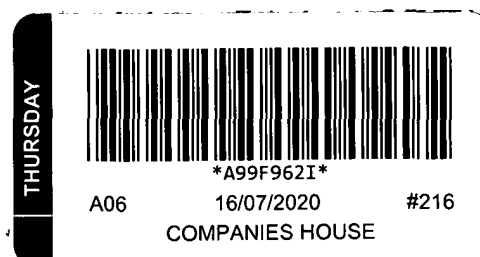


Registered Charity Number 1031550

Company Number 46014

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



Registered Office
1 The Sanctuary Westminster London SW1P 3JT

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

ADMINISTRATIVE DETAILS

TRUSTEES

No Trustee had any beneficial interest in the company during 2019. The following Trustees were appointed to the Board during 2019 following the 2019 Board Reconstitution, up until the date of signing the accounts.

The Rt. Rev. J. Langstaff - President	
The Ven. S. Burton - Jones - Chair	Bishop's nominated representative
Miss. C. Bostock (appointed 01.01.2019)	Diocesan Synod elected - lay
Mr. D. W. Bridger (appointed 01.01.2019)	Diocesan Synod elected - lay
The Rev. R. Bristow (appointed 01.01.2019)	Diocesan Synod elected - clergy
Fr. J. Caster (appointed 01.01.2019)	Diocesan Synod elected - clergy
The Rev. J. Fletcher (appointed 01.01.2019)	Diocesan Synod elected - clergy
Mr. J. J. King (appointed 14.01.2019)	Co-option
Mr. L. Kings (appointed 19.03.2019)	Co-option
Mrs. A. Mepsted (appointed 01.01.2019)	Co-option (primary Headteacher)
Mr. A. Rees (appointed 01.01.2019)	Co-option (secondary Headteacher)
Ms. C. Sargent (appointed 14.01.2019)	Co-option
The Rev. M. Tariq (appointed 14.01.2019)	Co-option
Ms. J. Thompson (appointed 01.01.2019)	Diocesan Synod elected - lay

From January 2019 the Board's composition and membership is summarised as follows.

1. The Bishop (or the Bishop's nominated representative).
2. One Trustee nominated by the Bishop.
3. Six Trustees elected by Diocesan Synod (i)
 - a. 3 Clerks in Holy Orders (for each of the 3 Archdeacons).
 - b. 3 Lay persons on the electoral roll for their parish (for each of the 3 Archdeacons).
4. At least 2 Trustees but not more than 6 Trustees co-opted by the DBE
 - a. 2 serving Headteachers at CE schools/academies (one primary and one secondary)
 - b. Up to 4 other Trustees with experience of other area of work with which the DBE is concerned including: finance, legal, HR, school improvement, charity trusteeship, school governorship, leadership or public relations.

The 2019 Board Reconstitution composition and membership is detailed on page 8 Structure and Governance.

The charity is relying upon the guidance issued by the Charities Commission in relation to the induction and training of Trustees. In 2019, an induction meeting took place, where an information pack was issued and Senior Members of staff presented key responsibilities.

SENIOR STAFF AND ADVISERS

Director of Education	John Constanti
Deputy Director of Education	Virginia Corbyn
Lead Consultant for School Improvement	Caroline Crofts

Registered Office 1 The Sanctuary Westminster London SW1P 3JT

Principal Office Diocesan Office St. Nicholas' Church Boley Hill Rochester Kent ME1 1SL

Bankers National Westminster Bank Plc Chatham Branch 148 High Street Chatham Kent ME4 4DB

Auditors Haysmacintyre LLP 10 Queen Street Place, London, EC4R 1AG

Solicitors Lee Bolton Monier Williams 1 The Sanctuary Westminster London SW1P 3JT

Investment Advisers The Central Board of Finance of the Church of England
Senator House, 85 Queen Victoria Street, London, EC4V 4ET
and
Sarasin & Partners LLP
Juxon House 100 St Paul's Churchyard London EC4M 8BU

Insurers Ecclesiastical Insurance Office plc, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees, who are also Directors for the purposes of company law, present their annual report, together with the audited financial statements for the year ended 31 December 2019.

The Directors/Trustees are one and the same and in signing as Trustees they are also signing the Strategic Report sections in their capacity as Directors.

This combined report satisfies the legal requirements for:
a Directors Report of a charitable company,
a Trustees' Annual Report under the Charities Act 2011

MISSION STATEMENT

To support and encourage the work of schools, churches and parishes across the Diocese of Rochester in Christian distinctiveness through excellent education of children and young people.

LEGAL OBJECTS

The Incorporated Rochester Diocesan Board of Education's objects are confirmed within the objects clause of its Memorandum and Articles of Association which are:

1. 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.
2. 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. Please refer to note 18 in the financial statements for details of the assets held in this capacity.

STRATEGIC AIMS

The Trustees and officers have continued to work towards achieving the 2019 agreed triennial aims and objectives of the Board which can be summarised as follows.

1. To actively promote and support Christian Distinctiveness through developing high quality teaching and learning, leadership and effective governance of our Church schools.
2. To provide targeted challenge and focussed support for school effectiveness in order that 90% of our Church schools are judged "Good" or better in both the OFSTED and SIAMS inspection frameworks by 2021.
3. To improve the quality of teaching and learning of Religious Education in Church primary schools through the implementation of a revised Diocesan syllabus, sharing best practice and offering professional development opportunities for all teaching staff in Church primary schools.
4. To develop effective strategic partnerships with Local Authorities, Teaching Schools Alliances, Multi Academy Trusts and other key stakeholders ensuring that every Church school is part of an informal, formal or structural collaboration which supports their Christian Distinctiveness, school effectiveness and sustainable future.
5. To ensure the good stewardship and effective deployment of the Board of Education's resources, to ensure its sustainable future and ability to deliver its triennial aims and key priorities.
6. To take opportunities for growth through the establishment of new Church schools and maintaining existing Church schools.

OBJECTIVES FOR THE YEAR

The Trustees and officers, of the Board, have continued to work towards achieving the agreed triennial aims and objectives of the Board, as outlined above.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

