



Company Number 46014

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

Report and Financial Statements

For the Year Ended 31 December 2012

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Registered Office

Registered Charity Number 1031550

1 The Sanctuary Westminster London SW1P 3JT

Company Number 46014



INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The Board presents its report and the audited financial statements for the year ended 31 December 2012

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities

1 LEGAL AND ADMINISTRATIVE DETAILS

- a) Incorporated Rochester Diocesan Board of Education
A company limited by guarantee, company number 46014, and a Charity registered under the Charities Act, registered number 1031550
- b) The Governing Instrument is the Memorandum and Articles of Association
- c) The Trustees known as the Members of the Board
The Rt Rev J Langstaff - President
Chair: Mr C Thornton (to 30 01 2012)
Chair: The Ven C Mansell (from 31 01 2012)
Other Members
- | | | |
|-------------------------------------|--|-------------------------------------|
| Miss A Akhurst (to 30 01 2012) | Mrs J Faik | Mr J J Overell (to 31 12 2012) |
| Fr I Aquilina | The Rev P Filmer (from 26 06 2012 to 10 09 2012) | Mrs B J Powell (from 13 03 2012) |
| Mrs L Bailey | The Rev A Foot | Ms C Sargent (from 26 06 2012) |
| Cllr N Betts (to 19 04 2012) | Mr M R Gillespie (from 13 03 2012) | Fr C Smith (to 30 01 2012) |
| Mrs J M Bowring | Cllr G Lucia-Hennis | Mr C Town |
| Mr D W Bridger | Mr A J Hill (from 13 03 2012) | Mr S Webb |
| The Rev R Brnstow (from 13 03 2012) | Mr P Homewood | Mr S Wells |
| Cllr S Carr | Mr D Jai-Persad | The Ven Dr P Wright (to 30 01 2012) |
| Mr I Collins | Fr C W Jones (to 30 01 2012) | The Rev N Wynne-Jones |
| Mrs J Craig | Cllr B Kemp | Mrs K York (from 13 03 2012) |
| The Rev G Davies (to 30 01 2012) | Mr J J King | |
| Mrs M Davey (from 13 03 2012) | Fr J Mowbray | |

Trustees are appointed or elected via individual Deanery Synods throughout the Diocese, other than the Bishop who is ex-officio and two Bishop appointees

The charity is relying upon the guidance issued by the Charities Commission in relation to the induction and training of Trustees

- d) Principal Officers
Mr A Tear - Secretary to the Board
Mr J A. Constantine AM (Dip) , MBIFM - Deputy Director of Education

All Trustees are directors of the company No director had any interest in the share capital of the company

- e) Registered Office
1 The Sanctuary Westminster London SW1P 3JT
- f) Bankers
National Westminster Bank plc
40 High Street Rochester Kent ME1 1LJ
- g) Investment Advisers
The Central Board of Finance of the Church of England
2 Fore Street London EC2Y 5AQ
- h) Solicitors
Lee Bolton Monier Williams
1 The Sanctuary Westminster London SW1P 3JT
- i) Auditors
Crowe Clark Whitehill LLP
10 Palace Avenue Maidstone Kent ME15 6NF
- j) Principal Office
Diocesan Office St Nicholas' Church Boley Hill Rochester Kent ME1 1SL



INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

2 NARRATIVE REPORT

a) Objectives and principal activities

The Board's Corporate Funds are held to be applied in accordance with the objects clause of its Memorandum and Articles of Association which is

a To maintain and extend education in and knowledge of the Christian religion in general and the faith and practice of the Church of England in particular to all sections of the community within the Diocese of Rochester

b To carry out the functions of the Diocesan Board of Education for the Diocese of Rochester under the provisions of the Diocesan Boards of Education Measure 1991 and any legislation amending, supplementing or replacing the same

The Diocese of Rochester Consolidated Educational Endowments were created by a resolution of the Board passed on 9 November 1994 and are held on the terms of the Uniform Statutory Trusts under Schedule 36 of the Education Act 1996

In addition Trust Funds are held on behalf of schools

b) The company is organised on the following basis

The Trustees are elected via Deanery Synods for a period of three years. Certain Trustees of the Board are ex-officio by virtue of their post held

Following a new intake of Members the Board's first meeting will include an induction session led by the Director of Education and certain members of staff including explanations of the roles and responsibilities

The Trustees meet at least three times a year to review the progress of the company and to vote on resolutions concerning policy and changes in the composition of the Board

