

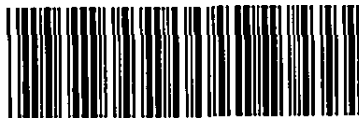
**CHESTER DIOCESAN BOARD
OF EDUCATION**

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

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

THURSDAY



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CHESTER DIOCESAN BOARD OF EDUCATION

ANNUAL REPORT YEAR ENDED 31 DECEMBER 2007

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CHESTER DIOCESAN BOARD OF EDUCATION

MEMBERS OF THE BOARD OF EDUCATION DURING THE YEAR ENDED 31 DECEMBER 2007

EX-OFFICIO

The Rt Rev The Bishop of Chester * Bishop's House, Abbey Square, Chester, CH1 2JD

ELECTED MEMBERS

1 Clergy and 1 Lay elected by Diocesan Synod,
1 Clerical or Lay elected by each Deanery Synod

Mrs A Bomford	126 Hibberts Lane, Marple, Stockport SK6 7NU
Mrs R Clarke	Ford Lane Farmhouse, Aldford, Chester CH3 6HP
Mr S Cottam	3 North Drive, Wallasey, Wirral CH45 0LZ
The Revd M B Cox	The Vicarage, 50 Norley Road, Sandiway CW8 2JU (until 1/10/07)
Mr P A Edwards	25 Abington Road, Sale, Cheshire M33 3DL
The Revd P Goggin	The Vicarage, Middlewich Road, Minshull Vernon, Crewe CW1 4RD (from 20/11/07)
The Revd J L Goode	Christ Church Vicarage, 30 Wash Lane, Latchford, Warrington WA4 1HT
Ms D Gosling	93 Station Road, Little Sutton, Ellesmere Port CH66 1HA
Mrs C J Hall	4 Sunnybank Drive, Wilmslow, SK9 6DY
The Revd I J Hutchings	St Luke's Vicarage, 14 Celandine Close, Huntington, Chester CH3 6DT
Mr I Johnson	24 High Meadow, Romiley, Stockport SK6 4PT
The Revd A A Long	The Vicarage, Main Road, Wybunbury, Nantwich, CW5 7LS (until 20/11/07)
Mrs M McCombe	7 Stratford Way, Macclesfield SK11 8XT
Mr R Neale	6 Cambridge Road, Birkenhead, Merseyside CH42 8PR
Mr P Noden	Silver Trees, School Lane, Warrington, Sandbach CW11 3QL (from 1/9/07)
Ms J Owen	30 Weston Road, Weston, Runcorn WA7 4LA
The Revd K Owen	The Vicarage, 14 Arrowe Road, Greasby, Wirral CH49 1RA
Mr I Roberts	18 St Lesmo Road, Cheadle Heath, Stockport SK3 0TX
The Revd M L Ridley	The Vicarage, Walton Road, Stockton Heath, Warrington, WA4 6NR
Dr W Yates	3 Racecourse Park, Wilmslow, Cheshire SK9 5LU

CO-OPTED MEMBERS

Mr W Done *	9 Allansford Avenue, Waverton, Chester CH3 7QH
The Revd D W Guest	The Vicarage, 2 Orrishmere Road, Cheadle Hulme, Cheadle SK8 5HP
Mrs M Liddy	110 Shrewsbury Road, Oxton, Wirral, CH43 8SP
Revd T Shepherd	The Vicarage, 15 Springfield Road, Sale M33 7YA
Canon Prof T J Wheeler *	University of Chester, Parkgate Road, Chester CH1 4BJ

BISHOP'S NOMINEES

The Ven D S Allister *	The Rectory, Chester Road, Delamere, Northwich CW8 2HS
The Revd E J H Lane	St Peter's Vicarage, 1 Harrop Road, Hale, Altrincham WA15 9BU
The Revd M F Turnbull	The Vicarage, 70 Castleway North, Leasowe, Wirral CH46 1RW
The Rt Rev Bishop of Birkenhead *	Bishop's Lodge, 67 Bidston Road, Oxton, Birkenhead CH43 6TR (from 4/4/07)

SECRETARY

Mr J Turnbull	Church House, Lower Lane, Aldford, Chester, CH3 6HP
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* Also Director of the company