1. To actively promote and support Christian Distinctiveness through developing high quality teaching and learning, leadership and effective governance of our Church schools.
 - a. The skills audit template continues to be used during the Foundation governor appointment process to ensure that those appointed have the requisite skills and experience to serve.
 - b. Officers or our associate consultants are, wherever possible, involved throughout the appointment process for new Head Teachers liaising with Local Authority officers and governors to ensure the best candidates are appointed.
 - c. We consulted over our training programme and as a result have revised the support and courses offered as can be seen on our website below. Bespoke training is also delivered to governing bodies and MATs, as requested.
<http://www.rdbe.org.uk/uploads/pdf/10.9.18%20Programme%20final.pdf>
 - d. Members of the education team and our Associates have supported our Church schools with Head Teacher appraisals, training, school advisory visits, leadership, scoping and Progress & Impact and Schools Causing Concern meetings. Associates can also be commissioned to provide coaching to head teachers and can also provide a package of mentoring / supervision support. There is increasing uptake for these services.
 - e. The education team regularly review those schools considered to be vulnerable and deploy various measures to support them.
2. To provide targeted challenge and focussed support for school effectiveness in order that 90% of our Church schools are judged "Good" or better in both the OFSTED and SIAMS inspection frameworks by 2021.
 - a. The Board, under the management of the Deputy Director of Education, manages national inspections, within the statutory SIAMS framework, of the distinctiveness and effectiveness of the vision and values of each Church school in the Diocese, once every three to five years. In 2019, 19 such inspections were undertaken under a new schedule for inspection. Over the course of the year, training on the latest SIAMS schedule (2018) have been delivered by the Deputy Director to support the implementation and improvement of Diocesan schools as Church schools. The Deputy Director also leads ongoing meetings for SIAMS inspectors who serve our schools and undertakes a number of inspections in neighbouring Dioceses to retain her accreditation as a SIAMS inspector.
 - b. The Board's Lead Associate for School Improvement has supported our Church schools with Head Teacher appraisals and appointments, training, school advisory visits, leadership, scoping and Progress & Impact meetings. Additionally, the Lead Associate for School Improvement regularly reviews, monitors and reports on our Church schools' performance data, identifying those that are vulnerable, reporting same to the School Effectiveness Committee, and remedial recommendations and actions implemented.
 - c. The table below confirms that the percentage of schools judged good or better in both Ofsted and SIAMS. The SIAMS totals 100% which exceeds the 90% target and Ofsted 94%, this is as a direct result of the support given to schools by our Deputy Director of Education, Lead Associate for School Improvement and associate consultants.

Category	SIAMS/SIAMS		Ofsted	
	No	%	No	%
Grade 1 - Outstanding	6	29	13	15
Grade 2 – Good	15	71	71	79
Grade 3 – RI/Satisfactory	0	0	4	4
Grade 4 - Inadequate	0	0	0	0
No current grade	0	0	2	2
Totals	21	100	90	100

3. To improve the quality of teaching and learning of Religious Education in Church primary schools through the implementation of a revised Diocesan syllabus, sharing best practice and offering professional development opportunities for all teaching staff in Church primary schools.
 - a. The Deputy Director of Education provided further support by undertaking SIAMS ready visits, new Head Teacher visits, bespoke training for RE subject leaders, acted as a REQM assessor and has provided courses in relation to New to a Church School, New to Leading RE, and clergy training for those new to the Rochester Diocese.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (CONTINUED)

4. To develop effective strategic partnerships with Local Authorities, Teaching Schools Alliance, Multi Academy Trusts (MATs) and other key stakeholders ensuring that every Church school is part of an informal, formal or structural collaboration which supports their Christian Distinctiveness, school effectiveness and sustainable future.
- a. The Director of Education continued to work closely with schools and Multi Academy Trusts (MATs) in relation to their conversion and growth supporting them on the development of new Church of England school bids in areas of planned new housing development across the Rochester Diocese, and in one case another diocese.
- b. The Director of Education continued to assist in developing the national Church educational policy.
- c. The Lead Associate liaises regularly with local authorities about the performance of the schools in relation to standards. A set of information sharing protocols has been agreed with the Kent Local Authority.

The following tables provide details of the status of our Church schools and our Church Multi Academy Trusts (MATs) membership.

Table 1 - Church of England schools by status and sector in Diocese of Rochester

School Status	Number of Primary Schools	Number of Secondary Schools
Voluntary Aided (VA)	21	1
Voluntary Controlled (VC)	32	0
Academies & Free Schools	32	4

Table 2 - Church Multi-Academy Trusts in the Diocese of Rochester

Name of MAT	Local Authority Area	Number of academies
Aletheia Anglican Academies Trust	Kent	7
Amadeus Primary Academies Trust	Bexley	5
Aquinas Church of England Education Trust	Bromley	11
Medway Anglican School Trust	Medway	4
Pilgrim Academy Trust	Medway	3
Tenax Trust	Kent/Sussex	8
Trinitas Academy Trust	Bexley	6

5. To ensure the good stewardship and effective deployment of the Board of Education's resources, to ensure its sustainable future and ability to deliver its triennial aims and key priorities.
 - a. For several different reasons financial markets were turbulent during 2019 and the Finance and Resources Committee reviewed and monitored, on a quarterly basis, investment yields and growth.
 - b. Financial pressures continued to be a concerning factor and the Finance and Resources Committee reviewed, on a quarterly basis, income and expenditure levels and made some recommendations to increase income and decrease expenditure.
 - c. The main points associated with the Board of Education's finances in 2019 can be summarised as follows:
 - i. The operational deficit increased from a surplus in 2018 of £108,619 in 2018 to a deficit of £137,235 in 2019.
 - ii. This operational deficit was partly offset by transfers from the Corporate Funds (£7,000) and the School Improvement Funds (£78,000).
 - iii. Investment income decreased from £172,564 in 2018 to £171,799 in 2019.
 - iv. Unrealised loss on investments of £208,597 in 2018 compared to a £831,573 unrealised gain in 2019.
 - v. The Board of Education's fund balances increased from £5,341,145 in 2018 to £6,010,482 in 2019.
 - vi. The Board's income funds were £210,900 in 2019
6. In May 2019, the trustees approved to adopt the Total Return approach to investments. This now enables funds to be available to meet any annual deficits of expenditure exceeding income without breaching the requirements of the various restricted funds.
7. To take opportunities for growth through the establishment of new Church schools and maintaining existing Church schools.
 - a. A new Primary School has been added to St Georges Secondary School, Gravesend to create an all through school.
 - b. The project delivery of the new Secondary School in Ebbsfleet garden city (Alderden) with the Aletheia Anglican Academies Trust progresses.

FUTURE PLANS

The Trustees and officers, of the Board, will continue to work towards achieving the agreed strategic aims of the Board, for the triennium, as previously outlined on page 2.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

FINANCIAL REVIEW

1. Financial Performance

A comparison of the income received for 2018 and 2019 can be summarised as follows:

- a. The subsidiary trading company surplus increased by £2,063 from £30,635 in 2018 to £32,698 in 2019.
- b. Investment income slightly decreased by £765 from £172,564 in 2018 to £171,799 in 2019.
- c. Unrealised loss on investments of £208,597 in 2018 compared to a £831,573 unrealised gain in 2019.

A comparison of expenditure incurred for 2018 and 2019 can be summarised as follows:

- a. Overall expenditure for schools' work decreased by £3,488 from £351,624 in 2018 to £348,136 in 2019.
- b. The schools' work expenditure from the Restricted Income fund decreased by £3,516 from £351,569 in 2018 to £348,053 in 2019.
- c. Revenue grant expenditure remained unchanged at zero.
- d. Governance costs increased by £1,320 from £3,090 in 2018 to £4,410 in 2019.

The Consolidated Educational Endowments Income Fund incurred a deficit of £348,585, transfers from the School Improvement Fund (unrestricted) of £78,000 and the salary related costs of £7,000 within the Corporate Funds General (unrestricted) to total £85,000 transfers. There was also a transfer of £263,585 from Capital to the Income fund to cover the deficit on the restricted income fund.