Day to day management of the company is delegated to officers and the Secretary submits a written report on the activities and plans to the Trustees at their meetings

c) A review of activities of the company during the year ended 31 December 2012

The work of the Rochester Diocesan Board of Education contributes to the Rochester Diocesan strategy and its aims. This report outlines our contribution through our main areas of work

1 Schools' Work

The Board inspects the evangelistic and religious work of each church school in the Diocese every three to five years, under the statutory framework. In 2012 twenty four such inspections (2011 - seventeen) were undertaken and it is anticipated that a similar number of inspections will be undertaken in 2013

We have established our own Multi Academy Trust so as Church sponsorship for directed and vulnerable schools can be secured in partnership with other good and outstanding schools. We are also working closely with a number of schools in establishing local Multi Academy Trusts and other collaborative partnerships

So as to at least maintain the percentage proportion of Church of England school places, where Local Authorities intend to expand educational provision, we work closely with existing Church of England schools to ensure they are included in the programme. As a result it has been agreed that a number of Church of England primary schools will expand

We have also submitted a bid for the provision of a new 3 FE Church of England primary school and a decision is expected shortly. It is hoped, in 2013 that negotiations for the provision of other new Church of England schools will be finalised

2 Children & Youth Work

The Board of Education continues to deliver the work of the wider Diocese in supporting the work of parishes and children and youth workers. In addition to the grant received from the Diocesan Board of Finance a grant was received from KCC for facilitating and supporting youth work.

A number of successful "GLOW" events for children and families were organised and held in local venues and these were well attended. In July, a Family "2012" Festival was held at West Kingsdown CE Primary school which brought together families, children and young people across the Diocese to celebrate the Olympics and the Diamond Jubilee

In conjunction with the Mission Department, small grants were offered for specific projects linked to the "Going for Gold" Olympic theme which were paid to parishes for schemes linked to mission and sport activities



INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

2 Children & Youth Work (continued)

Following an interim review, a residential weekend for Youth Workers is planned to re-launch our work with young people and establish a Diocesan Youth Council which will assist in the planning of Diocesan wide events in the future

The Diocesan Schools' Agency Ltd continued to offer training courses and project management services to schools. The trading figures for 2012 are encouraging with an overall surplus of £74,655 which will be transferred to the School Improvement Fund and will be used to assist with the expansion and improvement projects at Aided schools

d) Future Plans

The Trustees and officers, of the Board, will continue to work towards achieving the agreed aims of the Board, for the current triennium, which can be summarised as follows

- 1 To promote Christian distinctiveness and support excellence in Christian education by working closely with schools, churches and parishes
- 2 To facilitate and support transformative children's and youth work in parishes and local communities across the Diocese of Rochester
- 3 To provide high quality support, training and resources for schools and parishes and their work with the children and families they serve
- 4 To develop and facilitate collaborative partnerships and networks which are sustainable and create positive relationships between all those involved in Christian Education
- 5 To promote the positive work of the Board to ensure that it can continue to work with school and parishes to deliver high quality outcomes for children and young people

e) Reserves Policy

The charity needs reserves both to enable it to progress to completion its long term projects and to protect its current activities, in order to allow the Trustees to meet their responsibilities and ensure that it continues to operate on a going concern basis. The Trustees have examined the needs, risks and challenges faced by the charity in both the short and medium term, along with relevant financial forecasts and have formulated a policy to meet those needs, which are satisfied by the level of reserves at the balance sheet date

A major call on Endowment Funds is expenditure associated with school building projects, and sufficient cash reserves must be held to meet expenditure prior to the receipt of income. Services to schools are required throughout the year but income i.e. DfE and LA grants are not received until after expenditure takes place. The current level of free reserves of £524,579 (2011 - £442,884) represents twenty one months expenditure. This compares to the Board's policy to have between 10 and 14 months held in reserves. Experience shows that about £200,000 - £300,000 is needed normally for these purposes and in the coming year a sum of £200,000 is expected to be required. To meet the funding requirements for the year additional grants will be secured from both the Trust Funds and the Board of Finance

The sums held in the Endowment Funds can only be used for schools work and not for other work of the Board

The Board through its Finance Working Party and its Officers, regularly monitors the position

f) Investment Policy and Performance

The Board has a policy to invest in accordance with the ethical investment policy of the Church of England