CHESTER DIOCESAN BOARD OF EDUCATION

DIRECTORS AND PROFESSIONAL ADVISORS YEAR ENDED 31 DECEMBER 2007

NOMINATED DIRECTORS OF THE COMPANY, LIMITED BY GUARANTEE

The Rt Rev The Bishop of Chester
The Rt Rev The Bishop of Birkenhead (from 4/4/07)
The Ven The Archdeacon of Chester
Mr W Done
Canon Prof T J Wheeler

SECRETARY AND REGISTERED ADDRESS/PRINCIPAL OFFICE

Mr J Turnbull
Church House, Lower Lane, Aldford, Chester, CH3 6HP

PROFESSIONAL ADVISORS

Bankers:	National Westminster Bank plc P O Box 8, 33 Eastgate Street, Chester, CH1 1XA
Solicitors:	Hibbert Durrad Moxon 25 Barker Street, Nantwich, Cheshire, CW5 5EN Lee Bolton & Lee 1 The Sanctuary, Westminster, London, SW1P 3JT
Registered Auditors:	PKF (UK) LLP 5 Temple Square, Temple Street, Liverpool, L2 5RH

CHESTER DIOCESAN BOARD OF EDUCATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2007

The trustees are pleased to present their report together with the financial statements of the charity for the year ending 31st December 2007

Reference and administrative details

Charity number 525790

Company number 85176

Principal Office Church House, Lower Lane, Aldford, Chester, CH3 6HP

Directors and trustees

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

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

Ex-officio trustee	The Rt Revd The Bishop of Chester
Bishop of Chester nominees	The Rt Revd The Bishop of Birkenhead (from 4 April 2007) The Ven The Archdeacon of Chester
Elected trustees	W Done Canon Prof T J Wheeler
Secretary	J Turnbull

Structure, Governance and Management

Governing Document

The Diocesan Board of Education is a company limited by guarantee governed by its Memorandum and Articles of Association of 1943 amended on 17 October 1995. It is registered as a charity with the Charity Commission. Members of the company are elected or appointed in accordance with The Chester Diocesan Board of Education Order 1992. There were 29 members at the year-end (28 in 2006), each of whom agree to contribute £1 in the event of the charity winding up.

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

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

CHESTER DIOCESAN BOARD OF EDUCATION

REPORT OF THE TRUSTEES (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2007

Appointment of trustees

As set out in the Articles of Association the chair of the trustees is the Bishop of Chester except that, if he does not desire to be Chairman, the members after consultation with the Bishop, shall appoint some other person (whether or not a member) to be Chairman. The Archdeacon of Chester was Chairman until The Bishop of Birkenhead was elected to the position on 25 April 2007.

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

Trustee induction and training

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

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

Organisation

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

Related parties

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

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

Risk management

The trustees have a risk management strategy which comprises

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

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

Objectives and activities

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

- to promote education consistent with the faith and practice of the Church of England in the Diocese,
- to promote religious education and religious worship in schools in the Diocese,
- to promote church schools in the Diocese,
- to advise the governors of Church schools in the Diocese,

CHESTER DIOCESAN BOARD OF EDUCATION

REPORT OF THE TRUSTEES (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2007

- to advise the trustees of church educational endowments in the Diocese,
- to promote youth and children's work in the Diocese,
- to support work in institutions of further and higher education in the Diocese

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

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

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

- Administer and advise on building work, particularly in aided schools in the Diocese,
- Advise and support governing bodies in aspects of their role such as appointments, admissions and ethos,
- Support and promote quality religious education and worship in Church schools in the Diocese,
- Arrange for and support staff and governors through denominational inspection procedures,
- Provide training opportunities for staff and governors,
- Work alongside local authorities and other partners in making strategic decisions about the future of schools,
- Work with other north-western Diocesan Boards of Education to provide high quality services to schools,
- Represent the Diocese on committees and groups involved in school work

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

Grant making policy

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

Achievements and Performance

The Department for Children, Schools and Families which provides grants for building work in aided schools has continued to provide Devolved Formula Capital to schools in two amounts. All aided schools in the Diocese have continued in having this money held by the charity. This indicates the level of regard with which the charity is held and has also enabled us to allow some schools to expend money which they will not receive until the following year

