

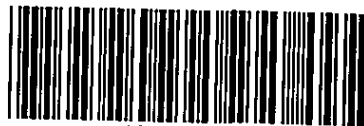
**CHESTER DIOCESAN BOARD
OF EDUCATION**

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

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2011

TUESDAY



A1HPEP3D

A39

18/09/2012

#314

COMPANIES HOUSE

CHESTER DIOCESAN BOARD OF EDUCATION

ANNUAL REPORT YEAR ENDED 31 DECEMBER 2011

CONTENTS	PAGE
List of Members of the Board of Education	1
Directors and Professional Advisors	2
Report of the Trustees	1 - 8
Statement of Directors' Responsibilities	9
Independent Auditor's Report to the Members of Chester Diocesan Board of Education	10 -11
Statement of Financial Activities	12
Summary Income and Expenditure Account	13
Balance Sheet	14
Notes and Accounting Policies	15 – 24
Summary of Investments Held (Excluding Investment Property)	25
Summary of Specific Purpose Funds Held	26

CHESTER DIOCESAN BOARD OF EDUCATION

REPORT OF THE TRUSTEES YEAR ENDED 31 DECEMBER 2011

MEMBERS OF THE BOARD OF EDUCATION DURING THE YEAR ENDED 31 DECEMBER 2011

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

Mr R Blackhurst	Malpas Deanery
The Revd L Boyle	Stockport Deanery
Mr S Cottam	Wallasey Deanery
The Revd L Eden	Middlewich Deanery
Mr P A Edwards	Bowden Deanery
The Revd P Goggin	Nantwich Deanery
The Revd J L Goode	Great Budworth Deanery
The Revd I J Hutchings	Chester Deanery
Mr I Johnson	Mottram Deanery
Mrs M McCombe	Macclesfield Deanery
Mrs G McFadyen	Chadwick Deanery
Mr R Neale	Birkenhead Deanery
Mr P Noden	Congleton Deanery (resigned during year)
Mr E Owen *	Frodsham Deanery
The Revd K Owen	Wirral North Deanery (resigned during year)
Mr I Roberts	Diocesan Synod
The Revd T Watts	Diocesan Synod
Dr W Yates	Knutsford Deanery

CO-OPTED MEMBERS

The Revd L Bannon
Mrs A Bomford
Mr W Done *
The Revd D W Guest
Ms J Owen
Mrs C Preece
Canon Prof T J Wheeler *

BISHOP'S NOMINEES

The Revd A Friend
The Revd C Helm
The Rt Rev The Bishop of Birkenhead *
The Ven The Archdeacon of Chester * (from 24 January 2011)

SECRETARY

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

* Also Director of the company

CHESTER DIOCESAN BOARD OF EDUCATION

REPORT OF THE TRUSTEES (CONT'D) YEAR ENDED 31 DECEMBER 2011

DIRECTORS AND PROFESSIONAL ADVISORS

DIRECTORS OF THE COMPANY, LIMITED BY GUARANTEE

The Rt Rev The Bishop of Chester
The Rt Rev The Bishop of Birkenhead
The Ven The Archdeacon of Chester (from 24 January 2011)
Mr W Done
Mr E Owen
Canon Prof T J Wheeler

SECRETARY AND REGISTERED ADDRESS/PRINCIPAL OFFICE

Canon 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.	Hibberts LLP 25 Barker Street, Nantwich, Cheshire, CW5 5EN Lee Bolton Monier-Williams 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 (CONT'D) YEAR ENDED 31 DECEMBER 2011

The trustees are pleased to present their report together with the financial statements of the charity for the year ending 31st December 2011

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 The Ven The Archdeacon of Chester (from 24 January 2011)
Elected trustees	W Done Canon Prof T J Wheeler E Owen
Secretary	Canon J Turnbull

Structure, Governance and Management

Governing Document

The Chester Diocesan Board of Education is a company limited by guarantee governed by its Memorandum and Articles of Association of 1943 amended on 17 October 1995. It is registered as a charity with the Charity Commission. Members of the company are elected or appointed in accordance with The Chester Diocesan Board of Education Order 1993. Following elections to Diocesan Synod, the Board was reconstituted on 1 January 2010. There were 30 members at the year-end (28 in 2010), each of whom agree to contribute £1 in the event of the charity winding up.