In line with this policy the Board has considered the most appropriate vehicle for investing funds and has found that specialised unit trusts, designed for the church sector and managed by the Central Board of Finance, meet their requirements to generate both income and capital growth

Although the performance of investment markets fluctuated during the year, the value of the investment portfolio at 31 December 2012 increased by £267,723 and the investment yield for the year increased by £3,226

The Board considers that the total returns shown in the table below are, given the economic climate, understandable

Actual Total Return Achieved	9.65 %
Benchmark Investment Total Return (FTSE All Share)	12.30 %

The charity currently holds £395,724 in cash deposits with the Central Board of Finance and £603,184 in cash deposits at bank, which are held in order to provide cash for the charity's building projects. Cash deposits have generated a return of 1.05% in the year, which the Trustees consider to be unsatisfactory but understandable in the current economic climate



INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

g) Grant Making Policy

When considering school applications for financial assistance, the Trustees will adopt the following priorities

- 1 The total value of grants will be limited to the revenue income Any grant award, which would necessitate expenditure of the endowment fund, will not normally be approved
- 2 All projects should be approved for grant aid by the DfE and supported by the LA
- 3 New Church Aided primary schools
- 4 New Church Aided secondary schools
- 5 Church Controlled schools deciding to adopt Church Aided status
- 6 Existing Church Aided schools
- 7 Schools serving socially deprived areas
- 8 The Governing Body's financial resources
- 9 Previous projects, at the school, funded by the Board of Education

3 PUBLIC BENEFIT

When considering the Incorporated Rochester Diocesan Board of Education and its subsidiary's activities, the Trustees have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit No changes to ongoing activities were considered necessary as the varied works of the Board of Education have always benefited the public in numerous ways as detailed in this report

4 GOING CONCERN

Accounting standards require the Trustees to consider the appropriateness of the going concern basis when preparing the financial statements The Trustees confirm they consider the going concern basis remains appropriate The Trustees have taken notice of the Financial Reporting Council guidance "Going concern and Liquidity Risk Guidance for Directors of UK Companies 2009" which requires the reason for this decision to be explained The Trustees regard the going concern basis as being appropriate as the company has adequate resources to continue in operational existence for the foreseeable future The company has adequate financing facilities based on the Trustees' review of the forecast and the current level of free reserves available

5 RISK MANAGEMENT

The Trustees have examined the principal areas of the Charity's operations and considered what major risks may arise in each of these areas In the Trustees' opinion the Charity has established resources and review systems, which under normal conditions, should allow the risks identified by them to be mitigated to an acceptable level in its day to day operations



INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

6 STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming resources for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- 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
- 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 proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In determining how amounts are presented within items in the statement of financial activities and balance sheet, the Trustees have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice

So far as each of the Trustees is aware at the time the report is approved

- there is no relevant audit information of which the charity's auditors are 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 auditors are aware of that information

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006 in accordance with the SORP 2005

By order of the Board

The Ven C Mansell
Chair of the Board
Date 21 May 2013



INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

Independent Auditor's Report to the Members and Trustees of Incorporated Rochester Diocesan Board of Education and Its Subsidiary

We have audited the financial statements of the Incorporated Rochester Diocesan Board of Education for the year ended 31 December 2012 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, and the related notes numbered 1 to 18

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 and the charitable company's Trustees as a body in accordance with Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's Trustees as a body for our audit work, for this report, or for opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees' (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under Section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements.

We read all the information in the Trustees' Annual Report 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 group's and the charitable company's affairs as at the 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



INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION AND ITS SUBSIDIARY
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS (CONTINUED)

- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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 you if, in our opinion

- The charitable company has not kept adequate accounting records, or
- The charitable company financial statements are not in agreement with the accounting records and returns, or
- Certain disclosures of Trustees' remuneration specified by law are not made, or
- We have not received all the information and explanations we require for our audit, or
- The Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report

Ian Weekes
Senior Statutory Auditor
For and on behalf of

Crowe Clark Whitehill LLP
Statutory Auditor

10 Palace Avenue
Maidstone
Kent
ME15 6NF

Date 28/5/13

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING AN INCOME AND EXPENDITURE STATEMENT)