Many schools benefited from building work and the support of staff and consultants from DBE Services Ltd. Projects with work over £100,000 included

- Pedestrian Entrance & Car Park at Bishops' Blue Coat CE High School, Chester,
- Foundation/Nursery Unit at Tintwistle CE School,
- Extension and adaptations at St Bertoline's CE School, Norton,
- Continuing repair work at Stockport St George's CE School,
- Computer Suite and other work at Sir Thomas Boteler CE High School, Warrington

The charity continues to administer and quality assure the denominational inspections for all Church schools. The support provided to each school before and after inspections is of great benefit in supporting its Christian foundation as well as offering a means of pastoral support to senior managers. The following schools are to be congratulated on being seen as outstanding Church schools by their inspector

Bowdon CE Primary School, Capenhurst CE Primary School, Davenham CE Primary School, Frodsham CE Primary School, Halton St Mary's CE Primary School, Latchford CE Primary

CHESTER DIOCESAN BOARD OF EDUCATION

REPORT OF THE TRUSTEES (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2007

School, Marple All Saints' CE Primary School, Mottram CE Primary School, Norton St Bertoline's CE Primary School, Prestbury CE Primary School, Runcorn All Saints' CE Primary School, Sale St Mary's CE Primary School, Smallwood CE Primary School, Utkinton St Paul's CE Primary School, Wybunbury Delves CE Primary School

Local Authorities are continuing to undertake work to rationalise and improve their educational provision as a result of changes in legislation and the falling birth rate. A considerable amount of time is being taken over discussions with the Authorities and supporting schools that are affected by any proposals. A new initiative for primary school building, the Primary Capital Programme will necessitate close working with each Local Authority at every stage.

Successful training courses have proved a great success and help raise the profile of the charity.

Employees of the charity have been involved in the usual round of senior appointments in Church schools and the support of governors and the trustees of church educational endowments.

Under the direction of the Diocesan RE Adviser and supported by other colleagues, the Diocesan Guidelines for Religious Education in primary schools were revised and launched in September. Work has now begun to revise the Diocesan guidelines for collective worship.

Financial Review

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

As detailed in the Statement of Financial Activities, and in note 8, the company was acting as custodian trustee and holding Specific Purpose funds totalling £860,317 at 31 December 2007 compared to £1,015,038 at the beginning of the year.

The Statement of Financial Activities shows a surplus of £48,730 before disposals and unrealised gains of £422,614 resulting in an overall surplus of £471,344.

During the year, Farndon School House was sold and the proceeds divided in accordance with the Diocese of Chester (Educational Endowments) Order 1983 with the funds forming the School Fund being retained by the company.

The Secretary of State for Education and Skills made the Diocese of Chester (Educational Endowments) Order 2007 on 6 July 2007 making the company the trustee of the Wharton Church of England School fund.

Investment properties showed an unrealised gain on revaluation of £174,290, and further unrealised gains of £36,017 arose on the revaluation of investments (excluding Specific Purpose fund investments), to year end market value, following the continued improvement in market conditions in the later stages of the year.

The overall result for the year has led to a total increase in funds held (excluding Specific Purpose funds) of £626,065, as shown on the Statement of Financial Activities on page 12 comprising an Unrestricted General fund surplus of £222,796 and Restricted Trust fund surplus of £403,269.

Investment Policy

The charity owns a number of properties as well as holding investments in CBF Church of England Funds, in COIF Funds and cash reserves. Of the charity's total assets (excluding Specific Purpose fund investments), 26% is held as cash, 10% in property and 64% in CBF investments. The properties bring income through leases. Of the CBF investments (excluding specific purpose fund investments), just under 50% are investment shares that are intended to provide steadily growing income and capital appreciation to provide long-term protection from inflation, 3% are property shares which provide higher income and some protection against

CHESTER DIOCESAN BOARD OF EDUCATION

REPORT OF THE TRUSTEES (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2007

inflation, just over 8% of the funds are held in Fixed Interest Securities that provide higher income but offer no protection from inflation and 39% of funds are held in deposits. In all cases performance is in line with expectations.

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

The trustees regularly consider the performance of the shares to ensure that the return in terms of capital growth and income is appropriate to the needs of the charity.

