revd K Sinclair (Chairman)
Director

NOTES AND ACCOUNTING POLICIES
YEAR ENDED 31 DECEMBER 2014

1 PRINCIPAL ACCOUNTING POLICIES

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments and investment properties at market value, and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities (SORP 2005)', applicable accounting standards and the Companies Act 2006.

1.2 Incoming resources

Incoming resources are included in the Statement of Financial Activities on the basis of the amounts receivable for the year.

1.3 Resources Expended

Resources expended are included in the Statement of Financial Activities on the accruals basis, based on the amounts payable for work done and services provided in the year. Charitable Expenditure consists of all expenditure directly relating to the objects of the charity. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activity costs also include the cost of administering grant claims in respect of building and maintenance work carried out on school properties, the cost of administering grants payable and providing support to the other charitable activities of the company.

Governance costs are those costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

1.4 Grants

Grants payable included within charitable activities represent discretionary grants to Governors or Schools for financial assistance towards the cost of specific, approved school projects. Grants payable are included in the Statement of Financial Activities on the accruals basis, to the extent that conditions for payment have been met.

1.5 Investments

Investments are included in the balance sheet at their market value at the balance sheet date.

Unrealised gains are calculated as the movement in market value during the year. Realised gains are calculated as the difference between disposal proceeds and market value brought forward.

1.6 Taxation

No provision is made for taxation as the company is a Charity entitled to the various exemptions afforded by the Corporation Tax Act 2010.

1 PRINCIPAL ACCOUNTING POLICIES (continued)

1.7 Specific purpose funds

The company acts as custodian trustee in respect of funds held on behalf of local trustees and such specific purpose funds are shown separately in the financial statements, as summarised in note 8.

The company also acts as custodian trustee in respect of funds arising out of the sale of school properties where the funds are held pending the issue of an Order or other determination.

1.8 Restricted trust funds

Funds arising out of the sale of school properties were received in past years under various Educational Endowment Orders and were amalgamated into a uniform statutory trust in 1995 following the provisions of the Education Act 1993. These funds are shown separately as trust funds in the financial statements, as summarised in note 9, and their use is restricted to the following:-

a) funding the purchase, or erection of, improvement or enlargement of, relevant school premises in the area,

b) funding maintenance costs of any relevant school in the area,

c) funding the costs of the administration of the trust and the costs of providing advice, guidance and resources in connection with any matter related to the management of, or education provided at any relevant school in the area.

1.9 Tangible fixed assets - other than property

The cost of office fixtures and office equipment acquired are capitalised and are depreciated over their estimated useful lives at the rates of 33.3% per annum straight line for computer equipment and 20% per annum straight line for other furniture and equipment.

Office fixtures and office equipment costing less than £1,000 are not capitalised.

1.10 Tangible fixed assets - property

Proceeds from the sale of former school properties are normally held by the company as custodian trustee (in specific purpose funds, as note 1.7) until a relevant Educational Endowment Order or other determination is issued. The financial statements up to 31 December 1996 did not include any value for former school properties held in the name of the company which had not yet been sold but these properties, classified as investment properties, have been included in subsequent accounts at their estimated market value, as disclosed in note 4.1.

1.11 Cash Flow Statement

The charity has taken advantage of the exemption provided by FRS 1 and has not produced a cash flow statement.

1.12 Liabilities

The charity recognises liabilities when an obligation exists as a result of a past event and a reasonable estimate can be made of the amount of that obligation.

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES
YEAR ENDED 31 DECEMBER 2014

2 INCOMING RESOURCES

2.1 Charitable activities

	2014	2013
	£	£
Conference income	27,266	12,103
DBE Services Ltd gift aid	33,975	46,402
Chester Diocesan Family of Schools	35,649	34,042
Other	1,534	1,879
	98,424	94,426

2.2 Investment income and interest

	Unrestricted	Restricted	Specific Purpose funds	Total 2014	Total 2013
	£	£	£	£	£
Unlisted investments	22,381	213,919	3,595	239,895	235,413
Bank interest	7,145	-	-	7,145	13,393
Rental income	44,564	-	-	44,564	49,188
Interest on advances	247	-	-	247	247
	74,337	213,919	3,595	291,851	298,241

