

**CHESTER DIOCESAN BOARD  
OF EDUCATION**

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

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2010**



# **CHESTER DIOCESAN BOARD OF EDUCATION**

## **ANNUAL REPORT YEAR ENDED 31 DECEMBER 2010**

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# CHESTER DIOCESAN BOARD OF EDUCATION

## REPORT OF THE TRUSTEES YEAR ENDED 31 DECEMBER 2010

### MEMBERS OF THE BOARD OF EDUCATION DURING THE YEAR ENDED 31 DECEMBER 2010

#### 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
Mr E Owen *	Frodsham Deanery
The Revd K Owen	Wirral North Deanery
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  
Canon Prof T J Wheeler \*

#### BISHOP'S NOMINEES

The Revd A Friend  
The Revd E J H Lane  
The Rt Rev The Bishop of  
Birkenhead \*

#### 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 2010**

### **DIRECTORS AND PROFESSIONAL ADVISORS**

#### **NOMINATED 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 (until 18 February 2010)  
Mr W Done  
Mr E Owen (from 27 April 2010)  
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 2010

The trustees are pleased to present their report together with the financial statements of the charity for the year ending 31st December 2010

### 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 (until 18 February 2010)
Elected trustees	W Done Canon Prof T J Wheeler E Owen (from 27 April 2010)
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 28 members at the year-end (27 in 2009), 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 2010**

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 2010**

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 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. 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

- Refurbishment at Antrobus St Mark's CE Primary School
- Beginning the new building at Christ the King RC/CE Primary School, Macclesfield
- Toilet Refurbishment at Moreton Christ Church CE Primary School
- New entrance and offices at Oxton St Saviour's CE Primary School
- Extensions at Runcorn All Saints' CE Primary School
- Boiler and heating work at Sale St Mary's CE Primary School
- Reroofing at Stockton Heath St Thomas' CE Primary School
- Reroofing at The Priory Parish CE Primary School, Birkenhead

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

# CHESTER DIOCESAN BOARD OF EDUCATION

## REPORT OF THE TRUSTEES (CONT'D) YEAR ENDED 31 DECEMBER 2010

- Mossley CE Primary School
- Bebington St Andrew's CE Primary School
- Heswall St Peter's CE Primary School
- Dodleston CE Primary School
- Dukinfield St John's CE Primary School
- Warrington CE Primary School
- The Priory Parish CE Primary School
- Mollington St Oswald's CE Primary School
- Capenhurst CE Primary School

During the year a further joint Catholic/Church of England school opened in the Diocese The Holy Spirit Catholic and Church of England Primary School in Leasowe following the closure of Our Lady of Lourdes Catholic Primary School Millfields Church of England Primary School in Eastham opened following the closure of Millfields Community Primary School and Woodchurch High School on the Wirral became a Trust School with the Diocese as one of the Trust partners

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, and work on succession planning has become particularly important

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

A new publication, 'Season to Season,' which supports primary schools in their teaching about the church's year was launched during the year

The 'Chester Diocesan Family of Schools' has continued successfully for a second 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

Initiatives from the new Government began to have an impact on the work of the Board during the autumn The Academies Act requires that church schools have the permission of the Board before applying for academy status and guidelines needed to be produced quickly The schools White Paper, The Importance of Teaching, pointed to some further major changes and needed careful consideration The removal of capital funding through Building Schools for the Future and the inability to plan for work in future years has caused problems in strategic planning

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 Charity Commissioners for England and Wales and in accordance with the accounting policies detailed in note 1 to the accounts



# **CHESTER DIOCESAN BOARD OF EDUCATION**

## **REPORT OF THE TRUSTEES (CONT'D) YEAR ENDED 31 DECEMBER 2010**

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 £869,641 at 31 December 2010 compared to £753,110 at the beginning of the year

The Statement of Financial Activities shows a deficit of £185,954 before surpluses from disposals and net unrealised gain of £1,039,711 resulting in an overall surplus of £853,757

Investment properties showed an unrealised loss on revaluation of £35,000, but this was offset by an unrealised gain of £183,709 on the revaluation of investments (excluding Specific Purpose fund investments), to year end market value, following the improvement in market conditions during the year. In addition this year, the overall surplus was boosted by £891,002 additional funds from the sale of property at Stockport Parish