Reserves Policy

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

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

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

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

Plans for Future Periods

As well as maintaining and continuing the work outlined above, the charity, together with the Crossland Foundation, has had an Expression of Interest in an Academy in Ellesmere Port accepted by the Department for Children, Schools and Families. This is requiring a large resource both in terms of time commitment and finance. The project is currently in the feasibility stage.

Work is continuing with the Catholic Diocese of Shrewsbury to consider the provision of joint Catholic/Anglican schools in Halton, Macclesfield and the Wirral. This again will involve a large commitment but as well as providing for the children in those areas will be a signal of strong co-operation between the denominations.

Funds Held as Custodian Trustee on Behalf of Others

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

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

The Devolved Formula Capital for each aided school is held by the charity.

CHESTER DIOCESAN BOARD OF EDUCATION

REPORT OF THE TRUSTEES (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2007

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

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

Auditors

A resolution will be proposed at the Annual General Meeting that PKF (UK) LLP be re-appointed as auditors to the charity for the ensuing year

By order of the trustees

+ Keith Birchall

The Rt Revd K Sinclair (Chairman)

Date 14/04/08

CHESTER DIOCESAN BOARD OF EDUCATION

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees are required to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity, including its income and expenditure, for that period. In preparing these financial statements the trustees are required to

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

The trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHESTER DIOCESAN BOARD OF EDUCATION

We have audited the financial statements of Chester Diocesan Board of Education for the year ended 31 December 2007 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of the company for the purposes of company law) for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the statement of trustees' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the trustees' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 December 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHESTER DIOCESAN BOARD OF EDUCATION (Continued)**

- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the trustees' report is consistent with the financial statements

PKF (UK) LLP

**PKF (UK) LLP
Registered Auditors**

Liverpool

13 April 2008

CHESTER DIOCESAN BOARD OF EDUCATION

STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 DECEMBER 2007

	Note	Unrestricted General Funds £	Restricted Trust Funds £	Specific Purpose Funds £	Total 2007 £	Total 2006 £
INCOMING RESOURCES	1 2					
Incoming resources from generated funds						
Investment income and interest	2 2	115,879	216,136	50,596	382,611	306,689
Incoming resources from						
Charitable activities	2 1	55,158	-	-	55,158	55,088
		<u>171,037</u>	<u>216,136</u>	<u>50,596</u>	<u>437,769</u>	<u>361,777</u>
Other incoming resources						
Further funds received		-		85,970	85,970	44,722
TOTAL INCOMING RESOURCES		<u>171,037</u>	<u>216,136</u>	<u>136,566</u>	<u>523,739</u>	<u>406,499</u>
RESOURCES EXPENDED	1 3					
Cost of generating funds						-
Charitable activities	3 1 / 3 3	-	280,077	-	280,077	150,309
Governance costs	3 1	4,239	36,571	-	40,810	27,135
	3 1	<u>(4,239)</u>	<u>(316,648)</u>	<u>-</u>	<u>(320,887)</u>	<u>(177,444)</u>
Funds divested		-	-	(154,122)	(154,122)	(184,575)
TOTAL RESOURCES EXPENDED		<u>(4,239)</u>	<u>(316,648)</u>	<u>(154,122)</u>	<u>(475,009)</u>	<u>(362,019)</u>
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		166,798	(100,512)	(17,556)	48,730	44,480
Gross transfers between funds		<u>42,752</u>	<u>95,323</u>	<u>(138,075)</u>	<u>-</u>	<u>-</u>
NET INCOMING RESOURCES BEFORE REVALUATIONS AND INVESTMENT ASSET DISPOSALS		209,550	(5,189)	(155,631)	48,730	44,480
Unrealised gains on investments	6 1	13,246	22,771	910	36,927	275,466
Unrealised gains on investment property revaluation	4 1	-	174,290	-	174,290	59,000
Realised gain on disposal of investment property		-	211,397	-	211,397	-
Re-categorisation of property acquired in the prior year	4 1	-	-	-	-	(507,244)
NET MOVEMENT IN FUNDS		222,796	403,269	(154,721)	471,344	(128,298)
Fund balances brought forward at 1 January 2007		<u>1,055,441</u>	<u>5,766,699</u>	<u>1,015,038</u>	<u>7,837,178</u>	<u>7,965,476</u>
FUND BALANCES CARRIED FORWARD AT 31 DECEMBER 2007	10	<u>1,278,237</u>	<u>6,169,968</u>	<u>860,317</u>	<u>8,308,522</u>	<u>7,837,178</u>