3 RESOURCES EXPENDED

3.1 Resources expended comprised the following:-

	2014 Charitable activities	2014 Governance costs of charity	2014 Total	2013 Total
	£	£	£	£
Grants made (note 3.3)	12,007	-	12,007	18,366
Property costs incurred	8,858	-	8,858	10,002
Salaries and other recharges (note 3.4)	213,997	23,778	237,775	261,469
Legal and professional	35,281	3,920	39,201	17,849
Audit and accountancy (note 3.5)	-	11,100	11,100	15,600
Bank charges	-	442	442	359
Depreciation	-	511	511	-
Educational Support Costs	144,340	-	144,340	73,139
Other expenses, including insurance, consumables.	37,488	4,165	41,653	156,078
	451,971	43,916	495,887	552,862

3 RESOURCES EXPENDED (continued)

3.2 Staff Costs

	2014	2013
	£	£
Salaries and Wages	**39,146**	33,318
Employer's NI	**1,321**	2,815
Employer's Pension Contributions	**5,520**	4,731
	45,987	40,864

During the year there was one (2013: one) full time employee employed by Chester Diocesan Board of Education. In addition there are five employees under joint employment contracts with Chester Diocesan Board of Finance.

Staff costs are included in the charge levied by Chester Diocesan Board of Finance who act in an agency capacity in paying the staff member employed by Chester Diocesan Board of Education. These costs are included within resources expended.

Employer's pension contributions above on behalf of the single employee employed by Chester Diocesan Board of Education have been paid into the Teacher's Pension Scheme.

Four of the five employees under joint contracts of employment are members of the Church of England Defined Benefits Scheme (DBS), part of the Church Workers Pension Fund.

Chester Diocesan Board of Finance is unable to identify its share of the underlying assets and liabilities as each employer is exposed to the actuarial risks associated with the current and former employees of other entities participating in the DBS. A valuation of the Fund was carried out as at 31st December 2010 and Chester DBF's contribution rate was revised (to 26.8% of pensionable salary for contributory members and 31.8% for non-contributory members) with effect from 1st April 2012.

No remuneration (or expense reimbursement) was paid to any of the directors, or members of The Board of Education, for the year (2013: £Nil).

3 RESOURCES EXPENDED (continued)

3.3 Grants made and committed

In 2014 financial assistance grants totalling £12,007 were paid to the governors of six schools (2013: £18,366 to the governors of four schools).

	2014	2013
	£	£
Bishops' High School – assistance with funding chaplain	**5,000**	9,162
Hartford - assistance with funding chaplain	**2,500**	-
Leasowe – boiler and window replacement	**-**	8,389
Stockport St George – assistance with refurbishment proposal	**3,192**	-
Other grant payments of less than £1,000 each	**1,315**	815
	12,007	18,366

3.4 Salaries and other recharges are paid to the Chester Diocesan Board of Finance for work carried out on behalf of schools in the Diocese. The main recharges are for salaries under joint contracts of employment and rent.

3.5 The audit charges related to the following:

	2014	2013
	£	£
Current year	**11,100**	11,100
Prior year	**-**	4,500
	11,100	15,600

3.6 The cost of errors and omissions and trustee indemnity insurance for the year amounted to £739 (2013: £796).

3.7 There were no transfers in the year.

4 TANGIBLE FIXED ASSETS

4.1 Investment properties:

	£
At valuation at 1 January 2014	1,169,700
Disposal of property during the year at carrying value	(160,000)
At valuation at 31 December 2014	**1,009,700**

The investment properties were independently valued by Mason Owen (chartered surveyors) in November 2013. They review that valuation annually, and any change in valuation is reflected above. Full independent valuations are undertaken every 5 years; the next being due in 2017.

The properties were provided to the Board at no cost by order of the Secretary of State for Education.