The various income and expenditure movements for the year had the following impact on reserves:

- a. The Corporate Funds reserve remained unchanged at zero.
- b. The School Improvements Funds reserve decreased by £46,871 from £239,435 in 2018 to £192,564 in 2019.
- c. The Restricted Income Fund reserve remained unchanged by £0 from £0 (nil) in 2018 to £0 in 2019.
- d. The Endowment Funds reserve increased by £715,572 from £5,102,345 in 2018 to £5,817,917 in 2019.

The Trustees were unable to prepare a balanced budget for 2020 and estimate an overall deficit of some £183,724 which will be monitored and reviewed.

The Trustees through the Finance and Resources Committee will continue to explore further options in order to increase income and decrease expenditure.

2. Reserves Policy

Reserves are an inherent part of the risk management process. The need for reserves will vary depending on our financial position and forecasts and our assessment of the risks we face at a particular time.

The Trustees have reviewed and approved the 2019 reserves policy which takes account of the predominant risks, challenges and the working capital requirements in both the short and medium term.

It is the Trustees' policy to, wherever possible, meet expenditure by generating income from the restricted funds, the trading subsidiary and from any DBF grant receipts.

The policy previously agreed was to use unrestricted funds before any other funds until those unrestricted reserves reach a nil balance.

The Trustees are aware that income annually excluding unrealised investment gains is presently insufficient to meet the expenditure annually necessary to meet the Trustees' approved activities. Unless and until the two are balanced, the Trustees recognise that they will need to use investment gains less losses each year as calculated on the Total Return fund basis and then, if necessary, utilise any unrestricted reserves and then the Unapplied Total Return Fund to cover any remaining deficit which arises. Accordingly, they will, if necessary, agree annually an amount to be transferred from the Unapplied Total Return Fund to cover that year's deficit if any. Investment gains over and above any needed to cover a deficit for the year in question will be added to this Fund annually and a sum representing inflation on the capital funds of the Board in accordance with CPI rates will be transferred from this Fund to the Trust for investment capital reserve.

The Diocesan Board of Education also holds restricted reserves which have generally been historically accumulated from the sale of redundant school properties. These restricted reserves can only be used towards the cost of Church of England schools (buildings, resources and advice).

Unrestricted and restricted reserves are largely invested in diversified investment funds which historically rise in value over the long term. The value is monitored regularly by the Board's Finance and Resources Committee, and Trustees have delegated to that Committee the timing and level of sales of investments in order to meet such annual deficit as calculated before unrealised investment gains/losses.

As at 31 December 2019 the total consolidated funds totalled £6,010,482 (2018 £5,316,145) of which £5,818,918 (2018 £5,102,345) were restricted and £192,564 (2018 £213,800) were unrestricted. The annual deficit meeting the Diocesan Board of Education's core objectives totalled £184,462 (2018 £181,306) compared to the 2018 strategic review estimated deficit of £256,000.

The 2020 reserves policy and three year aims and objectives for 2019 - 2021 have been approved by the Trustees.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

FINANCIAL REVIEW (CONTINUED)

3. Grant Making Policy

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

- a. 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.
- b. All projects should be approved for grant aid by the DiE and supported by the LA.
- c. New Church Aided primary schools.
- d. New Church Aided secondary schools.
- e. Church Controlled schools deciding to adopt Church Aided status.
- f. Existing Church Aided schools.
- g. Schools serving socially deprived areas.
- h. The Governing Body's financial resources.
- i. Previous projects, at the school, funded by the Board of Education.

4. Investment Policy

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 Trustees considered the most appropriate vehicle for investing funds and found that specialised pooled funds, designed for the church and charity sector and managed by the Central Board of Finance (CCLA) and Sarasin & Partners meet their requirements to generate both income and capital growth.

The performance of investment markets fluctuated during the year. The investment portfolio at 31 December 2019 increased by £1,040,550 due to unrealised gain of £831,573

	2019	2018
	%	%
Actual Total Return Achieved	21.21	-0.90
ARC Steady Growth Charity Index	15.10	-5.10

The Charitable Company currently holds £33,697 in cash deposits with the Central Board of Finance (CCLA), which are held in order to provide cash for the charity's operations. Cash deposit interest rates remained at low levels during the year ranging between 0.50% - 0.75%.

The Finance and Resources Committee reviews and monitors the performance of the investment funds on a quarterly basis.

5. Related Parties

Employees of the Rochester Diocesan Board of Education are jointly employed by The Rochester Diocesan Society and Board of Finance ('RDBF'). The RDBF operates both a defined benefit pension arrangement and defined contribution pension schemes, shared HR, IT, communication and financial administration services. The RDBF charge an apportionment of office and administration expenses for the shared premises. Some Trustees of the Board of Education are nominated by the Deanery Synods for the appointment by the Diocesan Synod.

During the year taxable profits of £25,698 resulted, which will be transferred from The Diocesan Schools Agency to the Incorporated Rochester Diocesan Board of Education. A £7,000 contribution towards staff costs was received from The Diocesan Schools Agency to the Incorporated Rochester Diocesan Board of Education.

The Board of Education acts as a member with a limited liability of £10 for the following Multi Academy Trusts:- Aquinas, MAST, Amadeus, Trinitas, Alethia, Pilgrim. Additionally the Rochester Diocesan Board of Education also appoints governors to Voluntary Aided and Voluntary Controlled Schools. The Diocesan Schools Agency provides services to the Multi Academy Trusts, Voluntary Aided and Voluntary Controlled Schools at an arms-length basis at the discretion of the schools.

6. 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.

7. Going Concern

Accounting standards require the Trustees to consider the appropriateness of the going concern basis when preparing the financial statements. The Trustees regard the going concern basis as being appropriate as the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. The Charitable Company has adequate financing facilities based on the Trustees' review of the forecast and the current level of free reserves available.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees are responsible for the identification and management of risk and to achieve this, a register of identified risks is maintained and, alongside it a management strategy formed. This is subject to annual review by the Trustees with the responsibility for delivery of the identified management strategies, being delegated to the Director of Education.

In the Trustees' opinion there are established resources and review systems, which under normal conditions, should allow the identified risks to be mitigated to an acceptable level in its day to day management.

No risks were identified in the 2019 or 2018 risk register where the probability and impact of the events is considered "high".

The accounts are approved during a period where there is much uncertainty as a result of the emergence and international spread of a coronavirus (COVID-19). The Charity's response has been to implement its contingency planning arrangements for such circumstances. The Charity will therefore be able to continue to provide its service. As part of contingency planning, remote systems of delivery have been implemented, staff have been trained and the delivery has been trialled and was well received. The ultimate impact of COVID-19 on the UK, the world, the economy and the school communities is yet to be seen. However, through appropriate consideration of risks as part of its normal risk management processes and mitigating actions both already taken and available to be taken, trustees consider it appropriate for the going concern basis to be adopted for these accounts.