The overall result for the year has led to a total increase in funds held (excluding Specific Purpose funds) of £737,226, as shown on the Statement of Financial Activities on page 12 comprising an Unrestricted General fund surplus of £196,107 and Restricted Trust fund surplus of £541,119

### **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), 35% is held as cash, 11% in property and 54% in CBF investments. The properties bring income through leases. Of the CBF investments (excluding Specific Purpose fund investments), just over 64% are investment shares that are intended to provide steadily growing income and capital appreciation to provide long-term protection from inflation, 6% are property shares which provide higher income and some protection against inflation, 12% of the funds are held in fixed interest securities that provide higher income but offer no protection from inflation and 18% of funds are held in deposits. In all cases performance is in line with expectations. Just over 10% 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

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

# CHESTER DIOCESAN BOARD OF EDUCATION

## REPORT OF THE TRUSTEES (CONT'D) YEAR ENDED 31 DECEMBER 2010

### 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. The indicated increase in school-based initial teacher training will require careful planning also to ensure this ethos is maintained. Particular care will be required to ensure small rural schools can find appropriately prepared teachers.

### 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 24/3/11

# **CHESTER DIOCESAN BOARD OF EDUCATION**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES YEAR ENDED 31 DECEMBER 2010**

The trustees are responsible for preparing the report of the trustees 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 that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the net income or 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 estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The trustees are responsible for keeping 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 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.

The trustees are responsible for the maintenance and integrity of the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

# **CHESTER DIOCESAN BOARD OF EDUCATION**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHESTER DIOCESAN BOARD OF EDUCATION YEAR ENDED 31 DECEMBER 2010**

We have audited the financial statements of Chester Diocesan Board of Education for the year ended 31 December 2010 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 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. Our responsibility is to audit 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 2010 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 2010

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

*PKF(UK) LLP*

Brian Ricketts

**Senior statutory auditor**

For and on behalf of PKF (UK) LLP, Statutory auditor

Liverpool, UK

Date *29 March 2011*

# CHESTER DIOCESAN BOARD OF EDUCATION

## STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 DECEMBER 2010

	Note	Unrestricted General Funds £	Restricted Trust Funds £	Specific Purpose Funds £	Total 2010 £	Total 2009 £
<b>INCOMING RESOURCES</b>	1 2					
<i>Incoming resources from generated funds</i>						
Investment income and interest	2 2	68,016	229,369	5,074	302,459	291,239
Incoming resources from						
Charitable activities	2 1	99,977	-	-	99,977	65,236
		167,993	229,369	5,074	402,436	356,475
<b>Other incoming resources</b>						
Further funds received		-	-	126,105	126,105	88,804
<b>TOTAL INCOMING RESOURCES</b>		167,993	229,369	131,179	528,541	445,279
<b>RESOURCES EXPENDED</b>	1 3					
<i>Cost of generating funds</i>						
Charitable activities	3 1	-	(649,503)	-	(649,503)	(824,335)
Governance costs	3 1	(4,092)	(43,995)	-	(48,087)	(44,881)
	3 1	(4,092)	(693,498)	-	(697,590)	(869,216)
Funds divested		-	-	(16,905)	(16,905)	(67,344)
<b>TOTAL RESOURCES EXPENDED</b>		(4,092)	(693,498)	(16,905)	(714,495)	(936,560)
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>		163,901	(464,129)	114,274	(185,954)	(491,281)
Gross transfers between funds	3 7	-	-	-	-	-
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE REVALUATIONS AND INVESTMENT ASSET DISPOSALS</b>		163,901	(464,129)	114,274	(185,954)	(491,281)
Unrealised gains on investments	6 1	32,206	149,246	2,257	183,709	162,756
Unrealised losses on investment property revaluation	4 1	-	(35,000)	-	(35,000)	(69,640)
Realised loss on disposal of investment property		-	-	-	-	(6,529)
Surplus received from disposal of school property		-	891,002	-	891,002	-
<b>NET MOVEMENT IN FUNDS</b>		196,107	541,119	116,531	853,757	(404,694)
Fund balances brought forward at 1 January 2010		1,435,878	5,243,284	753,110	7,432,272	7,836,966
<b>FUND BALANCES CARRIED FORWARD AT 31 DECEMBER 2010</b>	10	1,631,985	5,784,403	869,641	8,286,029	7,432,272