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

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

Appointment of trustees

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

CHESTER DIOCESAN BOARD OF EDUCATION

REPORT OF THE TRUSTEES (CONT'D) YEAR ENDED 31 DECEMBER 2011

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, Manchester Diocesan Board of Education and York Diocesan Board of Finance. This company undertakes support work across the six dioceses and gift-aids any profit back to the six Boards

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 continued low level of income from investments. 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,
- to advise the trustees of church educational endowments in the Diocese,
- to promote youth and children's work in the Diocese,
- to support work in institutions of further and higher education in the Diocese

CHESTER DIOCESAN BOARD OF EDUCATION

REPORT OF THE TRUSTEES (CONT'D) YEAR ENDED 31 DECEMBER 2011

A 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,
- Provide pastoral and other support to schools experiencing difficulties,
- Work alongside local authorities and other partners in making strategic decisions about the future of schools,
- Work with other Diocesan Boards of Education in the DBE Services group to provide high quality services to schools,
- Represent the Diocese on committees and groups involved in school work,
- Advise and support the trustees of church educational endowment held wholly or partly for or in connection with any church school

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

Grant making policy

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

Achievements, Performance and Public Benefit

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

The charity has provided public benefit in the following ways

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

- Additional classroom at Altrincham CE Primary School
- Adaptations at Brereton CE Primary School
- Boiler and heating work at Bunbury CE Primary School
- Adaptations at Crowton Christ Church CE Primary School
- Boiler and heating work at Ellesmere Port Christ Church CE Primary School
- Refurbishment at Latchford St James' CE Primary School
- Adaptations at Lower Peover CE Primary School
- Improvements to the playground at Moreton Christ Church CE Primary School
- Extension at Norton St Bertoline's CE Primary School
- Replacement windows and doors Sandbach Heath St John CE Primary School
- Adaptations at Stockton Heath St Thomas' CE Primary School

CHESTER DIOCESAN BOARD OF EDUCATION

REPORT OF THE TRUSTEES (CONT'D) YEAR ENDED 31 DECEMBER 2011

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 during the year:

- Bidston Village CE Primary School
- Sir Thomas Boteler CE High School
- Broadbottom CE Primary School
- The Bishops' Blue Coat CE High School
- Saighton CE Primary School
- Runcorn St Chad's Catholic and CE High School
- Eccleston CE Primary School
- Bunbury Aldersey CE Primary School
- Lostock Gralam CE Primary School

During the year two schools acquired academy status. The Bishops' Blue Coat CE High School and Delamere CE Primary School. Woodchurch High School is seeking academy status and then intends to apply to become a Church of England school. The governing body of Hartford High School consulted on becoming a Church of England voluntary aided school.

The courses for teachers and governors have continued to be successful and maintain the profile of the charity. The governor training programme has continued to develop successfully, and religious education courses have proved most valuable. A new publication, entitled 'Where to start with a Bible story' written by Jane Brooke has given a methodology and examples for teaching the parables in primary schools.

The charity has supported governors in the usual round of senior appointments in Church schools and other issues.

The 'Chester Diocesan Family of Schools' has continued successfully for a third year with membership of schools remaining high. Schools pay an annual subscription to be a member and receive discounts on courses provided and receive other benefits. Regular courses and conferences for staff and governors of church schools have been well-attended and proved very popular.

As cuts begin to impact on local authorities, schools are looking for support and the charity is seeking ways to ensure appropriate provision is provided. A new Education Act received Royal Assent and this will begin to take effect in the coming year. Capital grant for building work in schools was limited to funding for one year which produces difficulty in ensuring the most needy projects are undertaken.

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

A considerable amount of time has been spent supporting schools going through difficult times. This is both a professional and pastoral role and helps maintain the Christian distinctiveness of Church schools.

The chaplains of secondary schools meet regularly and are supported in their work. With the increased number of secondary schools, this is a very important area of work and individual chaplains are benefiting from the shared experience and expertise within the group.