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	Unrestricted Funds Corporate Funds General £	Designated Funds School Improvements £	Restricted Funds Consolidated Educational Income £	Endowment Funds Capital £	Total 2012 £	Total 2011 £
INCOMING RESOURCES							
Voluntary Income							
Grants	3	102,213	-	-	-	102,213	97,898
Activities for Generating Funds							
Investment income and interest	2f & 4	94	3,540	137,439	-	141,073	137,752
Rents received		-	-	10,851	-	10,851	8,681
Profit on sale of motor vehicle		-	-	1,394	-	1,394	-
Chatham Academy - grant repayment		-	-	-	-	-	20,000
Income from subsidiary	5	74,655	-	-	-	74,655	49,422
Revenue grants		-	-	27,396	-	27,396	-
TOTAL INCOMING RESOURCES		176,962	3,540	177,080	-	357,582	313,753
RESOURCES EXPENDED							
Charitable Activities							
Schools' work	7	47,343	-	293,384	-	340,727	315,986
Children & Youth Work	7	46,037	-	-	-	46,037	50,435
Revenue grants		-	-	25,545	-	25,545	-
Governance costs		5,427	-	840	-	6,267	4,987
Total Resources Expended		98,807	-	319,769	-	418,576	371,408
Net income for the year		78,155	3,540	(142,689)	-	(60,994)	(57,655)
Gains & (losses) on investments							
Unrealised	10	-	-	-	267,722	267,722	(164,513)
Gross transfers between funds	13	(78,155)	78,155	-	-	-	-
Net movement in funds		-	81,695	(142,689)	267,722	206,728	(222,168)
Fund balances brought forward		-	442,884	513,161	3,700,356	4,656,401	4,878,569
Fund balances carried forward		-	524,579	370,472	3,968,078	4,863,129	4,656,401

The above statement contains all the gains and losses recognised in the current and preceding year

All income and expenditure relates to continuing operations

The notes on pages 10 to 18 form part of these financial statements



INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

BALANCE SHEET - COMPANY NUMBER 46014

AS AT 31 DECEMBER 2012

		Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds		
		Corporate Funds General	School Improvements	Consolidated Educational Income	Endowments Capital	Total 2012	Total 2011
	Note	£	£	£	£	£	£
Fixed Assets							
Tangible Fixed Assets	9	-	-	29,995	215,864	245,859	219,485
Investments	1 & 10	51	-	-	2,970,210	2,970,261	2,702,539
		51	-	29,995	3,186,074	3,216,120	2,922,024
Current Assets							
Debtors	11	27,645	74,655	127,177	-	229,477	210,717
CBF Deposits		10,784	-	188,709	207,013	406,506	277,060
Bank Deposits		-	449,924	-	574,991	1,024,915	1,163,453
Cash at Bank - Current Account		-	-	25,000	-	25,000	-
Cash at Bank - Money Market Account		-	-	28,192	-	28,192	104,620
		38,429	524,579	369,078	782,004	1,714,090	1,755,850
Current Liabilities							
Bank Overdraft - Current Account		-	-	-	-	-	9,808
Creditors	12	38,480	-	28,601	-	67,081	11,665
		38,480	-	28,601	-	67,081	21,473
Net Current Assets		(51)	524,579	340,477	782,004	1,647,009	1,734,377
Total Assets Less Current Liabilities		-	524,579	370,472	3,968,078	4,863,129	4,656,401
Net Assets		-	524,579	370,472	3,968,078	4,863,129	4,656,401
Funds							
Unrestricted	16	-	524,579	-	-	524,579	442,884
Restricted	16	-	-	370,472	-	370,472	513,161
Endowment	16	-	-	-	3,968,078	3,968,078	3,700,356
		-	524,579	370,472	3,968,078	4,863,129	4,656,401

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved and authorised for issue by the Board on 21 May 2013

The Ven C Mansell
Chair of the Board

The notes on pages 10 to 18 form part of these financial statements



INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention, modified by the inclusion of investments at market value and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008) and with the Statement of Recommended Practice - Accounting and Reporting by Charities issued in 2005

These accounts present the results of the Rochester Diocesan Board of Education and do not include the results of its subsidiary the Diocesan Schools Agency Limited. The Trustees have taken the exemption under section 383 of SORP 2005 not to produce consolidated accounts on the basis that the Diocesan Schools Agency Limited is not considered to be material to the group.