# CHESTER DIOCESAN BOARD OF EDUCATION

## SUMMARY INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2010

	2010 £	2009 £
Gross income of continuing operations	<b>528,541</b>	445,279
Total expenditure of continuing operations	<b>(697,590)</b>	(869,216)
Net loss for the year before investment asset disposals	<b>(169,049)</b>	(423,937)
Gain/(Loss) on sale of properties	<b>891,002</b>	(6,529)
<b>Net surplus/(deficit) for the year</b>	<b><u>721,953</u></b>	<b><u>(430,466)</u></b>

All amounts relate to continuing operations


# CHESTER DIOCESAN BOARD OF EDUCATION

COMPANY NUMBER: 85176

## BALANCE SHEET 31 DECEMBER 2010

	Notes	2010	2009
		£	£
<b>Fixed assets</b>			
Tangible fixed assets			
- investment properties	4 1	1,094,700	1,129,700
- other	4 2	-	1,386
Investments	6 2	5,123,762	4,310,275
Investment in associated company	6 3	12	12
		<b>6,218,474</b>	<b>5,441,373</b>
<b>Current assets</b>			
Cash at bank		2,490,360	3,253,421
Debtors	5	854,080	1,019,615
		<b>3,344,440</b>	<b>4,273,036</b>
<b>Creditors – amounts falling due within one year</b>	7 1	<b>(1,267,385)</b>	<b>(2,270,497)</b>
<b>Net current assets</b>		<b>2,077,055</b>	<b>2,002,539</b>
<b>Total assets less current liabilities</b>		<b>8,295,529</b>	<b>7,443,912</b>
<b>Creditors – amounts falling due after more than one year</b>	7 2	<b>(9,500)</b>	<b>(11,640)</b>
<b>Net assets</b>		<b>8,286,029</b>	<b>7,432,272</b>
<b>Funds</b>			
<b>Specific purpose funds</b>	8		
- realised		860,658	746,384
- unrealised revaluation		8,983	6,726
		<b>869,641</b>	<b>753,110</b>
<b>Restricted trust funds</b>	9		
- realised		4,484,654	4,057,781
- unrealised revaluation		1,299,749	1,185,503
		<b>5,784,403</b>	<b>5,243,284</b>
<b>Unrestricted general funds (page 12)</b>			
- realised		1,199,273	1,035,372
- unrealised revaluation		432,712	400,506
		<b>1,631,985</b>	<b>1,435,878</b>
		<b>8,286,029</b>	<b>7,432,272</b>

Approved and authorised for issue by the Board on 24 March 2011

  
The Rt Revd K Sinclair (Chairman)  
Director



# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2010

### 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 2010

### 1 PRINCIPAL ACCOUNTING POLICIES (continued)

#### 1 7 Specific purpose funds

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

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

#### 1 8 Restricted trust funds

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

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

#### 1 9 Tangible fixed assets - other than property

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

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

#### 1 10 Tangible fixed assets - property

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

#### 1 11 Cash Flow Statement

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

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2010

### 2 INCOMING RESOURCES

2 1	Charitable activities	2010 £	2009 £
	Conference income	12,170	9,921
	DBE Services Ltd gift aid	53,554	47,548
	Chester Diocesan Family of Schools	33,175	7,467
	Other	1,078	300
		<b>99,977</b>	<b>65,236</b>

2 2	Investment income and interest	Unrestricted £	Restricted £	Specific Purpose funds £	Total 2010 £	Total 2009 £
	Unlisted investments	21,536	132,457	5,074	159,067	187,325
	Bank interest	46,480	19,784	-	66,264	26,389
	Rental income	-	74,645	-	74,645	73,605
	Interest on advances	-	2,483	-	2,483	3,920
		<b>68,016</b>	<b>229,369</b>	<b>5,074</b>	<b>302,459</b>	<b>291,239</b>

