



Accountants and business advisors

CHESTER DIOCESAN BOARD OF EDUCATION

(Registered number 525790)

(Company limited by guarantee number 85176)

Financial statements

Year ended 31 December 2004



CHESTER DIOCESAN BOARD OF EDUCATION
ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2004

| CONTENTS | PAGE |
|-------------------------------------------|-------------|
| List of Members of the Board of Education | 1 |
| Directors and Professional Advisors | 2 |
| Report of the Directors | 3 - 4 |
| Statement of Directors' Responsibilities | 5 |
| Report of the Auditors | 6 |
| Statement of Financial Activities | 7 |
| Summary Income and Expenditure Account | 8 |
| Balance Sheet | 9 |
| Notes and Accounting Policies | 10 - 17 |

CHESTER DIOCESAN BOARD OF EDUCATION

MEMBERS OF THE BOARD OF EDUCATION DURING THE YEAR ENDED 31 DECEMBER 2004

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 M Bancroft | 2 Avonside Way, Macclesfield, Cheshire, SK11 8BY |
| The Revd P D Baskerville | 8 Antons Road, Pensby, Wirral CH61 9PT |
| Mrs A Bomford | 126 Hibberts Lane, Marple, Stockport SK6 7NU (appointed during year) |
| Mrs R I Campbell | 18 Eaglesfield, Hartford, Northwich, Cheshire CW8 1NQ |
| Mr S Cottam | 3 North Drive, Wallasey, Wirral CH45 0LZ |
| Mr P A Edwards | 25 Abington Road, Sale, Cheshire M33 3DL |
| The Revd J L Goode | Christ Church Vicarage, 30 Wash Lane, Latchford, Warrington WA4 1HT |
| Mrs C J Hall | 1 Rydal Mews, Manchester Road, Wilmslow SK9 2JH |
| The Revd I J Hutchings | St Luke's Vicarage, 14 Celandine Close, Huntington, Chester CH3 6DT |
| Mr I Johnson | 24 High Meadow, Romiley, Stockport SK6 4PT |
| Mrs S Jones | 10 Fairview Avenue, Alsager, Stoke-on-Trent ST7 2NW |
| The Revd A A Long | The Vicarage, Main Road, Wybunbury, Nantwich, CW5 7LS |
| Mrs D Nall | 3 Barnston Court, Farndon, Chester CH3 6PQ |
| Mr R Neale | 6 Cambridge Road, Birkenhead, Merseyside CH42 8PR (appointed during year) |
| Mr I Roberts | 18 St Lesmo Road, Cheadle Heath, Stockport SK3 0TX |
| The Revd M L Ridley | The Vicarage, Church Street, Weaverham, Northwich CW8 3NJ |
| Dr R Taylor | Moor Lane House, Moor Lane, Wilmslow SK9 6DN |
| Mr B Thomas | 67 Seacombe Drive, Great Sutton, South Wirral CH66 2BB (appointed during year) |

CO-OPTED MEMBERS

| | |
|--------------------------|---------------------------------------------------------------------------------|
| Mr W Done * | 9 Allansford Avenue, Waverton, Chester CH3 7QH |
| The Revd D W Guest | 33 Kingsley Drive, Cheadle Hulme, Cheshire SK8 5JL |
| Mr R Haigh | The Bishops' Blue Coat CE High School Vaughans Lane, Boughton, Chester, CH3 5XF |
| Mrs E Jenks | 44 High Street, The Rookery, Nr Kidsgrove, Staffordshire ST7 4RL |
| Mrs M Liddy | 110 Shrewsbury Road, Oxton, Wirral, CH43 8SP |
| Revd T Shepherd | 97 Park Road, Timperley, Altrincham WA15 6QG |
| Canon Prof T J Wheeler * | Chester College, Parkgate Road, Chester CH1 4BJ |

BISHOP'S NOMINEES

| | |
|-----------------------------------|-------------------------------------------------------------|
| The Ven D S Allister * | The Rectory, Chester Road, Delamere, Northwich CW8 2HS |
| Mrs C Stott | 13 Rock Farm Close, Little Neston, Wirral CH64 4DY |
| The Rt Rev Bishop of Birkenhead * | Bishop's Lodge, 67 Bidston Road, Oxton, Birkenhead CH43 6TR |

SECRETARY

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

* Also Director of the company

CHESTER DIOCESAN BOARD OF EDUCATION
DIRECTORS AND PROFESSIONAL ADVISORS
YEAR ENDED 31 DECEMBER 2004

**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
Mr W Done
Canon Prof T J Wheeler

SECRETARY AND REGISTERED ADDRESS

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

PROFESSIONAL ADVISORS

Bankers: National Westminster Bank plc
P O Box 8, 33 Eastgate Street, Chester, CH1 1XA

Solicitors: Hibbert Durrad Moxon
25 Barker Street, Nantwich, Cheshire, CW5 5EN

Lee Bolton & Lee
1 The Sanctuary, Westminster, London, SW1P 3JF

Registered Auditors: PKF
52 Mount Pleasant, Liverpool, L3 5UN

CHESTER DIOCESAN BOARD OF EDUCATION

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2004

The directors present their annual report, together with the audited financial statements of Chester Diocesan Board of Education for the year ended 31 December 2004.