4.2 Fixtures and office equipment:

Cost:	£
- at 1 January 2014	-
- acquisition in year	1,549
- at 31 December 2014	1,549
Depreciation	
- at 1 January 2014	-
- charge for year	511
- at 31 December 2014	511
Net book value as at 31 December 2014	**1,038**

5 DEBTORS

5.1 Amount falling due within one year:

	2014 £	2013 £
Grants receivable	**32,788**	117,089
Other investments and advances to school governors	**364,092**	399,398
Other debtors, prepayments and accrued income	**111,146**	149,742
	508,026	666,229

5.2 Amounts falling due after one year:

Other investments and advances to school governors	**102,588**	145,311
	102,588	145,311

6	**INVESTMENTS**	**2014** £	2013 £
6.1	**Unlisted investments, at market value**		
	At 1 January 2014	**5,797,390**	5,283,488
	Additions in year	**1,075,522**	250,242
	Less: disposals at market value	**(419,467)**	(219,848)
	Net gain on revaluation	**327,216**	483,508
	Market value at 31 December 2014	**6,780,661**	5,797,390

(Historic cost as at 31 December 2014 £5,110,560;
31 December 2013 £4,434,344)

6.2	The investments held at 31 December comprised:-		
	CBF deposits	**784,954**	541,033
	CBF Fixed Interest Securities fund	**-**	295,558
	CBF Investment fund	**4,702,007**	4,061,778
	CBF Global Equity Investment fund	**648,658**	630,273
	CBF Property fund	**614,348**	239,784
	COIF deposits and investment fund	**30,694**	28,964
		6,780,661	5,797,390

6.3 **Investment in associated company**

The Charity holds the following investment:-

Investment in associate at cost	**12**	12

Name	**Type of share**	**% value**	**Profit for the year £**	**Aggregate capital and reserves £**
DBE Services Ltd	Ordinary	17%	**23,984**	**22,934**

At the year end the Charity received gift aid payments amounting to £33,975 from this company (2013: £46,402).

The results above are from the accounts for 2014.

7	CREDITORS	2014 £	2013 £
7.1	**Amount falling due within one year:**		
	Trade creditors	**91,278**	127,023
	Loan repayments	**1,640**	1,940
	Other creditors, accruals and deferred income	**632,006**	242,214
	DFC funds payable	**551,151**	528,882
		1,276,075	900,059
7.2	**Amounts falling due after one year:**		
	Loan repayments		
	- Church of England Archbishops' Council	**2,040**	3,680
7.3	The loans outstanding are repayable as follows:-		
	Due within a year	**1,640**	1,940
	Due between 1 and 2 years	**1,040**	1,640
	Due between 2 and 5 years	**1,000**	2,040
		3,680	5,620

The loans repayable to the Church of England Archbishops' Council are interest free and are repayable over various terms.

7.4	Deferred income	2014	2013
	Balance at 1 January 2014	**23,516**	22,283
	Utilised during the year	**(23,516)**	(22,283)
	Deferred in the year	**29,144**	23,516
	Balance at 31 December 2014	**28,844**	23,516

8	SPECIFIC PURPOSE FUNDS	£
	Funds held at 1 January 2014	**470,882**
	Incoming resources	
	- further funds received	**-**
	- investment income arising	**3,595**
	Funds divested	**(66,532)**
		407,945
	Gain on investments	**2,336**
	Funds held at 31 December 2014	**410,281**

9 RESTRICTED TRUST FUNDS

	Total
	£
Funds held at 1 January 2014	**5,934,849**
Incoming Resources:	
- investment income arising	**213,919**
Further funds received	**-**
Resources expended	**(493,457)**
Gain on revaluation of investment property	**11,998**
Gain on investment assets	**292,252**
Funds held at 31 December 2014	**5,959,961**

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted General funds £	Restricted Trust funds £	Specific Purpose funds £	Total funds £
Fund balances at 31 December 2014 as represented by:-				
Tangible fixed assets	1,038	1,009,700	-	**1,010,738**
Investments	626,873	5,743,520	410,281	**6,780,673**
Current assets less creditors	1,759,807	(793,659)	-	**966,149**
Total Net Assets	**2,387,718**	**5,959,561**	**410,281**	**8,757,560**

Net assets above includes unrealised gains of £1,670,102 on investments.

11 RELATED PARTIES

Chester Diocesan Board of Education acts as the education authority for the Church of England in the Diocese of Chester.

	2014	2013
	£	£
Contribution re joint employment contracts and other recharges payable to The Chester Diocesan Board of Finance for the year	**190,204**	245,430

The Charity owns 17% of the ordinary share capital of DBE Services Ltd, an entity which commenced trading on 1 January 2006. The company undertakes support work across six northern dioceses. During the year Chester Diocesan Board of Education received gift aid payments totalling £33,975 (2013: £46,402).