Accounting standards require the Trustees to consider the appropriateness of the going concern basis when preparing the financial statements. The Trustees confirm they consider the going concern basis remains appropriate. The Trustees have taken notice of the Financial Reporting Council guidance "Going concern and Liquidity Risk: Guidance for Directors of UK Companies 2009" which requires the reason for this decision to be explained. The Trustees regard the going concern basis as being appropriate as the company has adequate resources to continue in operational existence for the foreseeable future. The company has adequate financing facilities based on the Trustees' review and the current level of free reserves available.

a) Income

Donations and legacies are accounted for as soon as their amount and receipt are certain. In the case of donations this is usually when they are received. All other income is accounted for under the accruals concept.

b) Expenditure

Expenditure is accounted for under the accruals concept inclusive of VAT. VAT is included as it is not recoverable by the charity. Governance costs are those costs associated with constitutional and statutory requirements.

c) Investments

Investments are included in the balance sheet at market value apart from the investment in the subsidiary company which is included at cost. Realised gains or losses on sale of investments represent proceeds of sale less the appropriate proportion of the opening carrying value and are shown in the Statement of Financial Activities.

Unrealised gains or losses on revaluation of investments are shown in the Statement of Financial Activities.

d) Allocation of expenditure

Common, shared items of expenditure are apportioned to the different areas of work based on the number of employees within each area. The irrecoverable element of VAT is included with the items of expense to which it relates.

e) Funds

Restricted funds are funds subject to specific conditions imposed by the donor which are binding on the Trustees. Unrestricted funds have no restrictions on their use.

Designated funds are a form of unrestricted fund, which has been allocated or designated for specific purposes by the charity itself. The use of designated funds for their designated purpose will remain at the discretion of the Trustees. Endowment funds are restricted funds where only the income arising is available for use.

The Corporate Funds are unrestricted funds, the Income Fund of the Consolidated Educational Endowments is a restricted fund, the Capital Fund of the Consolidated Educational Endowments is an endowment fund and the School Improvements Fund is a designated fund.

f) Depreciation

Depreciation is provided on all tangible fixed assets in use, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value of the asset over its expected life, as follows:

Freehold Buildings	-	No depreciation is provided as the residual value of the properties is such that any depreciation charge would be immaterial to the accounts.
Mobile Classrooms	-	over 1 year
Motor Vehicles	-	over 4 years
Equipment	-	over 3 years

Assets with a cost of below £1,500 are not capitalised and are charged as an expense in the Statement of Financial Activities.

g) Pensions

The assets of the pension scheme are held separately from those of the Board and are invested with the Ecclesiastical Insurance Group under the supervision of the scheme Trustees. The Board's contribution to the scheme is charged to its income and expenditure as contributions are made, as disclosed in note 16.

h) Grants

Grants made by the Board are treated as expenditure when they are approved.

i) Liability recognition

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.



INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

2 EDUCATION ACTS 1944, 1973 AND 1996

The Consolidated Educational Endowments Funds emanate from the sale proceeds of former school buildings and from endowments of closed schools

On 9 November 1994 the Board of Education passed a resolution under what is now Section 557 of the 1996 Act to adopt the uniform statutory trusts in respect of funds held under Section 86 schemes and Section 2 orders and to consolidate the funds and endowments as "The Diocese of Rochester Consolidated Educational Endowments"

3 GRANT INCOME

	2012 £	2011 £
Corporate Funds - General		
From Local Authorities	7,500	7,500
From Board of Finance	94,713	90,398
	<u>102,213</u>	<u>97,898</u>

4 INVESTMENT INCOME AND INTEREST

	Listed Investments		Unlisted Investments	
	2012 £	2011 £	2012 £	2011 £
Corporate Funds - General				
CBF deposit interest	-	-	94	74
School Improvements				
Deposit interest	-	-	3,540	2,516
Consolidated Educational Endowments - Income				
Quoted stocks	170	170	-	-
CBF Investment Fund	-	-	126,741	125,487
CBF deposit interest	-	-	2,610	5,883
Bank interest	-	-	7,918	3,621
	<u>170</u>	<u>170</u>	<u>137,269</u>	<u>134,991</u>
	<u>170</u>	<u>170</u>	<u>140,903</u>	<u>137,581</u>

The investment income relates to income generated from endowments to support the charity's work in schools



INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

5 NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY

	2012 £	2011 £
Income		
Buildings consultancy	20,526	24,910
Inspections	1,663	4,502
Course Provision	59,012	38,465
Academy Conversion	5,000	2,500
Service Level Agreement	32,448	10,072
Chatham Academy	-	-
	<u>118,649</u>	<u>80,449</u>
Expenditure		
Staff charges -		
Travelling and sundry expenses	4,387	5,625
Course provision	23,173	11,032
Service Level Agreement	9,334	7,395
Audit	3,600	3,475
	<u>40,494</u>	<u>27,527</u>
Surplus on ordinary activities prior to contribution to charity	78,155	52,922
Amount covenanted to charity	(74,655)	(49,422)
Contribution to staff costs	<u>(3,500)</u>	<u>(3,500)</u>
Retained surplus in subsidiary	<u>-</u>	<u>-</u>

6 OTHER INCOME

	2012 £	2011 £
Corporate Funds - General		
The Diocesan Schools Agency Ltd surplus	74,655	49,422
Contribution to staff costs	<u>3,500</u>	<u>3,500</u>
	<u>78,155</u>	<u>52,922</u>



INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

7 ANALYSIS OF COSTS

	2012			2011		
	Schools' Work	Children & Youth Work	Total	Schools' Work	Children & Youth Work	Total
	£	£	£	£	£	£
Corporate Funds - General						
Office costs	12,852	9,695	22,547	11,664	8,799	20,463
Equipment	2,155	1,625	3,780	4,272	3,222	7,494
Depreciation	-	-	-	-	-	-
Share of office expenses	8,525	6,431	14,956	8,525	6,431	14,956
Audit costs - Pension Scheme	-	-	-	841	635	1,476
Staff charges - Costs	22,096	16,669	38,765	12,899	9,731	22,630
Staff charges - Management	1,343	1,013	2,356	784	592	1,376
Projects	372	10,604	10,976	875	21,025	21,900
	<u>47,343</u>	<u>46,037</u>	<u>93,380</u>	<u>39,860</u>	<u>50,435</u>	<u>90,295</u>
Consolidated Educational Endowments - Income						
Depreciation - motor vehicles	6,660	-	6,660	3,606	-	3,606
Sundry grants & expenses	-	-	-	2,477	-	2,477
School building grants	-	-	-	541	-	541
Staff charges - Costs	<u>286,724</u>	<u>-</u>	<u>286,724</u>	<u>269,502</u>	<u>-</u>	<u>269,502</u>
	293,384	-	293,384	276,126	-	276,126

Included in Governance Costs is an amount of £2,460 for audit fees (2011 - £2,370) Total audit fees for the Charity and its subsidiary amounted to £6,060 (2011 - £5,845)

8 STAFF CHARGES

	2012	2011
	£	£
Wages and salaries	219,234	199,885
Social security costs	21,618	19,693
Other pension costs	57,631	51,404
Travelling and sundry expenses	29,362	22,315
Travel expenses paid to Trustees (2010 - 3)	-	211
	<u>327,845</u>	<u>293,508</u>
Corporate Funds - General		
Costs of activities in furtherance of the Charity's objects	38,765	22,630
Management and administration of the Charity	<u>2,356</u>	<u>1,376</u>
	41,121	24,006
Consolidated Educational Endowments - Income	<u>286,724</u>	<u>269,502</u>
Total	<u>327,845</u>	<u>293,508</u>

The average monthly number of employees was 5 (2011 - 5)

One employee earned more than £60,000 but less than £70,000 during the year

None of the Trustees received any remuneration in this or the previous year

The number of Trustees accruing benefits under defined benefit pension schemes was nil (2011 - nil)



INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

9 TANGIBLE FIXED ASSETS

This note refers to both the charity and consolidated accounts

	Freehold Property £	Investment Property £	Motor Vehicle £	Mobile Classrooms £	Total £
Cost or valuation					
At 1 January 2012	10,007	205,857	14,423	16	230,303
Additions	-	-	36,638	-	36,638
Disposals	-	-	(14,423)	-	(14,423)
At 31 December 2012	10,007	205,857	36,638	16	252,518
Depreciation					
At 1 January 2012	-	-	10,819	-	10,819
Charge for year	-	-	6,659	-	6,659
Disposals	-	-	(10,819)	-	(10,819)
At 31 December 2012	-	-	6,659	-	6,659
Net book values					
At 31 December 2012	10,007	205,857	29,979	16	245,859
At 31 December 2011	10,007	205,857	3,605	16	219,485

Mobile classrooms are written down on acquisition to a nominal value of £1 since they are considered to have no net realisable value to the Board