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

CHESTER DIOCESAN BOARD OF EDUCATION

REPORT OF THE TRUSTEES (CONT'D) YEAR ENDED 31 DECEMBER 2011

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 £713,215 at 31 December 2011 compared to £869,641 at the beginning of the year

The Statement of Financial Activities shows a deficit of £231,867 before realised gains from disposals of £35,396 and net unrealised losses of £134,122 resulting in an overall loss of £330,593

Investment properties values remained unaltered, but there was an unrealised loss of £132,163 on the revaluation of investments (excluding Specific Purpose fund investments), to year end market value, following the deterioration in market conditions during the year. In addition this year, the overall surplus was boosted by £35,396 realised gain from the sale of an investment property at Church Lawton

The overall result for the year has led to a total decrease in funds held (excluding Specific Purpose funds) of £174,167, as shown on the Statement of Financial Activities on page 12 comprising an Unrestricted General fund surplus of £121,279 and Restricted Trust fund loss of £295,446

Investment Policy

The charity owns a number of properties as well as holding investments in CBF Church of England Funds and cash reserves. Of the charity's total gross assets (excluding Specific Purpose fund investments), 37% is held as cash, 14% in property and 48% in CBF investments. The properties bring income through leases. Of the CBF investments (excluding Specific Purpose fund investments), just over 76% are investment shares that are intended to provide steadily growing income and capital appreciation to provide long-term protection from inflation, 7% are property shares which provide higher income and some protection against inflation, 17% of the funds are held in fixed interest securities that provide higher income but offer no protection from inflation. In all cases performance is in line with expectations. 14% of the gross assets are held in a NatWest Business Bond

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

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

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

CHESTER DIOCESAN BOARD OF EDUCATION

REPORT OF THE TRUSTEES (CONT'D) YEAR ENDED 31 DECEMBER 2011

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

Plans for Future Periods

The major task for the Board will be to respond appropriately to changes in Government policy in order to support trustees, governors and staff in schools. There is likely to be a radical change in the way capital works are funded together with a decrease in the funds available. This could have a major effect on the work of officers.

If, as the Government wish, many schools become academies this could change the relationship the Board has with those schools and the support they require. It is essential that the distinctive Christian ethos of these schools is maintained. There may be free schools opened which would wish to be Church of England schools. Care will need to be taken to ensure such schools have high standards and a strong Christian ethos. There is likely to be pressure on the Board to provide more support in maintaining and improving standards in schools.

Funds Held as Custodian Trustee on Behalf of Others

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

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

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

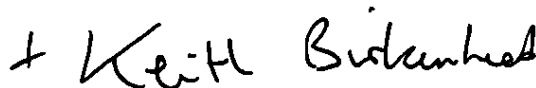
In respect of each Trustee at the date the Trustee's Report is signed

- 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



The Rt Revd K Sinclair (Chairman)

Date 22 March 2012



CHESTER DIOCESAN BOARD OF EDUCATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES YEAR ENDED 31 DECEMBER 2011

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

Company law requires the trustees to prepare financial statements for each financial year. 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 charity and of the incoming resources and application of resources, including its income and expenditure, of the charity for the year. In preparing those financial statements the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CHESTER DIOCESAN BOARD OF EDUCATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESTER DIOCESAN BOARD OF EDUCATION YEAR ENDED 31 DECEMBER 2011

We have audited the financial statements of Chester Diocesan Board of Education for the year ended 31 December 2011 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities statement, the trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charity's affairs as at 31 December 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

CHESTER DIOCESAN BOARD OF EDUCATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHESTER DIOCESAN BOARD OF EDUCATION (CONT'D) YEAR ENDED 31 DECEMBER 2011

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements do not accord with the accounting records, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- any information or explanation to which we are entitled has not been afforded to us