STRUCTURE AND GOVERNANCE

Summary information about the structure of the Church of England

The Church of England is the established church with Her Majesty The Queen as its Supreme Governor. It is organised into two provinces (Canterbury and York) with a total of 42 Dioceses. Each Diocese is a See under the care of a Bishop who is charged with the cure of souls of all people within the geographical area. This charge is shared with priests within benefices and parishes which are sub divisions of the Diocese. Within each Diocese, overall leadership lies with the Diocesan Bishop, who exercises that input as Bishop within the Diocesan Synod.

The Diocese of Rochester is divided into three Archdeaconries within which there are seventeen deaneries, each with its own Deanery Synod. Within each deanery there are individual ecclesiastical parishes with their own parochial church council, which shares with the parish priest, local responsibility for the mission of the church.

Organisational structure

The Diocesan Boards of Education Measure 1991 confirms that for every Diocese there shall be a Diocesan Board of Education which shall have certain functions and shall be responsible to the Diocesan Synod. The Bishop, after consultation with the Board, shall appoint a Director of Education for the Diocese who shall act as secretary to the Board.

The Incorporated Rochester Diocesan Board of Education is a company limited by guarantee (No. 46014) and a registered charity (No. 1031550) governed by its Memorandum and Articles of Association.

The Board's principal activity is 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. It was established in its present form on the 19 November 1895.

Governance and policy of the Board is the responsibility of the Trustees, who are also members of the company and trustees for the purposes of charity law.

The Board's composition and membership during the 2019 financial year were governed by its revised Articles of Association. In October 2016, the Diocesan Synod approved proposals for the reconstitution of the DBE. The Secretary of State for Education approved the revised Articles of Association and issued an Order in November 2017. New Board members were appointed in the autumn of 2018 and established in January 2019.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

STRUCTURE AND GOVERNANCE (CONTINUED)

Organisational structure (continued)

The Trustees' term of office is three years and those who served during the year are shown on page 1.

From January 2019 the Board's composition and membership is summarised as follows.

1. The Bishop (or the Bishop's nominated representative).
 2. One Trustee nominated by the Bishop.
 3. Six Trustees elected by Diocesan Synod (i)
 - a. 3 Clerks in Holy Orders (for each of the 3 Archdeaconries).
 - b. 3 Lay persons on the electoral roll for their parish (for each of the 3 Archdeaconries).
 4. At least 2 Trustees but not more than 6 Trustees co-opted by the DBE
 - a. 2 serving Headteachers at CE schools/academies (one primary and one secondary)
 - b. Up to 4 other Trustees with experience of other area of work with which the DBE is concerned including: finance, legal, HR, school improvement, charity trusteeship, school governorship, leadership or public relations.
- (i) Under 3. Diocesan Synod elected members
- a. These are nominated by Deanery Synods, reviewed by Bishop's Council and then elected by Diocesan Synod.
 - b. Such candidates must either reside or work or worship in the Diocese but need not themselves be members of the Diocesan Synod.
 - c. Any casual vacancy among the elected members (which expression includes the case where insufficient candidates have been nominated to fill the places available) shall be filled in such a manner as may be determined by the Diocesan Synod.

The following Local Authorities within the Diocese shall each be entitled to nominate one person to attend meetings of the Board on the Local Authority's behalf. These persons are not eligible to vote at such meetings and do not hold the position of Trustee or Member of the Charity:

1. The Council of the London Borough of Bexley
2. The Council of the London Borough of Bromley
3. Kent County Council and
4. Medway Council.

Decision making structure

Corporate priorities, the overall financial strategy for the Board, in accordance with its objects, are the responsibility of the Trustees as is their review and monitoring. Operational delivery of these priorities and strategies is delegated to the Director of Education.

The Board meets up to six times a year to conduct its business, approve policy and review the impact of its work. Much of the operational decision-making is delegated to a Finance and Resources Committee and a School Effectiveness Committee which both meet up to three times per year.

These sub-committees are a critical part of the Board's work and provide oversight and monitoring of the key areas of responsibility to ensure that the Diocesan Board of Education (DBE), as an independent, incorporated charitable company, remains compliant with legislation and the requirements of the Charity Commission.

The Trustees are assisted in their work by officers and the following two Committees.

1. Finance and Resources Committee
Meets up to three times per year and reviews and monitors the management and annual accounts, budget, investment performance, school building projects, reserves and risk management policies and external audit.
2. School Effectiveness Committee
Meets up to three times per year and monitors and reviews the performance of Church schools in terms of academic and Christian distinctiveness identifying those that are vulnerable.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

STRUCTURE AND GOVERNANCE (CONTINUED)

Decision making structure (continued)

Trustees are members of the Board and are selected as outlined on page 8. At the beginning of each triennium an induction meeting is arranged for all Trustees led by the Director of Education to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of 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. During the Induction meeting Trustees meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Charity Governance Code

The Trustees have reviewed the Governance of the Charity in light of the Charity Governance Code which was published in 2017. The Trustees have formally adopted the Code from 1 January 2019.

Funds held as Custodian Trustee

The Board is custodian trustee of assets held on behalf of church schools and others who act as managing trustees. These assets are not aggregated in the financial statements as the Board does not control them and they are segregated from the Board's own assets by means of a separate accounting system. Further details of these assets, whose market value totalled £1,818,131 at 31 December 2019 (2018 - £1,748,275), are provided in notes 18 & 19.

Key management remuneration

The pay of the key management personnel, as detailed in note 9, and all staff are reviewed annually and normally increased in accordance with average earnings to reflect a cost of living adjustment. In view of the nature of the charity, the Trustees benchmark against pay levels in other charities. The remuneration benchmark is the mid-point of the range paid for similar roles in similar charities and sizes.

Funds held on behalf of church schools

The Board receives contributions from governors of church voluntary aided schools within the Diocese in connection with their major repair and capital projects and also government grants in connection with same. The Board administers these monies as managing agent and makes appropriate payments to consultants and contractors for work undertaken. These monies do not belong to the Board and therefore these receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held, or due at the balance sheet date are treated as debtors or creditors on the balance sheet, as shown in notes 12 and 13.

Total return

On 20 May 2019 the Trustees voted to exercise the power granted under section 104A(2) of the Charities Act 2011 and to adopt a total return approach to investments. The Total Return approach identifies those cumulative investment gains (known as the unapplied total return) which are available if necessary to offset any annual deficits of income (excluding unrealised investment gains) against expenditure not covered by other available reserves.

The date that the initial value of the Trust for Investment and the initial value of the unapplied total return were established was 31 December 1996. In order to identify the initial amounts of the trust for investment the Trustees have used the valuation of investments at 31 December 1996. The unapplied total return has been calculated from this point onwards by (a) an annual reduction for the inflationary increase in the initial Trust for Investment using CPI and (b) any annual deficits since 1996 not covered by other available reserves.

In 2019, there was a deficit of £263,585 which was covered, proving the total return approach to be beneficial.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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 period 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 income 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
- 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 Charitable Company'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.