The freehold property consists of one piece of land at a cost of £10,000 at the Bennett Memorial CE Secondary School and seven open schools which are included at a nominal value of £1 each which reflects the lack of realisable value of the schools to the Board

The investment property comprises additional accommodation purchased for Aylesford St Peter's CE Primary School at a cost of £205,857

The Trustees consider that the carrying value of the investment property at £205,857 is a fair representation of the open market value of that property

10 INVESTMENTS

	Cost 2012 £	Market Value 2012 £	Cost 2011 £	Market Value 2011 £
Quoted Investments				
2 5% Consolidated Stock	1,533	4,371	1,533	4,631
CBF Investment Fund	915,127	2,965,839	915,127	2,697,857
Profit on investment redemption	-	-	-	-
	916,660	2,970,210	916,660	2,702,488
Unquoted Investments				
The Diocesan Schools Agency Ltd		51		51
		2,970,261		2,702,539
		2012 £		2011 £
Brought forward at 1 January		2,702,488		2,867,001
Disposals		-		-
Unrealised gain / (loss)		267,722		(164,513)
		2,970,210		2,702,488

The £51 investment relates to the cost of 100% of the issued ordinary share capital of the Diocesan Schools Agency Ltd, a company registered in England and Wales. It is a trading company which covenants all taxable profits to its holding company, this charity. The surplus on ordinary activities after taxation was £Nil (2011 - £Nil). The aggregate of share capital and reserves was £200 (2011 - £200)

The CBF Investment Fund's share value will reflect fluctuations in share prices and currency exchange rates. The Fund includes tangible assets such as property. Any property within the Fund is valued by an external property valuer; any such valuations are a matter of opinion rather than fact.



INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

11 DEBTORS

	2012 £	2011 £
Consolidated Ed Endowments - Income		
Loans to Governors and Trustees		
Lamorbey Holy Trinity CE Primary school	-	3,863
Department for Education	13,863	57,223
Diocesan Board of Finance - Trust Fund Grant reimbursement	-	509
Contributions from Governors	96,514	99,700
Grain Academy	16,800	-
	<u>127,177</u>	<u>161,295</u>
Corporate Funds - General		
Diocesan Board of Finance - Additional Trust Fund Grant	27,645	-
	<u>27,645</u>	<u>-</u>
Designated Funds		
Diocesan Board of Finance	-	-
The Diocesan Schools' Agency Ltd	74,655	49,422
	<u>74,655</u>	<u>49,422</u>
	<u>229,477</u>	<u>210,717</u>

12 CREDITORS

	2012 £	2011 £
Consolidated Ed Endowments - Income		
Audit fees	840	810
Bequest for religious artefacts	102	102
Trust funds held on behalf of third parties	14	14
Diocesan Board of Finance - Additional Trust Fund Grant	27,645	-
	<u>28,601</u>	<u>926</u>
Corporate Funds - General		
Audit fees	1,620	1,560
Diocesan Board of Finance	33,110	8,634
Diocesan Board of Finance - Trust Fund Grant reimbursement	-	509
Youth work	3,750	36
	<u>38,480</u>	<u>10,739</u>
	<u>67,081</u>	<u>11,665</u>



INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

13 TRANSFERS BETWEEN FUNDS

The transfer of £78,155 from the Corporate Funds - General to the School Improvements Fund, represents the income from the subsidiary, which will be used to support work associated with schools within the Diocese

14 RELATED THIRD PARTY TRANSACTIONS

During the year a grant of £94,713 (2011 - £90,398) was received from the Rochester Diocesan Society and Board of Finance. The Trustees of the Board of Education are appointed by the Deanery Synods

During the year expenses of £Nil (2011 - £211) were reimbursed to Trustees

Notes 12 and 13 detail the amounts outstanding as at 31 December 2012 and 2011 in relation to these related parties

15 PENSION SCHEME

The Board participates in a funded, multi employer pension scheme, the Rochester Diocesan Staff Retirement Scheme, for members of its staff. The pension liability is the responsibility of that pension scheme

As a result it is not possible to identify the assets and liabilities of the scheme which are attributable to the Board of Education

The last actuarial valuation was 31 March 2009. The valuation statement as at 31 March 2009 showed a deficit of £1,334,000. The report recommends that the employers contribution ratio be increased to 33.2% and a monthly financial contribution of at least £14,000 commencing from 1 April 2010.