PKF (UK) LLP

Brian Ricketts (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor

Liverpool

Date *23 March 2012*

CHESTER DIOCESAN BOARD OF EDUCATION

STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 DECEMBER 2011

	Note	Unrestricted General Funds £	Restricted Trust Funds £	Specific Purpose Funds £	Total 2011 £	Total 2010 £
INCOMING RESOURCES	1 2					
<i>Incoming resources from generated funds</i>						
Investment income and interest	2 2	32,076	261,650	8,658	302,384	302,459
Incoming resources from						
Charitable activities	2 1	119,962	-	-	119,962	99,977
		152,038	261,650	8,658	422,346	402,436
Other incoming resources						
Further funds received		-	-	-	-	126,105
TOTAL INCOMING RESOURCES		152,038	261,650	8,658	422,346	528,541
RESOURCES EXPENDED	1 3					
<i>Cost of generating funds</i>						
Charitable activities	3 1	-	(439,490)	-	(439,490)	(649,503)
Governance costs	3 1	(3,698)	(47,900)	-	(51,598)	(48,087)
	3 1	(3,698)	(487,390)	-	(491,088)	(697,590)
Funds divested		-	-	(163,125)	(163,125)	(16,905)
TOTAL RESOURCES EXPENDED		(3,698)	(487,390)	(163,125)	(654,213)	(714,495)
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		148,340	(225,740)	(154,467)	(231,867)	(185,954)
Gross transfers between funds	3 7	-	-	-	-	-
NET INCOMING/(OUTGOING) RESOURCES BEFORE REVALUATIONS AND INVESTMENT ASSET DISPOSALS		148,340	(225,740)	(154,467)	(231,867)	(185,954)
Unrealised (losses)/gains on investments	6 1	(27,061)	(105,102)	(1,959)	(134,122)	183,709
Unrealised (loss) on investment property revaluation	4 1	-	-	-	-	(35,000)
Realised gain on disposal of investment property		-	35,396	-	35,396	-
Surplus received from disposal of school property		-	-	-	-	891,002
NET MOVEMENT IN FUNDS		121,279	(295,446)	(156,426)	(330,593)	853,757
Fund balances brought forward at 1 January 2011		1,631,985	5,784,403	869,641	8,286,029	7,432,272
FUND BALANCES CARRIED FORWARD AT 31 DECEMBER 2011	10	1,753,264	5,488,957	713,215	7,955,436	8,286,029

CHESTER DIOCESAN BOARD OF EDUCATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2011

	2011 £	2010 £
Gross income of continuing operations	422,346	528,541
Total expenditure of continuing operations	<u>(491,088)</u>	<u>(697,590)</u>
Net loss for the year before investment asset disposals	(68,742)	(169,049)
Gain on sale of property	<u>35,396</u>	<u>891,002</u>
Net (deficit)/surplus for the year	<u>(33,346)</u>	<u>721,953</u>

All amounts relate to continuing operations

CHESTER DIOCESAN BOARD OF EDUCATION

COMPANY NUMBER 85176

BALANCE SHEET 31 DECEMBER 2011

	Notes	2011	2010
		£	£
Fixed assets			
Tangible fixed assets			
- investment properties	4 1	1,034,700	1,094,700
- other	4 2	1,319	-
Investments	6 2	4,157,148	5,123,762
Investment in associated company	6 3	12	12
		<u>5,193,179</u>	<u>6,218,474</u>
Current assets			
Cash at bank		1,664,925	1,490,360
Investments	6 4	1,000,000	1,000,000
Debtors	5	1,160,649	854,080
		<u>3,825,574</u>	<u>3,344,440</u>
Creditors – amounts falling due within one year	7 1	<u>(1,055,757)</u>	<u>(1,267,385)</u>
Net current assets		<u>2,769,817</u>	<u>2,077,055</u>
Total assets less current liabilities		<u>7,962,996</u>	<u>8,295,529</u>
Creditors – amounts falling due after more than one year	7 2	<u>(7,560)</u>	<u>(9,500)</u>
Net assets		<u><u>7,955,436</u></u>	<u><u>8,286,029</u></u>
Funds			
Specific purpose funds	8		
- realised		706,191	860,658
- unrealised revaluation		<u>7,024</u>	<u>8,983</u>
		713,215	869,641
Restricted trust funds	9		
- realised		4,294,310	4,484,654
- unrealised revaluation		<u>1,194,647</u>	<u>1,299,749</u>
		5,488,957	5,784,403
Unrestricted general funds (page 12)			
- realised		1,347,613	1,199,273
- unrealised revaluation		<u>405,651</u>	<u>432,712</u>
		1,753,264	1,631,985
		<u><u>7,955,436</u></u>	<u><u>8,286,029</u></u>

Approved and authorised for issue by the Board on 22 March 2012

+ Keith Birkbeck

The Rt Revd K Sinclair (Chairman)
Director

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2011

1 PRINCIPAL ACCOUNTING POLICIES

1.1 Basis of accounting

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

1.2 Incoming resources

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

1.3 Resources Expended

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

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

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

1.4 Grants

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

1.5 Investments

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

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

1.6 Taxation

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

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES (CONT'D) YEAR ENDED 31 DECEMBER 2011