The re-appointment of Haysmacintyre LLP as auditors will be proposed at the Annual General Meeting.

The Annual Report was approved by the Board on 22 June 2020 and signed on its behalf by

+ Simon Tonbridge

The Rt. Rev. S. Burton - Jones
Chair of the Board

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

Independent Auditor's Report to the Trustees of the Incorporated Rochester Diocesan Board of Education

Opinion

We have audited the financial statements of the Incorporated Rochester Diocesan Board of Finance for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement [set out on page 10], the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (CONTINUED)

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- adequate accounting records have not been kept by the charitable company; 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' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Use of Our Report

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



David Sewell (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
10 Queen Street Place, London, EC4R 1AG
Date: 2 July 2020

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted Funds Corporate Funds General £	Unrestricted Funds School Improvements £	Restricted Funds Consolidated Educational Income £	Endowment Funds Educational Endowments Capital £	Total 2019 £	Total 2018 as restated £
INCOME FROM:							
Donations and legacies		-	-	-	-	-	-
Charitable activities	3	-	-	(2,216)	-	(2,216)	228
Other trading activities	4	32,635	-	-	-	32,635	74,502
Investments	6	83	5,910	1,683	164,123	171,799	172,564
Other income	7	-	-	1	-	1	4,522
Rents Receivable		-	-	-	8,681	8,681	
Sale proceeds - Stansted former school		-	-	-	-	-	208,427
TOTAL INCOME		32,718	5,910	(532)	172,804	210,900	460,243
EXPENDITURE ON:							
Charitable activities							
Schools' work	8	83	-	348,053	-	348,136	351,624
TOTAL EXPENDITURE		83	-	348,053	-	348,136	351,624
Net income/(expenditure) for the year before gains/losses on investments		32,635	5,910	(348,585)	172,804	(137,236)	108,619
Unrealised gains / (losses) on investments	11		25,219	-	806,354	831,573	(208,597)
Realised gains / (losses) on investment redemption	11	-	-	-	-	-	(7,059)
Net income/(expenditure) for the year		32,635	31,129	(348,585)	979,158	694,337	(107,037)
Transfers between funds	14	(7,000)	(78,000)	85,000	-	-	-
Transfers between funds - Total Unapplied Return	11			263,585	(263,585)	-	
Net movement in funds		25,635	(46,871)	-	715,573	694,337	(107,037)
Fund balances brought forward as previously stated		-	239,435	-	5,102,345	5,341,780	5,492,684
Effect of prior year adjustment	23	(25,635)				(25,635)	(69,502)
		(25,635)	239,435	-	5,102,345	5,316,145	5,423,182
Fund balances carried forward		-	192,564	-	5,817,918	6,010,482	5,316,145

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 Companies Act 2006 requires a separate income and expenditure account to be prepared to exclude transactions relating to Endowment Funds. No such income and expenditure account has been included in these statements as the relevant exclusions from this Statement of Financial Activities are clearly shown above. These are: Endowment funds income £172,804 (2018 - £208,427).

The notes on pages 15 to 29 form part of these financial statements.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

BALANCE SHEET - COMPANY NUMBER 46014

AS AT 31 DECEMBER 2019

		Unrestricted Funds	Unrestricted Funds	Restricted Funds	Endowment Funds		
		Corporate Funds General	School Improvements	Consolidated Educational Income	Endowments Capital	Total 2019	Total 2018 as restated
	Note	£	£	£	£	£	£
Fixed Assets							
Tangible Fixed Assets	10	-	-	10,007	231,252	241,259	252,125
Investments	11	51	186,523	-	5,575,278	5,761,852	4,721,852
		51	186,523	10,007	5,806,530	6,003,111	4,973,977
Current Assets							
Debtors	12	-	-	-	8,701	8,701	1,167
CBF Deposits		11,179	4,962	33,697	-	49,838	139,973
Sarasin Deposits		-	391	183	-	574	578
Bank Deposits		-	688	-	-	688	250,461
Cash at Bank - Current Account		-	-	(982)	-	(982)	20,486
Cash at Bank - Business Reserve		-	-	201,396	2,687	204,083	-
		11,179	6,041	234,294	11,388	262,902	412,665
Current Liabilities							
Bank overdraft		8,002	-	-	-	0,992	9,740
Creditors	13	2,238	-	244,301	-	246,539	60,749
		11,230	-	244,301	-	255,531	70,497
Net Current Assets / (Liabilities)		(51)	6,041	(10,007)	11,388	7,371	342,168
Total Assets Less Current Liabilities		-	192,564	-	5,817,918	6,010,482	5,316,145
Net Assets		-	192,564	-	5,817,918	6,010,482	5,316,145
Funds							
Unrestricted	17	-	192,564	-	-	192,564	213,800
Restricted	17	-	-	-	-	-	-
Endowment	17	-	-	-	5,817,918	5,817,918	5,102,345
		-	192,564	-	5,817,918	6,010,482	5,316,145

Approved and authorised for issue by the Board on 22 June 2020

+ Simon Tonbridge

The Rt. Rev. S. Burton - Jones
Chair of the Board

The notes on pages 15 to 29 form part of these financial statements.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard 102, the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective January 2019) and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policy note.

In preparing the financial statements, the Trustees are required to make certain judgements and estimates. The key judgements and estimates are considered to be the valuation of investment property. The Trustees consider that the carrying value of the social investment property at £205,857 is a fair representation of the open market value of that property.

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 24.6 of FRS 102 SORP 2015 not to produce consolidated accounts on the basis that the total group income is less than £1million.

The charity constitutes a public benefit entity as defined by FRS 102.

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 as the company has adequate resources to continue in operational existence for the foreseeable future. The Charitable 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 Charitable Company. Governance costs are those costs associated with constitutional and statutory requirements.

c) Investments

Investments are included in the balance sheet at Bid price 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 Charitable Company itself. The use of designated funds for their designated purpose will remain at the discretion of the Trustees. Endowment funds are restricted funds whose income can be used to fund schools' work.