CHESTER DIOCESAN BOARD OF EDUCATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2007

	2007 £	2006 £
Gross income of continuing operations	523,739	406,499
Total expenditure of continuing operations	<u>(320,887)</u>	<u>(177,444)</u>
Net income for the year before investment asset disposals	202,852	229,055
Profit on sale of investment properties	<u>211,397</u>	<u>-</u>
Net surplus for the year	<u>414,249</u>	<u>229,055</u>

All amounts relate to continuing operations

CHESTER DIOCESAN BOARD OF EDUCATION

BALANCE SHEET 31 DECEMBER 2007

	Notes	2007	2006
		£	£
Fixed assets			
Tangible fixed assets			
- investment properties	4 1	1,014,290	840,000
- other	4 2	3,088	1,372
Investments	6 2	6,430,014	6,310,602
Investment in associated company	6 3	12	12
		<u>7,447,404</u>	<u>7,151,986</u>
Current assets			
Cash at bank		1,555,607	1,332,059
Debtors	5	<u>1,154,838</u>	<u>771,897</u>
		2,710,445	2,103,956
Creditors – amounts falling due within one year	7 1	<u>(1,832,457)</u>	<u>(1,399,104)</u>
Net current assets		877,988	704,852
Total assets less current liabilities		<u>8,325,392</u>	<u>7,856,838</u>
Creditors – amounts falling due after more than one year	7 2	<u>(16,870)</u>	<u>(19,660)</u>
Net assets		<u>8,308,522</u>	<u>7,837,178</u>
Funds			
Specific purpose funds	8		
- realised		846,630	1,002,261
- unrealised revaluation		<u>13,687</u>	<u>12,777</u>
		860,317	1,015,038
Restricted trust funds	9		
- realised		4,137,722	3,931,514
- unrealised revaluation		<u>2,032,246</u>	<u>1,835,185</u>
		6,169,968	5,766,699
Unrestricted general funds (page 12)			
- realised		775,599	566,049
- unrealised revaluation		<u>502,638</u>	<u>489,392</u>
		1,278,237	1,055,441
		<u>8,308,522</u>	<u>7,837,178</u>

Approved by the board on 14/04/08
The Rt Revd K Sinclair (Chairman)

Director

K. Sinclair

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2007

1 PRINCIPAL ACCOUNTING POLICIES

1 1 Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments and investment properties at market value, and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2005)", applicable accounting standards and the Companies Act 1985

1 2 Incoming resources

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

1 3 Resources Expended

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

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

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

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

1 4 Investments

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

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

1 5 Taxation

As a registered charity the company is exempt from taxation on its income and gains arising out of its charitable activities.

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2007

1 PRINCIPAL ACCOUNTING POLICIES (continued)

1 6 Specific purpose funds

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

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

1 7 Restricted trust funds

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

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

1 8 Tangible fixed assets - other than property

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

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

1 9 Tangible fixed assets - property

Proceeds from the sale of former school properties are normally held by the company as custodian trustee (in specific purpose funds, as note 1 6) until a relevant Educational Endowment Order or other determination is issued. The financial statements up to 31 December 1996 did not include any value for former school properties held in the name of the company which had not yet been sold but these properties, classified as investment properties, have been included in subsequent accounts at their estimated market value, as disclosed in note 4 1

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2007

2 INCOMING RESOURCES

2 1	Charitable activities	2007	2006
	Conference income	4,392	12,922
	DBE Services Ltd gift aid	46,462	23,942
	Other property income	4,094	16,086
	Donations from consultant	-	1,059
	Other	210	1,079
		<u>55,158</u>	<u>55,088</u>

2 2	Investment income and interest	Unrestricted	Restricted	Specific Purpose funds	Total 2007	Total 2006
		£	£	£	£	£
	Unlisted investments	21,453	157,025	50,596	229,074	287,369
	Bank interest	94,426	7,598	-	102,024	6,093
	Rental income	-	46,033	-	46,033	8,379
	Interest on advances	-	5,480	-	5,480	4,848
		<u>115,879</u>	<u>216,136</u>	<u>50,596</u>	<u>382,611</u>	<u>306,689</u>