1 PRINCIPAL ACCOUNTING POLICIES (continued)

1 7 Specific purpose funds

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

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

1 8 Restricted trust funds

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

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

1 9 Tangible fixed assets - other than property

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

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

1 10 Tangible fixed assets - property

Proceeds from the sale of former school properties are normally held by the company as custodian trustee (in specific purpose funds, as note 1 7) until a relevant Educational Endowment Order or other determination is issued. The financial statements up to 31 December 1996 did not include any value for former school properties held in the name of the company which had not yet been sold but these properties, classified as investment properties, have been included in subsequent accounts at their estimated market value, as disclosed in note 4 1

1 11 Cash Flow Statement

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

1 12 Liabilities

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

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2011

2 INCOMING RESOURCES

2 1	Charitable activities	2011 £	2010 £
	Conference income	12,030	12,170
	DBE Services Ltd gift aid	74,157	53,554
	Chester Diocesan Family of Schools	31,675	33,175
	Other	2,100	1,078
		<u>119,962</u>	<u>99,977</u>

2 2	Investment income and interest	Unrestricted £	Restricted £	Specific Purpose funds £	Total 2011 £	Total 2010 £
	Unlisted investments	23,111	162,277	8,658	194,046	159,067
	Bank interest	8,965	29,000	-	37,965	66,264
	Rental income	-	68,765	-	68,765	74,645
	Interest on advances	-	1,608	-	1,608	2,483
		<u>32,076</u>	<u>261,650</u>	<u>8,658</u>	<u>302,384</u>	<u>302,459</u>

3	RESOURCES EXPENDED	2011 Charitable activities £	2011 Governance costs of charity £	2011 Total £	2010 Total £
3 1	Resources expended comprised the following.-				
	Grants made (note 3 3)	10,714	-	10,714	18,030
	Property costs incurred (see below)	-	-	-	278,565
	Salaries and other recharges (note 3 4)	181,037	20,115	201,152	192,077
	Legal and professional	26,272	2,919	29,191	66,713
	Audit and accountancy (note 3 5)	-	10,553	10,553	17,481
	Bank charges	-	342	342	440
	Depreciation	-	649	649	1,387
	Educational Support Costs	68,287	-	68,287	77,407
	Other expenses, including insurance, consumables	153,180	17,020	170,200	45,490
		<u>439,490</u>	<u>51,598</u>	<u>491,088</u>	<u>697,590</u>

Property costs in the prior year primarily comprise the write down of costs incurred in relation to a property which may be capitalised however at the date the accounts were signed was not able to be capitalised

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2011

3 RESOURCES EXPENDED (continued)

3.2 Staff Costs

	2011 £	2010 £
Salaries and Wages	36,951	36,951
Employer's NI	4,093	3,998
Employer's Pension Contributions	5,211	5,211
	<u>46,255</u>	<u>46,160</u>

During the year there was one (2010 one) full time employee employed by Chester Diocesan Board of Education. In addition there are five employees under joint employment contracts with Chester Diocesan Board of Finance.

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

Employer's pension contributions above on behalf of the single employee employed by Chester Diocesan Board of Education have been accrued pending appropriate investment.

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

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

No remuneration (or expense reimbursement) was paid to any of the directors, or members of The Board of Education, for the year (2010 £Nil).

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2011

3 RESOURCES EXPENDED (continued)

3.3 Grants made and committed

In 2011 financial assistance grants totalling £10,714 were paid to the governors of three schools (2010 £18,030 to the governors of three schools)

	2011 £	2010 £
Bishops' High School – assistance with funding chaplain	9,999	-
Macclesfield – Bollinbrook – Refurbishment of boiler and toilet	-	14,600
Eastham Millfields – Assistance in conversion to Church of England School	-	2,000
Other grant payments of less than £1,000 each	<u>715</u>	<u>1,430</u>
	<u>10,714</u>	<u>18,030</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

	2011 £	2010 £
Current year - Audit	10,800	7,250
- Accountancy	-	6,500
Prior year	<u>(247)</u>	<u>3,731</u>
	<u>10,553</u>	<u>17,481</u>