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 an unrestricted fund.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (CONTINUED)

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.
Investment Property	- Investment Property is held at its open market value. Depreciation is not charged in accordance with FRS102.
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 2019

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. CHARITABLE ACTIVITIES

	2019 £	2018 £
Consolidated Educational Endowments - Income		
Revenue grants	(2,216)	228
	<u>(2,216)</u>	<u>228</u>

4. OTHER TRADING ACTIVITIES

	2019 £	2018 £ as restated
Corporate Funds - General		
The Diocesan Schools Agency Ltd - distribution of profits to parent charity	25,635	69,502
Contribution to staff costs	7,000	5,000
	<u>32,635</u>	<u>74,502</u>

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

5. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY

	2019 £	2018 £
Surplus on ordinary activities prior to contribution to charity	32,698	30,635
Amount to be transferred to charity	(25,698)	(25,635)
Contribution to staff costs	(7,000)	(5,000)
	<u>-</u>	<u>-</u>
Retained surplus in subsidiary	-	-

6. INCOME FROM INVESTMENTS

	2019 £	2018 £
Quoted Investments		
Corporate Funds - General		
CBF deposit interest	83	55
School Improvements		
Bank interest	20	61
Sarasin Income distribution	5,837	6,871
Sarasin Interest	4	4
CBF deposit interest	49	60
Sarasin Realised Gain	-	-
	<u>5,910</u>	<u>6,996</u>
Consolidated Educational Endowments - Capital		
CBF Investment Fund	94,754	90,864
Sarasin Income distribution	69,369	65,137
	<u>164,123</u>	<u>156,001</u>
Consolidated Educational Endowments - Income		
CBF deposit interest	724	246
Sarasin Interest	41	10
Bank interest	918	576
Rent Receivable	-	8,680
	<u>1,683</u>	<u>9,512</u>
	<u>171,799</u>	<u>172,564</u>

The investment income relates to income generated from endowments to support the Charitable Company's work in schools.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7. OTHER INCOME

	2019 £	2018 £
Consolidated Educational Endowments - Income		
Rent received - Ditton	1	1
Profit on sale of motor vehicle	-	4,421
Compensation company car	-	100
	<u>1</u>	<u>4,522</u>
Consolidated Educational Endowments - Capital		
Payment received Sarasin	-	-
Prior year adjustment	-	-
	<u>-</u>	<u>-</u>
Total Other Income	<u>1</u>	<u>4,522</u>

8. ANALYSIS OF COSTS

		2019 Schools' Work £	2018 Schools' Work £
Corporate Funds - General			
Staff charges - Costs	Direct	83	55
Staff charges - Management	Support	-	-
Consolidated Educational Endowments - Income			
Schools' festival	Direct	(106)	486
Staff charges - Costs	Direct	299,306	304,129
Depreciation - Motor vehicles	Support	10,867	8,416
Office costs	Support	31,536	16,544
Share of office expenses	Support	-	9,294
Equipment costs	Support	1,581	2,252
Office furniture expenses	Support	-	4,045
Audit costs - Pension Scheme	Support	-	906
Audit costs - Governance costs		4,410	3,090
Legal costs		<u>460</u>	<u>2,407</u>
		348,053	351,569

Included in the Schools Work costs is an amount of £4,410 for audit fees (2018- £3,090).

Total audit fees for the Charitable Company and its subsidiary amounted to £9,930 (2018 - £8,365).

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9. STAFF CHARGES

	2019 £	2018 £
Wages and salaries	185,275	178,940
Social security costs	20,932	30,428
Other pension costs	76,054	68,947
Seconded staff costs	6,875	9,500
RDBE Review costs		4,400
Additional support	227	
Travelling and sundry expenses	10,026	11,969
	<u>299,389</u>	<u>304,184</u>
Corporate Funds - General		
Costs of activities in furtherance of the Charity's objects	-	-
Management and administration of the Charity	83	55
	<u>83</u>	<u>55</u>
Consolidated Educational Endowments - Income	<u>299,306</u>	<u>304,129</u>
Total	<u>299,389</u>	<u>304,184</u>

The average monthly number of employees was 4 (2018 - 4).

The numbers of staff whose emoluments (including taxable benefits in kind but excluding employer's pension contributions) amounted to more than £60,000 were as follows:

	2019 Number	2018 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1

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

Amounts paid to Trustees for reimbursement of expenses totalled £nil, (2018 - nil).

The number of Trustees accruing benefits under defined benefit pension schemes was nil (2018 - nil).

Remuneration of key management personnel

The cost to the organisation of remunerating Key Management Personnel was £228,615 (2018: £218,820)

Costs include gross pay, employer's pension, employers NI, taxable benefits and contractor's payments.

In addition to the Trustees, key management personnel are deemed to be those having authority and responsibility, delegated to them by the Trustees for planning, directing and controlling the activities of the Diocesan Board of Education.

During 2019 they were:-

Director of Education	John Constanti
Deputy Director of Education	Virginia Corbyn
Lead Consultant for School Improvement	Caroline Crofts

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10. TANGIBLE FIXED ASSETS

	Freehold Property	Social Investment Property	Motor Vehicle	Mobile Classrooms	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2019	10,007	205,857	43,468	16	259,348
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 December 2019	<u>10,007</u>	<u>205,857</u>	<u>43,468</u>	<u>16</u>	<u>259,348</u>
Depreciation					
At 1 January 2019	-	-	7,222	-	7,222
Charge for year	-	-	10,867	-	10,867
Disposals	-	-	-	-	-
At 31 December 2019	<u>-</u>	<u>-</u>	<u>18,089</u>	<u>-</u>	<u>18,089</u>
Net book values					
At 31 December 2019	<u>10,007</u>	<u>205,857</u>	<u>25,379</u>	<u>16</u>	<u>241,259</u>
At 31 December 2018	<u>10,007</u>	<u>205,857</u>	<u>36,245</u>	<u>16</u>	<u>252,125</u>

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 social investment property comprises additional accommodation purchased for Aylesford St Peter's CE Primary School at a cost of £205,857. The charity received quarterly rental income of £2,170 in respect of this property. No depreciation was charged in the year.

The social investment property is integral to the school, without which the school cannot operate and as such could not be sold without the school closing. The rental yield is approximately 4%. On this basis the Trustees consider £205,857 represents the fair value of the social investment property.

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

11. INVESTMENTS

	Cost 2019 £	Market Value 2019 £	Cost 2018 £	Market Value 2018 £
Quoted Investments				
CBF Investment Fund	776,477	3,305,793	672,263	2,693,248
Sarasin Endowments Fund Class A Inc - DBE	1,851,795	2,269,485	1,747,582	1,867,251
Sarasin Endowments Fund Class A Inc - School Imp.	150,260	186,523	150,260	161,302
	<u>2,778,532</u>	<u>5,761,801</u>	<u>2,570,105</u>	<u>4,721,801</u>
Unquoted Investments				
The Diocesan Schools Agency Ltd	-	51	-	51
	<u>-</u>	<u>5,761,852</u>	<u>-</u>	<u>4,721,852</u>
		2019		2018
		£		£
Brought forward at 1 January		4,721,801		5,077,457
Disposals		-		(140,000)
Additions		208,427		-
Unrealised gains / (losses)		831,573		(208,597)
Realised gains / (losses)		-		(7,059)
		<u>5,761,801</u>		<u>4,721,801</u>

All quoted investments are tier one investments.

The £51 unquoted investment relates to the cost of 100% of the issued ordinary share capital of the Diocesan Schools Agency Limited a company registered in England and Wales. It is a trading company which transfers all taxable profits to its holding company, this Charitable Company. The surplus on ordinary activities after taxation was £25,697 (2018 - £25,635). The aggregate of share capital and reserves was £25,897 (2018 - £25,835).

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.