The Directors do not regard the schools in the Diocese to be classified as related parties.

Chester Diocesan Academies Trust

Donations of £84,685 (2013: NIL) were paid to Chester Diocesan Academies Trust (CDAT), an organisation in which there are a number of trustees on both boards.
During the year costs were incurred by Chester Diocesan Board of Education on behalf of CDAT totalling £8,256 (2013:£45,765). At 31 December 2014, £NIL (2013: £NIL) was owed by CDAT to Chester Diocesan Board of Education. The trustees do not consider that there is overall control that would require this Charity to be consolidated within these financial statements.

Contribution re joint employment contracts and other recharges payable to The Chester Diocesan Board of Finance, an organisation in which there are a number of trustees on both boards totalled £190,204 (2013: £245,430)

The charity owns 17% of the ordinary share capital of DBE Services Ltd, an entity which commenced trading on 1 January 2006. The company undertakes support work across the six northern Dioceses. During the year Chester Diocesan Board of Education received gift aid payments totalling £33,975 (2013: £46,402).

The directors do not regard the schools in the Diocese to be classified as related parties.

CHESTER DIOCESAN BOARD OF EDUCATION

SUMMARY OF INVESTMENTS HELD (EXCLUDING INVESTMENT PROPERTY) AT 31 DECEMBER 2014

MANAGEMENT INFORMATION
SCHEDULE A

1) **Restricted trust and unrestricted general fund investments**

	Cost		Market value	
	Restricted Trust funds	Unrestricted General funds	Restricted Trust funds	Unrestricted General funds
	£	£	£	£
Unlisted investments				
- CBF deposits	384,616	32,820	384,616	32,820
- CBF Fixed Interest Securities fund	-	-	-	-
- CBF Investment fund	3,044,866	99,065	4,068,234	591,009
- CBF Global Equity Investment fund	530,000	-	648,659	-
- CBF Property fund	619,959	2,951	611,318	3,031
- COIF Investment fund	2,460	-	30,694	-
	4,580,901	**134,836**	**5,743,521**	**626,861**

Unrealised gain on investments (excluding investment property) held at 31 December 2014

- restricted trust funds	**1,161,620**	
- unrestricted general funds		**492,025**

2) **Specific Purpose fund investments**

	2014		2013	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
Unlisted investments, as schedule B				
- CBF deposits	367,519	367,519	430,864	430,864
- CBF Investment fund	26,304	42,764	25,896	40,018
	393,823	**410,283**	**456,760**	**470,882**

Unrealised gain on investments held at 31 December 2014 **16,460**

CHESTER DIOCESAN BOARD OF EDUCATION

SUMMARY OF SPECIFIC PURPOSE FUNDS HELD AT 31 DECEMBER 2014

MANAGEMENT INFORMATION SCHEDULE B

	Total funds at 1.1.14 £	Funds received £	Funds withdrawn £	Transfers £	Income Reinvested £	Total Realised Funds 31.12.14 £	Increase in market value in year £	Total funds at 31.12.14 £
Funds held pending an order								
Hooton School	8,505	-	-	-	301	8,806	424	9,230
Margaret Davies, Handley	9,244	-	-	-	378	9,622	549	10,171
Congleton Mossley	765	-	-	-	31	796	45	841
Funds held on behalf of Local Trustees								
(As Custodian Trustees)								
Bidston	24,939	-	(906)	-	923	24,956	1,318	26,274
Funds held pending determination								
Davenham School	85,814	-	(8,934)	-	403	77,283	-	77,283
Mossley School	106,541	-	(1,133)	-	529	105,937	-	105,937
Little Sutton	30,580	-	(2,051)	-	145	28,674	-	28,674
Stapeley Broad Lane	-	-	-	-	-	-	-	-
Tintwistle	1,923	-	-	-	10	1,933	-	1,933
Wharton School	117,869	-	-	-	590	118,459	-	118,459
Edgeley	52,403	-	(52,530)	-	127	-	-	-
Backford	32,299	-	(978)	-	158	31,479	-	31,479
	470,882	**-**	**(66,532)**	**-**	**3,595**	**407,945**	**2336**	**410,281**