3	RESOURCES EXPENDED	2010 Charitable activities £	2010 Governance costs of charity £	2010 Total £	2009 Total £
3 1	Resources expended comprised the following:-				
	Grants made (note 3 3)	18,030	-	18,030	228,646
	Property costs incurred (see below)	278,565	-	278,565	263,094
	Salaries and other recharges (note 3 4)	192,077	-	192,077	180,613
	Legal and professional	60,352	6,361	66,713	38,836
	Audit and accountancy (note 3 5)	-	17,481	17,481	14,900
	Bank charges	-	440	440	503
	Depreciation	-	1,387	1,387	1,127
	Educational Support Costs	77,407	-	77,407	98,958
	Other expenses, including insurance, consumables	23,072	22,418	45,490	42,539
		<b>649,503</b>	<b>48,087</b>	<b>697,590</b>	<b>869,216</b>

Property costs this 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 2010

### 3 RESOURCES EXPENDED (continued)

#### 3.2 Staff Costs

	2010 £	2009 £
Salaries and Wages	36,951	36,726
Employer's NI	3,998	3,977
Employer's Pension Contributions	5,211	5,179
	<u>46,160</u>	<u>45,882</u>

During the year there was one (2009 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 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 (2009 £Nil).

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2010

### 3 RESOURCES EXPENDED (continued)

#### 3.3 Grants made and committed

In 2010 financial assistance grants totalling £18,030 were paid to the governors of three schools (2009 £228,646 to the governors of three schools)

	2010 £	2009 £
Sir Thomas Boteler – Assistance towards Specialist College status	-	1,000
Macclesfield – Bollinbrook – Refurbishment of boiler and toilet	14,600	-
Eastham Millfields – Assistance in conversion to Church of England school	2,000	-
Runcorn St Chad's – with Diocese of Shrewsbury	-	210,686
Stockport St George – Refurbishment of toilet and kitchen	-	17,000
Mollington St Oswald's Primary – Refund	-	(40)
Other grant payments of less than £1,000 each	1,430	-
	<b>18,030</b>	<b>228,646</b>

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

	2010 £	2009 £
Current year - Audit	7,250	7,000
- Accountancy	6,500	6,250
Prior year additional accountancy	3,731	1,650
	<b>17,481</b>	<b>14,900</b>

3.6 The cost of errors and omissions and trustee indemnity insurance for the year amounted to £1,000 (2009 £1,000)

3.7 Transfers represent the use of unrestricted funds on restricted funds activity and the re-allocation of specific purpose funds. There were no transfers in the year.

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2010

### 4 TANGIBLE FIXED ASSETS

4 1	Investment properties:	£	£	£
	At valuation at 1 January 2010			1,129,700
	Decrease in valuation of properties held			<u>(35,000)</u>
	<b>At valuation at 31 December 2010</b>			<b>1,094,700</b>
	An independent review of the valuation of the investment properties held at 31 December 2010 was undertaken by Mason Owen (Chartered Surveyors) and the movement in their market value has been reflected above			
4 2	<b>Fixtures and office equipment.</b>			
	<b>Cost:</b>			
	- at 1 January 2010		29,792	
	- additions in year		<u>-</u>	
			29,792	
	<b>Depreciation</b>			
	- at 1 January 2010	28,406		
	- Charge for year	<u>1,386</u>		
			<u>(29,792)</u>	
	Net book value at 31 December 2010			-
	<b>As at 31 December 2010</b>			<b><u>1,094,700</u></b>

5	DEBTORS	2010 £	2009 £
	Grants receivable	112,679	274,901
	Other investments and advances to parishes and school governors	549,696	510,578
	Other debtors	<u>191,705</u>	<u>234,136</u>
		<b><u>854,080</u></b>	<b><u>1,019,615</u></b>

Advances to parishes includes £62,253 (2009 £92,736) repayable after a year from the balance sheet date

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2010

6	<b>INVESTMENTS</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
6 1	<b>Unlisted investments, at market value</b>		
	At 1 January 2010	4,310,275	5,445,857
	Additions in year	1,922,968	362,892
	Less disposals at market value	(1,293,190)	(1,661,230)
	Net gain on revaluation	183,709	162,756
	<b>Market value at 31 December 2010</b>	<b>5,123,762</b>	<b>4,310,275</b>