The Board's contributions represent a minor proportion of the payments into the scheme. The Board is making contributions of the required rate. The superannuation charge represents contributions payable to the fund of £57,631 (2011 - £51,404)

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

16 ANALYSIS OF FUNDS

1 Analysis of movements in Funds

	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total	2011
	Corporate Funds General £	School Improvements £	Consolidated Educational Income £	Endowment Capital £	£	£
Balance at 1 January 2012	-	442,884	513,161	3,700,356	4,656,401	4,878,569
Income in the year	176,962	3,540	151,535	-	332,037	313,753
Expenditure in the year	(98,807)	-	(294,224)	-	(393,031)	(371,408)
Movements on investments	-	-	-	267,722	267,722	(164,513)
Transfers between funds	(78,155)	78,155	-	-	-	-
Balance at 31 December 2012	-	524,579	370,472	3,968,078	4,863,129	4,656,401

2 Analysis of net assets between Funds

	Tangible Fixed Assets £	Fixed Asset Investments £	Net Current Assets £	Total £	2011 £
Restricted Funds					
Consolidated Educational Endowments - Income	29,995	-	340,477	370,472	513,161
Endowment Funds					
Consolidated Educational Endowments - Capital	215,864	2,970,210	782,004	3,968,078	3,700,356
Unrestricted Funds					
Corporate Funds - General	-	-	-	-	-
School Improvement Fund	-	-	524,579	524,579	442,884
	-	-	524,579	524,579	442,884
	245,859	2,970,210	1,647,060	4,863,129	4,656,401



INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

17 TRUSTEESHIPS

The Board of Education act as Trustees for the following Church of England Schools within the Diocese

Belvedere Trinity CE Secondary School	Lamberhurst St Mary's CE Primary School
Belvedere St Augustine's of Canterbury CE Primary School	Langafel CE Primary School
Bennett Memorial Diocesan CE Secondary School	Leybourne Ss Peter and Paul CE Primary School
Borstal St Matthew CE Infants School	Northfleet St Botolph CE Primary School
Bredhurst CE Primary School	Penge St John CE Primary School
Broadwater Down St Mark CE Primary School	Platt CE Primary School
Bromley Bishop Justus CE Secondary School	Rainham St Margaret CE Primary School
Bromley St Mark CE Primary School	Rusthall St Paul CE Infants School
Bromley Parish CE Primary School	Rusthall St Paul CE Junior School
Burham CE Primary School	Seal CE Primary School
Chatham St John CE Infants School	Sevenoaks St John CE Primary School
Chiddingstone CE Primary School	Shorne CE Primary School
Chislehurst St Nicholas CE Primary School	Snodland CE Primary School
Cliffe St Helen CE Primary School	Southborough CE Primary School
Crayford St Paulinus CE Primary School	St Paul's Cray CE Primary School
Cray St Paul CE Primary School	St Mary's Island CE Primary School
Dartford Holy Trinity CE Primary School	Stansted CE Primary School
Ditton CE Primary School	Stone St Mary's CE Primary School
Erith Christchurch CE Primary School	Strood St Nicholas CE Primary School
Falconwood Bishop Ridley CE Primary School	Sundridge & Brasted CE Primary School
Grain St James CE Primary School	Swanley St Paul CE Primary School
Gravesend Holy Trinity CE Primary School	Swanley St Mary CE Primary School
Gravesend St George's CE Secondary School	Troy Town St Margaret CE Primary School
Hever CE Primary School	Trottscliffe CE Primary School
High Brooms St Matthew CE Primary School	Tunbridge Wells St James Junior CE Primary School
Horton Kirby CE Primary School	Tunbridge Wells St Peter Junior CE Primary School
Hunton CE Primary School	Watlington CE Primary School
Ide Hill CE Primary School	West Kingsdown St Edmund's CE Primary School
Keston CE Primary School	West Malling CE Primary School
Lamorbey Holy Trinity CE Primary School	Westerham Churchill CE Primary School
	Wrotham St George CE Primary School

18 TRUST FUNDS

At the year end the charitable company held, in separate deposit accounts, £1,788,864 (2011 - £1,755,177) on behalf of a number of Church of England schools

	£
At 31 December 2012	1,755,177
New money received	53
Purchase of investments	(45)
Sale of investments	(8,225)
Interest and dividends received	22,300
Rentals received	2,000
Withdrawals in respect of maintenance of buildings	(2,551)
Investment gain / (loss)	20,155
	<u>1,788,864</u>