3	RESOURCES EXPENDED	2007 Charitable activities	2007 Governance costs of charity	2007 Total	2006 Total
3 1	Resources expended comprised the following:-	£	£	£	£
	Grants made (note 3 3)	32,323	-	32,323	8,083
	Property costs incurred	18,654	-	18,654	19,930
	Salaries and other recharges (note 3 4)	132,386	14,710	147,096	74,337
	Legal and professional	66,108	7,345	73,453	38,444
	Audit and accountancy (note 3 5)	-	13,482	13,482	13,865
	Bank charges	-	682	682	903
	Depreciation	-	1,886	1,886	686
	Other expenses, including insurance, consumables, educational support costs etc	30,606	2,705	33,311	21,196
		<u>280,077</u>	<u>40,810</u>	<u>320,887</u>	<u>177,444</u>

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2007

3 RESOURCES EXPENDED (continued)

3.2 Staff Costs

	2007 £	2006 £
Salaries and Wages	19,713	-
Employers NI	1,915	-
Employers Pension Contributions	2,779	-
	<u>24,407</u>	<u>-</u>

During the year there was one (2006 Nil) full time employee employed by Chester Diocesan Board of Education

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

Employers pension contributions are paid directly by Chester Diocesan Board of Education.

Contributions are paid to the Teachers Pension Agency Superannuation Scheme (a defined benefits scheme). The employees contribution rate is set by the TPS and as the scheme is a collective scheme, it is not possible to separately identify the assets and liabilities attributable to a particular employer. Hence all employers have neither a commitment to make good any actuarial deficit nor an entitlement to benefit from any over funding.

No remuneration (or expense reimbursement) was paid to any of the directors, or members of The Board of Education, for the year (2006 Nil).

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2007

3 RESOURCES EXPENDED (continued)

3.3 Grants made and committed

In 2007 financial assistance grants totalling £32,323 were paid to the governors of 6 schools (2006 £8,083 to the governors of 6 schools)

		2007 £	2006 £
Ellesmere Port Christ Church C E Primary	- Adaptations	10,000	-
	- Roofing	16,552	-
	- Staff Room/Fencing	2,519	-
Delamere C E Primary School	- Governors liability	-	1,000
Norton St Berteline's C E Primary	- Roof and cloakroom	-	2,164
Mollington St Oswald's C E Primary	- Property debt write off	2,537	-
Tintwistle C E Primary	- Governors liability	-	2,992
Other grant payments of less than £1,000 each		715	1,927
		<u>32,323</u>	<u>8,083</u>

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

3.5 The audit and accountancy charges related to the following

		2007 £	2006 £
Current year	- Audit	5,670	5,400
	- Accountancy	4,980	8,465
	- Other services	-	-
Prior year additional accountancy		2,832	-
		<u>13,482</u>	<u>13,865</u>

- 3.6 The cost of errors and omissions and trustee indemnity insurance for the year amounted to £1,214 (2006 £966)

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2007

4 TANGIBLE FIXED ASSETS

4 1	£	£	£
Investment properties:			
At valuation at 1 January 2007			840,000
Increase to year end valuation			<u>174,290</u>
At valuation at 31 December 2007			1,014,290
An independent review of the valuation of the investment properties held at 31 December 2007 was undertaken by Douglas Duff (Chartered Surveyors) and the increase in their market value has been reflected above			
4 2 Fixtures and office equipment:			
Cost:			
- at 1 January 2007		23,458	
- additions in year		<u>3,602</u>	
		27,060	
Depreciation			
- at 1 January 2007	22,086		
- Charge for year	<u>1,886</u>		
		<u>(23,972)</u>	
Net book value at 31 December 2007			<u>3,088</u>
As at 31 December 2007			<u>1,017,378</u>

5	2007 £	2006 £
DEBTORS		
Grants receivable	311,333	162,833
Other investments and advances to parishes and school governors	715,458	519,144
Other debtors	<u>128,047</u>	<u>89,920</u>
	<u>1,154,838</u>	<u>771,897</u>

Advances to parishes includes £141,894 (2006 £180,226) repayable after a year from the balance sheet date