3.6 The cost of errors and omissions and trustee indemnity insurance for the year amounted to £789 (2010 £1,000)

3.7 There were no transfers in the year

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2011

4 TANGIBLE FIXED ASSETS

4 1 Investment properties:	£	£	£
At valuation at 1 January 2011			1,094,700
Increase/(Decrease) in valuation of properties held			-
Disposal of property during the year at carrying value			(60,000)
At valuation at 31 December 2011			<u><u>1,034,700</u></u>

The investment properties were independently valued by Mason Owen (chartered surveyors) in October 2007. They review that valuation annually, and any change in valuation is reflected above. Full independent valuations are undertaken every 5 years, the next being due in 2012.

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

4 2 Fixtures and office equipment:

Cost:

- at 1 January 2011	29,792
- additions in year	<u>1,968</u>
	31,760

Depreciation

- at 1 January 2011	29,792
- Charge for year	<u>649</u>
	<u>(30,441)</u>

Net book value as at 31 December 2011	<u><u>1,319</u></u>
--	---------------------

5 DEBTORS	2011 £	2010 £
Grants receivable	257,673	112,679
Other investments and advances to school governors	405,099	549,696
Other debtors	<u>497,877</u>	<u>191,705</u>
	<u><u>1,160,649</u></u>	<u><u>854,080</u></u>

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2011

6	INVESTMENTS	2011	2010
		£	£
6 1	Unlisted investments, at market value		
	At 1 January 2011	5,123,762	4,310,275
	Additions in year	788,672	1,922,968
	Less disposals at market value	(1,621,164)	(1,293,190)
	Net (loss)/gain on revaluation	(134,122)	183,709
	Market value at 31 December 2011	4,157,148	5,123,762

(Historic cost as at 31 December 2011 £3,540,614,
31 December 2010 £4,373,306)

6 2	The investments held at 31 December comprised -		
	CBF deposits	722,525	1,555,359
	CBF Fixed Interest Securities fund	564,529	536,780
	CBF Investment fund	2,605,267	2,764,668
	CBF Property fund	241,034	241,711
	COIF deposits and investment fund	23,793	25,244
		4,157,148	5,123,762

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	17%	5,100	(1,289)

At the year end the Charity received gift aid payments amounting to £74,157 from this company
(2010 £53,554)

The results above are from the accounts for 2011

6 4	Current asset investments	1,000,000	1,000,000
------------	----------------------------------	------------------	------------------

Current asset investments represent bonds held with banks

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2011

		2011 £	2010 £
7	CREDITORS		
7 1	Amount falling due within one year		
	Trade creditors	141,833	56,327
	Loan repayments	1,940	2,140
	Amounts owed to CDBF	-	10,000
	Other creditors, accruals and deferred income	164,283	55,992
	DFC funds payable	747,701	1,142,926
		<u>1,055,757</u>	<u>1,267,385</u>
7 2	Amounts falling due after one year:		
	Loan repayments		
	- Church of England Archbishops' Council	<u>7,560</u>	<u>9,500</u>
7 3	The loans outstanding are repayable as follows -		
	Due within a year	1,940	2,140
	Due between 1 and 2 years	1,940	1,940
	Due between 2 and 5 years	5,120	6,560
	Due after more than 5 years	500	1,000
		<u>9,500</u>	<u>11,640</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 2011	860,658	8,983
	Incoming resources		
	- further funds received	-	-
	- investment income arising	8,658	-
	Funds divested	(163,125)	-
		<u>706,191</u>	<u>8,983</u>
	Unrealised loss on investments held	-	(1,959)
	Funds held at 31 December 2011	<u>706,191</u>	<u>7,024</u>

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2011

9	RESTRICTED TRUST FUNDS	Realised £	Unrealised Revaluation £	Total £
	Funds held at 1 January 2011	4,484,654	1,299,749	5,784,403
	Incoming Resources			
	- investment income arising	261,650	-	261,650
	Resources expended	(487,390)	-	(487,390)
	Surplus from disposal of school property	35,396	-	35,396
		4,294,310	1,299,749	5,594,059
	Unrealised loss on investment properties	-	-	-
	Unrealised loss on investments held	-	(105,102)	(105,102)
	Funds held at 31 December 2011	4,294,310	1,194,647	5,488,957