The Sarasin 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 2019

12. DEBTORS

	2019 £	2018 £ as restated
Consolidated Ed. Endowments - Income		
Other Debtors		
Diocesan Board of Finance	8,701	-
Expenditure recoverable on sale of property	-	-
Bank Interest Nationwide	-	412
	<u>8,701</u>	<u>412</u>
Corporate Funds - General		
Prepayments	-	755
	<u>-</u>	<u>755</u>
Unrestricted Funds		
Amounts due from The Diocesan Schools' Agency Ltd	-	-
	<u>-</u>	<u>-</u>
	<u>8,701</u>	<u>1,167</u>

13. CREDITORS

	2019 £	2018 £
Consolidated Ed. Endowments - Income		
Other Creditors		
Department for Education	217,357	50,352
Contributions from Governors	24,653	6,014
Bequest for religious artefacts	102	102
Trust funds held on behalf of third parties	17	10
Diocesan Board of Finance	-	1,181
Accruals & Deferred income	-	-
Audit fees	2,172	936
	<u>244,301</u>	<u>58,595</u>
Corporate Funds - General		
Other Creditors		
Diocesan Board of Finance	-	-
SEER Funds	-	-
Accruals and deferred income		
Audit Fees	2,238	2,154
	<u>2,238</u>	<u>2,154</u>
	<u>246,539</u>	<u>60,749</u>

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

14. TRANSFERS BETWEEN FUNDS

The Consolidated Educational Endowments Income Fund incurred a deficit of £348,585, transfers from the School Improvement Fund (unrestricted) of £78,000, and the salary related costs of £7,000 within the Corporate Funds General (unrestricted) to total £85,000 transfers. Also there was a transfer of £263,585 from Capital to the income fund to cover the deficit on the restricted income fund in the year.

15. RELATED THIRD PARTY TRANSACTIONS

Employees of the Rochester Diocesan Board of Education are jointly employed by The Rochester Diocesan Society and Board of Finance '(RDBF)'. The RDBF operates both a defined benefit pension arrangement and defined contribution pension schemes, shared HR, IT, communication and financial administration services. The RDBF charge an apportionment of office and administration expenses for the shared premises. Some Trustees of the Board of Education are appointed by the Deanery Synods.

During the year taxable profits of £25,698 (2018 £25,635) will be transferred from the Diocesan Schools Agency to the Incorporated Rochester Diocesan Board of Education. Note 12 details the amount outstanding as at 31 December 2019 and 2018. A £7,000 (2018 - £5,000) contribution towards staff costs was received from the Diocesan Schools Agency to the Incorporated Rochester Diocesan Board of Education.

The Board of Education acts as a member with a limited liability of £10 for the following Multi Academy Trusts:- Aquinas, MAST, Amadeus, Trinitas, Alethia, Pilgrim. Additionally the Rochester Diocesan Board of Education also appoints governors to Voluntary Aided and Voluntary Controlled Schools. The Diocesan Schools Agency provides services to the Multi Academy Trusts, Voluntary Aided and Voluntary Controlled Schools at an arms-length basis at the discretion of the schools.

16. PENSION SCHEME

Staff Defined Benefit Scheme

The Rochester Diocesan Society and Board of Finance '(RDBF)' operates a defined benefit pension arrangement called the Rochester Diocesan Staff Retirement Benefit Scheme '(the Scheme)'. 1 member of staff employed by the Board is included within this scheme. The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death. The following disclosures exclude any allowance for defined contribution schemes operated by the Employer. No allowance has been made for discretionary benefits. Board of Education staff are jointly employed by the RDBF and RDBE.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Employer must agree with the Trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective and contributions to pay for the future accrual of benefits.

The most recent comprehensive actuarial valuation of the Scheme is being carried out as at 31 March 2018. The initial results of that valuation were updated by an independent qualified actuary to 31 December 2018 allowing for cashflows in and out of the Scheme and changes to assumptions over the period.

The Board are not a named legal party to the Scheme and the deficits are included within the RDBF annual accounts. The funding arrangements for this scheme are set out in the RDBF financial statements, the Board's proportion cannot be identified and therefore no further details of deficits are included within these accounts apart from the annual contributions made by the Board to the Scheme which in 2019 totalled £64,329 (2018 - £59,548).

Defined Contribution Scheme

A defined contribution scheme is operated. Amounts payable in the year amounted to £5,258 in 2019 (2018 - £4,538).

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

17. ANALYSIS OF FUNDS

1. Analysis of movements in Funds

	Unrestricted Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2019	Total 2018
	Corporate Funds General	School Improvements	Consolidated Educational Income	Endowment Capital		as restated
	£	£	£	£	£	£
Balance at 1 January 2019 as previously stated	-	239,435	-	5,102,345	5,341,780	5,492,684
Effect of prior year adjustment	23 (25,635)	-	-	-	(25,635)	(69,502)
	(25,635)	239,435	-	5,102,345	5,316,145	5,423,182
Income in the year (as restated)	32,718	5,910	(532)	172,804	210,900	460,243
Expenditure in the year	(83)	-	(348,053)	-	(348,136)	(351,624)
Movements on investments	-	25,219	-	806,354	831,573	(215,656)
Transfers between funds	(7,000)	(78,000)	348,585	(263,585)	-	-
Balance at 31 December 2019	-	192,564	-	5,817,918	6,010,482	5,316,145

2. Total Return Approach to investment of permanent endowment

	Trust for investment	Unapplied total return	Total 2019
At 1 January 2019			
Gift component of the permanent endowment	3,587,568	-	3,587,568
Unapplied total return	-	1,514,777	1,514,777
Total	3,587,568	1,514,777	5,102,345
Movements in the reporting period			
Gift of endowment funds	-	-	-
Recoupment of trust for investment	-	-	-
Allocation from trust for investment	-	-	-
Transfer to trust for investment - indexation	34,684	(34,684)	-
Investment return: dividends and interest	-	172,804	172,804
Investment return: realised and unrealised gains and (losses)	-	806,354	806,354
Less: investment management costs	-	-	-
Total	34,684	944,474	979,158
Unapplied total return allocated to income in the reporting period		(263,585)	(263,585)
Net movement in the reporting period:	34,684	680,889	715,573
Gift component of the permanent endowment	3,622,252	-	3,622,252
Unapplied total return	-	2,195,666	2,195,666
Total at 31 December 2019	3,622,252	2,195,666	5,817,918

3. Analysis of net assets between Funds

	Tangible Fixed Assets	Fixed Asset Investments	Net Current Assets	Total 2019	Total 2018
	£	£	£	£	£
Restricted Funds					
Consolidated Educational Endowments - Income		10,007	(10,007)	-	-
Endowment Funds					
Consolidated Educational Endowments - Capital		231,252	5,575,278	11,388	5,817,918
Unrestricted Funds					
Corporate Funds - General	-	51	(51)	-	-
School Improvement Fund	-	186,523	6,041	192,564	239,435
	241,259	5,761,852	7,371	6,010,482	5,341,780