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2007

6	INVESTMENTS	2007 £	2006 £
6 1	Unlisted investments, at market value		
	At 1 January 2007	6,310,602	6,024,459
	Additions in year	678,017	543,597
	Less disposals at market value	(595,532)	(532,920)
	Net gain on revaluation	36,927	275,466
	Market value at 31 December 2007	6,430,014	6,310,602

(Historic cost as at 31 December 2007 £5,259,848
31 12 06 £5,177,361)

6 2	The investments held at 31 December comprised -		
	CBF deposits	2,802,275	2,719,954
	CBF Fixed Interest securities fund	538,710	546,363
	CBF Investment fund	2,744,881	2,677,625
	CBF Property fund	314,849	337,961
	COIF deposits and investment fund	29,299	28,699
		6,430,014	6,310,602

6 3 Investment in Associated company

The Charity holds the following significant investments -

Investment in associate at cost			12	12
Name	Type of share	% value	Profit for the year £	Aggregate capital and reserves £
DBE Services Ltd	Ordinary	20%	278	(8,437)

At the year end the Charity received gift aid payments amounting to £46,462 from this company
The results above are from draft accounts for 2007

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2007

		2007 £	2006 £
7	CREDITORS		
7 1	Amount falling due within one year:		
	Trade creditors	100,292	4,756
	Loan repayments	2,790	2,790
	Amounts owed to CDBF	25,705	1,796
	Other creditors, accruals and deferred income	15,940	21,015
	Amounts owed in respect of property sales process held	123,641	-
	DFC funds payable	<u>1,564,089</u>	<u>1,368,747</u>
		<u>1,832,457</u>	<u>1,399,104</u>
7 2	Amounts falling due after one year:		
	Loan repayments		
	- Church of England Archbishops' Council	<u>16,870</u>	<u>19,660</u>
7 3	The loans outstanding are repayable as follows -		
	Due within a year	2,790	2,790
	Due between 1 and 2 years	5,230	5,580
	Due between 2 and 5 years	6,020	6,520
	Due after more than 5 years	<u>5,620</u>	<u>7,560</u>
		<u>19,660</u>	<u>22,450</u>

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

	Realised £	Unrealised Revaluation £	Total £
8	SPECIFIC PURPOSE FUNDS		
	Funds held at 1 January 2007	1,002,261	12,777
	Incoming resources		
	- further funds received	85,970	-
	- investment income arising	50,596	-
	- funds transferred to restricted funds	(138,075)	-
	Funds divested	(154,122)	-
		<u>846,630</u>	<u>12,777</u>
	Unrealised gain on investments held	-	910
	Funds held at 31 December 2007	<u>846,630</u>	<u>13,687</u>
			<u>860,317</u>

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2007

9	RESTRICTED TRUST FUNDS	Realised £	Unrealised Revaluation £	Total £
	Funds held at 1 January 2007	3,931,514	1,835,185	5,766,699
	Incoming Resources			
	- investment income arising	216,136	-	216,136
	Resources expended	(316,648)	-	(316,648)
	Gain on disposal of investment property	211,397	-	211,397
	Transfers between funds	95,323	-	95,323
		4,137,722	1,835,185	5,972,907
	Unrealised gain on investment properties	-	174,290	174,290
	Unrealised gain on investments held	-	22,771	22,771
	Funds held at 31 December 2007	4,137,722	2,032,246	6,169,968

Transfers between funds include a transfer of £42,752 to unrestricted funds in respect of a re-analysis of prior year incoming resources

10	ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted General funds £	Restricted Trust funds £	Specific Purpose funds £	Total funds £
	Fund balances at 31 December 2007 as represented by -				
	Tangible fixed assets	3,088	1,014,290	-	1,017,378
	Investments	637,322	4,932,387	860,317	6,430,026
	Current assets less creditors	637,827	223,291	-	861,118
	Total Net Assets	1,278,237	6,169,968	860,317	8,308,522
	Unrealised gain on investments included above comprise:-				
	- unrealised gains at 1 January 2007	489,392	1,835,185	12,777	2,337,354
	- net gain/(loss) arising on revaluation of investments in year	13,246	197,061	910	211,217
	Unrealised gains at 31 December 2007	502,638	2,032,246	13,687	2,548,571

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2007

11 RELATED PARTIES

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

	2007 £	2006 £
Contribution re joint employment contracts and other recharges payable to The Chester Diocesan Board of Finance for the year	<u>120,887</u>	<u>71,780</u>
of which the following amount was included as a creditor at the year end	<u>25,705</u>	<u>1,796</u>

The Charity owns 20% of the ordinary share capital of DBE Services Ltd, an entity which commenced trading on the 1st January 2006. The company undertakes support work across the five north-western dioceses. During the year Chester Diocesan Board of Education received gift aid payments totalling £46,462.