(Historic cost as at 31 December 2010 £4,373,306  
31 12 09 £3,743,527)

6 2	The investments held at 31 December comprised -		
	CBF deposits	1,555,359	1,285,302
	CBF Fixed Interest Securities fund	536,780	533,126
	CBF Investment fund	2,764,668	2,235,208
	CBF Property fund	241,711	232,952
	COIF deposits and investment fund	25,244	23,687
		<b>5,123,762</b>	<b>4,310,275</b>

### 6 3 Investment in associated company

The Charity holds the following significant investments -

<b>Investment in associate at cost</b>			<b>12</b>	<b>12</b>
Name	Type of share	% value	Profit for the year £	Aggregate capital and reserves £
<b>DBE Services Ltd</b>	Ordinary	17%	<b>154</b>	<b>(6,389)</b>

At the year end the Charity received gift aid payments amounting to £53,554 from this company (2009 £47,548)

The results above are from the accounts for 2010

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2010

		2010 £	2009 £
<b>7</b>	<b>CREDITORS</b>		
<b>7 1</b>	<b>Amount falling due within one year:</b>		
	Trade creditors	56,327	220,570
	Loan repayments	2,140	2,440
	Amounts owed to CDBF	10,000	-
	Other creditors, accruals and deferred income	55,992	75,752
	DFC funds payable	<u>1,142,926</u>	<u>1,971,735</u>
		<u><b>1,267,385</b></u>	<u><b>2,270,497</b></u>
<b>7 2</b>	<b>Amounts falling due after one year:</b>		
	Loan repayments		
	- Church of England Archbishops' Council	<u>9,500</u>	<u>11,640</u>
<b>7 3</b>	<b>The loans outstanding are repayable as follows -</b>		
	Due within a year	2,140	2,440
	Due between 1 and 2 years	1,940	4,080
	Due between 2 and 5 years	6,560	5,520
	Due after more than 5 years	<u>1,000</u>	<u>2,040</u>
		<u><b>11,640</b></u>	<u><b>14,080</b></u>

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

	Realised £	Unrealised Revaluation £	Total £
<b>8</b>	<b>SPECIFIC PURPOSE FUNDS</b>		
	Funds held at 1 January 2010	746,384	6,726
	Incoming resources		
	- further funds received	126,105	-
	- investment income arising	5,074	-
	Funds divested	(16,905)	-
		<u>860,658</u>	<u>6,726</u>
	Unrealised gain on investments held	-	2,257
	<b>Funds held at 31 December 2010</b>	<u><b>860,658</b></u>	<u><b>8,983</b></u>
		<u><b>869,641</b></u>	



# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2010

9	<b>RESTRICTED TRUST FUNDS</b>	<b>Realised</b>	<b>Unrealised</b>	<b>Total</b>
		<b>£</b>	<b>Revaluation</b>	<b>£</b>
			<b>£</b>	
	Funds held at 1 January 2010	4,057,781	1,185,503	5,243,284
	Incoming Resources			
	- investment income arising	229,369	-	229,369
	Resources expended	(693,498)	-	(693,498)
	Surplus from disposal of school property	891,002	-	891,002
		<u>4,484,654</u>	<u>1,185,503</u>	<u>5,670,157</u>
	Unrealised loss on investment properties	-	(35,000)	(35,000)
	Unrealised gain on investments held	-	149,246	149,246
	<b>Funds held at 31 December 2010</b>	<u><b>4,484,654</b></u>	<u><b>1,299,749</b></u>	<u><b>5,784,403</b></u>

10	<b>ANALYSIS OF NET ASSETS BETWEEN FUNDS</b>	<b>Unrestricted General funds £</b>	<b>Restricted Trust funds £</b>	<b>Specific Purpose funds £</b>	<b>Total funds £</b>
	Fund balances at 31 December 2010 as represented by -				
	Tangible fixed assets	-	1,094,700	-	1,094,700
	Investments	621,878	3,632,255	869,641	5,123,774
	Current assets less creditors	<u>1,010,107</u>	<u>1,057,448</u>	<u>-</u>	<u>2,067,555</u>
	<b>Total Net Assets</b>	<u><b>1,631,985</b></u>	<u><b>5,784,403</b></u>	<u><b>869,641</b></u>	<u><b>8,286,029</b></u>
	<b>Unrealised gain on investments included above comprise:-</b>				
	- unrealised gains at 1 January 2010	400,506	1,185,503	6,726	1,592,735
	- net movement on investments and investment properties during the year	<u>32,206</u>	<u>114,246</u>	<u>2,257</u>	<u>148,709</u>
	<b>Unrealised gains at 31 December 2010</b>	<u><b>432,712</b></u>	<u><b>1,299,749</b></u>	<u><b>8,983</b></u>	<u><b>1,741,444</b></u>