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

18. TRUSTEESHIPS

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

Belvedere Trinity CE Secondary School	Leybourne St Peter and St Paul CE Primary School
Belvedere St Augustine's of Canterbury CE Primary School	Northfleet St Botolph CE Primary School
Bennett Memorial Diocesan CE Secondary School	Penge St John CE Primary School
Bredhurst CE Primary School	Pilgrim 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 Primary School
Bromley Parish CE Primary School	Seal CE Primary School
Burham CE Primary School	Sevenoaks St John CE Primary School
Chatham St John CE Infants School	Shorne CE Primary School
Chiddingstone CE Primary School	Snodland CE Primary School
Chislehurst St Nicholas CE Primary School	Southborough CE Primary School
Cliffe St Helen CE Primary School	St Paul's Cray CE Primary School
Crayford St Paulinus CE Primary School	St Mary's Island CE Primary School
Dartford Holy Trinity CE Primary School	Stone St Mary's CE Primary School
Ditton CE Primary School	Strood St Nicholas CE Primary School
Erith Christchurch CE Primary School	Sundridge & Brasted CE Primary School
Falconwood Bishop Ridley CE Primary School	Sutton at Hone 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	Trottiscliffe CE Primary School
High Brooms St Matthew CE Primary School	Tunbridge Wells St James CE Infants School
Horton Kirby CE Primary School	Tunbridge Wells St James CE Junior School
Hunton CE Primary School	Tunbridge Wells St Marks CE Primary School
Ide Hill CE Primary School	Tunbridge Wells St Peters CE Primary School
Keston CE Primary School	Watlington CE Primary School
Knockholt St Katharines CE Primary School	West Kingsdown St Edmund's CE Primary School
Lamorbey Holy Trinity CE Primary School	West Malling CE Primary School
Lamberhurst St Mary's CE Primary School	Westerham Churchill CE Primary School
Langafel CE Primary School	Wrotham St George CE Primary School

19. TRUST FUNDS

At the year end the charitable company held, in separate deposit accounts, £1,818,131 (2018 - £1,748,275) on behalf of a number of Church of England schools.

	£
At 31 December 2018	1,748,275
New money received	8
Purchase of investments	-
Sale of investments	-
Interest and dividends received	20,218
Rentals received	-
Withdrawals in respect of sundry grants	(3,450)
Investment gain / (loss)	53,080
At 31 December 2019	1,818,131

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

20. COMPARATIVE ANALYSIS OF FUNDS 2018

1. Analysis of movements in Funds

	Unrestricted Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2018
	Corporate Funds General £	School Improvements £	Consolidated Educational Income £	Endowment Capital £	as restated £
Balance at 1 January 2018	-	395,844	7,126	5,089,714	5,492,684
Effect of prior year adjustment	(69,502)				(69,502)
Income in the year (as restated)	74,557	6,996	170,263	208,427	460,243
Expenditure in the year	(55)	-	(351,569)	-	(351,624)
Movements on investments	-	(19,860)	-	(195,796)	(215,656)
Transfers between funds	(30,635)	(143,545)	174,180	-	-
Balance at 31 December 2018 (as restated)	(25,635)	239,435	-	5,102,345	5,316,145

2. Analysis of net assets between Funds

	Tangible Fixed Assets £	Fixed Asset Investments £	Net Current Assets £ as restated	Total 2018 £ as restated
Restricted Funds				
Consolidated Educational Endowments - Income		10,007	-	(10,007)
Endowment Funds				
Consolidated Educational Endowments - Capital		242,118	4,560,499	299,728
Unrestricted Funds				
Corporate Funds - General (as restated)	-	51	(25,686)	(25,635)
School Improvement Fund	-	161,302	78,133	239,435
	252,125	4,721,852	342,168	5,316,145

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES 2018 (AS RESTATED)

	Unrestricted Funds Corporate Funds General	Unrestricted Funds School Improvements	Restricted Funds Consolidated Educational Income	Endowment Funds Endowments Capital	Total 2018 £
INCOME FROM:					
Donations and legacies	-	-	-	-	-
Charitable activities	-	-	228	-	228
Other trading activities	74,502	-	-	-	74,502
Investments	55	6,996	165,513	-	172,564
Other income	-	-	4,522	-	4,522
Sale proceeds - Stansted former school	-	-	-	208,427	208,427
TOTAL INCOME	74,557	6,996	170,263	208,427	460,243
EXPENDITURE ON:					
Charitable activities					
Schools' work	55	-	351,569	-	351,624
TOTAL EXPENDITURE	55	-	351,569	-	351,624
Net income/(expenditure) for the year before gains/losses on investments	74,502	6,996	(181,306)	208,427	108,619
Unrealised gains / (losses) on investments	-	(12,801)	-	(195,796)	(208,597)
Realised gains / (losses) on investment redemption	-	(7,059)	-	-	(7,059)
Net income/(expenditure) for the year	74,502	(12,864)	(181,306)	12,631	(107,037)
Transfers between funds	(30,635)	(143,545)	174,180	-	-
Net movement in funds	43,867	(156,409)	(7,126)	12,631	(107,037)
Fund balances brought forward as previously stated	-	395,844	7,126	5,089,714	5,492,684
Effect of prior year restatement	(69,502)	-	-	-	(69,502)
Fund balances carried forward	(25,635)	239,435	-	5,102,345	5,316,145

INCORPORATED ROCHESTER DIOCESAN BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

22. COMPARATIVE BALANCE SHEET AT 31 DECEMBER 2018 (as restated)

	Unrestricted Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	
	Corporate Funds General £	School Improvements £	Consolidated Educational Income £	Endowments Capital £	Total 2018 £
Fixed Assets					
Tangible Fixed Assets	-	-	10,007	242,118	252,125
Investments	51	161,302	-	4,560,499	4,721,852
	51	161,302	10,007	4,802,617	4,973,977
Current Assets					
Debtors	755	-	412	-	1,167
CBF Deposits	11,096	10,072	118,805	-	139,973
Sarasin Deposits	-	392	186	-	578
Bank Deposits	-	42,034	-	208,427	250,461
Cash at Bank - Current Account	-	-	20,486	-	20,486
Cash at Bank - Business Reserve	-	-	(91,301)	91,301	-
	11,851	52,498	48,588	299,728	412,665
Current Liabilities					
Bank overdraft	9,748	-	-	-	9,748
Creditors	2,154	-	58,595	-	60,749
	11,902	-	58,595	-	70,497
Net Current Assets / (Liabilities)	(51)	52,498	(10,007)	299,728	342,168
Total Assets Less Current Liabilities	-	213,800	-	5,102,345	5,316,145
Net Assets	-	213,800	-	5,102,345	5,316,145
Funds					
Unrestricted	-	213,800	-	-	213,800
Restricted	-	-	-	-	-
Endowment	-	-	-	5,102,345	5,102,345
	-	213,800	-	5,102,345	5,316,145

23. PRIOR YEAR ADJUSTMENT

In preparing these financial statements the company has adopted the amendments to FRS102 as set out in the triennial review 2017 amendments published in December 2017. The Gift Aid payment due from the subsidiary is no longer accrued for in the year and in line with the guidance in SORP Information Sheet 2 a prior year adjustment has been presented to correct the comparative figures. The income is now recognised on receipt.