CHESTER DIOCESAN BOARD OF EDUCATION

SUMMARY OF INVESTMENTS HELD
AT 31 DECEMBER 2007

MANAGEMENT INFORMATION
SCHEDULE A

1)	Restricted trust and unrestricted general fund investments	Cost		Market value	
		Restricted Trust funds	Unrestricted General funds	Restricted Trust funds	Unrestricted General funds
		£	£	£	£
	Unlisted investments				
	- CBF deposits	1,902,507	76,967	1,902,507	76,967
	- CBF Fixed Interest Securities fund	576,924	12,100	527,032	11,678
	- CBF Investment fund	1,519,708	45,606	2,158,700	548,665
	- CBF Property fund	276,947	-	314,849	-
	- COIF Investment fund	2,460	-	29,299	-
		<u>4,278,546</u>	<u>134,672</u>	<u>4,932,387</u>	<u>637,310</u>
	Unrealised gain on investments held at 31 December 2007				
	- restricted trust funds	<u>653,841</u>			
	- unrestricted general funds		<u>502,638</u>		
2)	Specific Purpose fund investments				
		Cost	2007 Market value		
		£	£		
	Unlisted investments, as schedule B				
	- CBF deposits	822,802	822,801		
	- CBF Investment fund	23,828	37,516		
		<u>846,630</u>	<u>860,317</u>		
	Unrealised gain on investments held at 31 December 2007	<u>13,687</u>			

CHESTER DIOCESAN BOARD OF EDUCATION

SUMMARY OF SPECIFIC PURPOSES FUNDS HELD

MANAGEMENT INFORMATION SCHEDULE B

	Total funds at 1.1.07	Funds received	Funds withdrawn	Income Reinvested	Total Realised Funds 31.12.07	Increase/ (Decrease) in market value in year	Total funds at 31.12.07
	£	£	£	£	£	£	£
Funds held pending an order							
Hooton School	7,975	-	(227)	272	8,020	195	8,215
Margaret Davies, Handley	6,682	-	-	151	6,833	164	6,997
Congleton Mossley	550	-	-	13	563	17	580
Funds held on behalf of Local Trustees							
(As Custodian Trustees)							
Bidston	23,707	-	(699)	785	23,793	534	24,327
Funds held pending determination							
Davenham School	114,944	-	-	6,334	121,278	-	121,278
Mossley School	94,519	-	(882)	5,174	98,811	-	98,811
Little Sulton	87,899	-	(6,922)	4,720	85,697	-	85,697
Stapley Broad Lane	8,433	-	-	462	8,895	-	8,895
Chelford	138,346	-	(141,859)	3,513	-	-	-
Tintwistle	231,666	-	-	12,764	244,430	-	244,430
Wharton School	102,024	-	(382)	5,607	107,249	-	107,249
Wharton School House	49,383	85,970	(138,075)	2,722	-	-	-
Dukinfield St John	34,565	-	-	1,904	36,469	-	36,469
Edgeley	114,345	-	(882)	3,906	117,369	-	117,369
	1,015,038	85,970	(289,928)	48,327	859,407	910	860,317

**CHESTER DIOCESAN BOARD OF EDUCATION
SUMMARY OF SPECIFIC PURPOSES FUNDS HELD**

**MANAGEMENT INFORMATION
SCHEDULE B**

	Total funds at 1.1.07	Funds received	Funds withdrawn	Income Reinvested	Total Realised Funds 31.12.07	Increase/ (Decrease) in market value in year	Total funds at 31.12.07
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Edgeley	114,345	-	(882)	3,906	117,369	-	117,369
	1,015,038	85,970	(289,928)	48,327	859,407	910	860,317