# CHESTER DIOCESAN BOARD OF EDUCATION

## NOTES AND ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2010

### 11 RELATED PARTIES

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

	2010 £	2009 £
Contribution re joint employment contracts and other recharges payable to The Chester Diocesan Board of Finance for the year	<u>189,939</u>	<u>177,573</u>
of which the following amount was included as a creditor at the year end	<u>10,000</u>	<u>-</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 £53,554 (2009 £47,548)

# CHESTER DIOCESAN BOARD OF EDUCATION

## SUMMARY OF INVESTMENTS HELD (EXCLUDING INVESTMENT PROPERTY) AT 31 DECEMBER 2010

### 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	588,062	131,447	588,062	131,447
-	CBF Fixed Interest Securities fund	576,924	12,100	525,143	11,637
-	CBF Investment fund	1,879,102	45,606	2,252,095	478,782
-	CBF Property fund	276,947	-	241,711	-
-	COIF Investment fund	2,460	-	25,244	-
		<b>3,323,495</b>	<b>189,153</b>	<b>3,632,255</b>	<b>621,866</b>

### Unrealised gain on investments (excluding investment property) held at 31 December 2010

- restricted trust funds	<b>308,760</b>	
- unrestricted general funds		<b>432,713</b>

## 2) Specific Purpose fund investments

	2010		2009	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
Unlisted investments, as schedule B				
- CBF deposits	835,850	835,850	721,901	721,899
- CBF Investment fund	24,808	33,791	24,483	31,211
	<b>860,658</b>	<b>869,641</b>	<b>746,384</b>	<b>753,110</b>

### Unrealised gain on investments held at 31 December 2010

**8,983**

# CHESTER DIOCESAN BOARD OF EDUCATION

## SUMMARY OF SPECIFIC PURPOSE FUNDS HELD AT 31 DECEMBER 2010

### MANAGEMENT INFORMATION SCHEDULE B

	Total funds at 1.1.10 £	Funds received £	Funds withdrawn £	Transfers £	Income Reinvested £	Total Realised Funds 31.12.10 £	Increase in market value in year £	Total funds at 31.12.10 £
<b>Funds held pending an order</b>								
Hooton School	7,028	-	(420)	-	282	6,890	428	7,318
Margaret Davies, Handley	6,312	-	-	-	300	6,612	468	7,080
Congleton Mossley	526	-	-	-	25	551	35	586
Marbury	19,489	-	-	-	99	19,588	-	19,588
<b>Funds held on behalf of Local Trustees</b>								
(As Custodian Trustees)								
Bidston	19,622	-	(854)	-	865	19,633	1,326	20,959
<b>Funds held pending determination</b>								
Davenham School	115,369	-	(4,714)	-	573	111,228	-	111,228
Mossley School	104,218	-	(470)	-	528	104,276	-	104,276
Little Sutton	31,833	-	-	-	162	31,995	-	31,995
Stapeley Broad Lane	5,662	-	-	-	29	5,691	-	5,691
Tintwistle	235,359	-	-	-	1,192	236,551	-	236,551
Wharton School	114,783	-	-	-	581	115,364	-	115,364
Dukinfield St John	-	126,105	-	-	-	126,105	-	126,105
Edgeley	51,031	-	-	-	258	51,289	-	51,289
Eastham	7,545	-	(7,551)	-	6	-	-	-
Backford	34,333	-	(2,896)	-	174	31,611	-	31,611
	<b>753,110</b>	<b>126,105</b>	<b>(16,905)</b>	<b>-</b>	<b>5,074</b>	<b>867,384</b>	<b>2,257</b>	<b>869,641</b>