10	ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted General funds £	Restricted Trust funds £	Specific Purpose funds £	Total funds £
	Fund balances at 31 December 2011 as represented by -				
	Tangible fixed assets	1,319	1,034,700	-	1,036,019
	Investments	471,892	2,972,053	713,215	4,157,160
	Current assets less creditors	1,280,053	1,482,204	-	2,762,257
	Total Net Assets	1,753,264	5,488,957	713,215	7,955,436
	Unrealised gain on investments included above comprise.-				
	- unrealised gains at 1 January 2011	432,712	1,299,749	8,983	1,741,444
	- net movement on investments and investment properties during the year	(27,061)	(105,102)	(1,959)	(134,122)
	Unrealised gains at 31 December 2011	405,651	1,194,647	7,024	1,607,322

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2011

11 RELATED PARTIES

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

	2011 £	2010 £
Contribution re joint employment contracts and other recharges payable to The Chester Diocesan Board of Finance for the year	<u>199,517</u>	<u>189,939</u>
of which the following amount was included as a creditor at the year end	<u>-</u>	<u>10,000</u>

The Charity owns 17% of the ordinary share capital of DBE Services Ltd, an entity which commenced trading on 1 January 2006. The company undertakes support work across six northern dioceses. During the year Chester Diocesan Board of Education received gift aid payments totalling £74,157 (2010 £53,554).

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

CHESTER DIOCESAN BOARD OF EDUCATION

SUMMARY OF INVESTMENTS HELD (EXCLUDING INVESTMENT PROPERTY) AT 31 DECEMBER 2011

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	32,961	8,523	32,961	8,523
	- CBF Fixed Interest Securities fund	576,924	12,100	552,291	12,238
	- CBF Investment fund	1,879,102	45,606	2,121,974	451,119
	- CBF Property fund	276,947	-	241,034	-
	- COIF Investment fund	2,460	-	23,793	-
		<u>2,768,394</u>	<u>66,229</u>	<u>2,972,053</u>	<u>471,880</u>

Unrealised gain on investments (excluding investment property) held at 31 December 2011

- restricted trust funds	<u>203,659</u>	
- unrestricted general funds		<u>405,651</u>

2) Specific Purpose fund investments

	2011		2010	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
Unlisted investments, as schedule B				
- CBF deposits	681,041	681,041	835,850	835,850
- CBF Investment fund	25,150	32,174	24,808	33,791
	<u>706,191</u>	<u>713,215</u>	<u>860,658</u>	<u>869,641</u>

Unrealised gain on investments held at 31 December 2011

<u>7,024</u>

CHESTER DIOCESAN BOARD OF EDUCATION

SUMMARY OF SPECIFIC PURPOSE FUNDS HELD AT 31 DECEMBER 2011

MANAGEMENT INFORMATION SCHEDULE B

	Total funds at 1.1.11 £	Funds received £	Funds withdrawn £	Transfers £	Income Reinvested £	Total Realised Funds 31 12 11 £	Increase in market value in year £	Total funds at 31 12 11 £
Funds held pending an order								
Hooton School	7,318	-	(210)	-	286	7,394	(369)	7,025
Margaret Davies, Handley	7,080	-	-	-	314	7,394	(415)	6,979
Congleton Mossley	586	-	-	-	26	612	(34)	578
Marbury	19,588	-	(19,655)	-	67	-	-	-
Funds held on behalf of Local Trustees								
(As Custodian Trustees)								
Bidston	20,959	-	(865)	-	871	20,965	(1,141)	19,824
Funds held pending determination								
Davenham School	111,228	-	(13,989)	-	747	97,986	-	97,986
Mossley School	104,276	-	-	-	731	105,007	-	105,007
Little Sutton	31,995	-	-	-	225	32,220	-	32,220
Stapeley Broad Lane	5,691	-	-	-	40	5,731	-	5,731
Tintwistle	236,551	-	-	-	1,658	238,209	-	238,209
Wharton School	115,364	-	-	-	809	116,173	-	116,173
Dunfield St John	126,105	-	(128,406)	-	2,301	-	-	-
Edgeley	51,289	-	-	-	360	51,649	-	51,649
Backford	31,611	-	-	-	223	31,834	-	31,834
	869,641	-	(163,125)	-	8,658	715,174	(1,959)	713,215