CONSTITUTION AND AIMS

The Diocesan Board of Education is a registered charity, no 525790, and is established as a company limited by guarantee not having a share capital (company number 85176). The company 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, and is governed in accordance with its Memorandum and Articles of Association.

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).

Details of the directors (who also act as trustees for the charitable activities of Chester Diocesan Board of Education) of the company are given on page 2 and, as laid down in the Articles of Association, the directors (and all other members) may derive no benefit from the financial affairs of the company other than the reimbursement of out of pocket expenses incurred in attending meetings. The membership of the Board of Education is given on page 1. Meetings are held regularly to review and approve policy and operational matters.

INVESTMENT POLICY

All investments are held in CBF Church of England Funds or in COIF Funds. The majority of the funds are held in investment shares that are intended to provide steadily growing income and capital appreciation to provide long-term protection from inflation. Just under 21% of the funds (excluding Specific Purpose fund investments) are held in Fixed Interest Securities that provide higher income but offer no protection from inflation.

RESERVES POLICY

The Restricted Trust Funds held relate to sale proceeds received in respect of former school properties and these funds may be reinvested in new schools or in capital expenditure on existing schools, as funding is required.

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

GRANT MAKING POLICY

The company make discretionary grants to Governors or Schools as financial assistance towards the cost of Specific Approved School Projects.

RISK MANAGEMENT

The directors have examined the major risks faced by the charity and confirm that systems have been established to mitigate the significant risks.

CHESTER DIOCESAN BOARD OF EDUCATION

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2004

REVIEW OF THE YEAR AND DEVELOPMENTS

The financial statements have been prepared according to the principles contained in the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2000)" issued by the Charity Commissioners for England and Wales and in accordance with the accounting policies detailed in note 1 to the accounts.

As detailed in the Statement of Financial Activities, and in note 8, the company was acting as custodian trustee and holding Specific Purpose funds totalling £1,154,747 at 31 December 2004 compared to £1,415,393 at the beginning of the year. During the year further funds totalling £139,996 were received following the sale of properties at Dukinfield St John and Edgeley. £456,288 was divested in respect of the Upton 1843 and Chelford funds held.

The Statement of Financial Activities shows a surplus, before unrealised investment gains for the year, of £65,899 (page 7 – net incoming resources of £62,983 on Unrestricted General Funds plus £1,307 surplus on Restricted Trust Funds plus realised gain on sale of investment property of £1,609) which is after grants made of £25,140.

Investment properties showed an unrealised gain on revaluation of £73,500 (note 4.1), and further unrealised gains of £124,783 arose on the revaluation of investments (excluding Specific Purpose fund investments), to year end market value, following the general improvement in market conditions in the later stages of the year.


The overall result for the year has led to a total increase in funds held (excluding Specific Purpose funds) of £264,182, as shown on the Statement of Financial Activities on page 7 – Unrestricted General fund surplus of £75,720 and Restricted Trust fund surplus of £188,462.

Agreement was reached with the Diocesan Boards of Education for the Blackburn, Liverpool and Manchester Dioceses for the setting up of a joint venture in 2004 to provide expert assistance and support to the work currently done individually by the four Dioceses. The intention is to set up a company to administer the joint venture operations with all surpluses arising being subject to gift aid donation back to the participating Dioceses.

AUDITORS

PKF will be proposed for re-appointment as auditors at the Annual General Meeting.

By Order of the Board


J Turnbull

Secretary

14 March 2005

CHESTER DIOCESAN BOARD OF EDUCATION

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure for the year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless this basis is not considered appropriate.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 1985 applicable law and with the provisions of the company's Memorandum and Articles of Association. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements of Chester Diocesan Board of Education for the year ended 31 December 2004 which comprise the Statement of Financial Activities, Summary Income and Expenditure Account, Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

The directors' (who also act as trustees of Chester Diocesan Board of Education), responsibilities for preparing the directors report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charity is not disclosed.

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

Basis of audit opinion

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of the charity's affairs as at 31 December 2004 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Liverpool

16 March 2005

PKF

PKF

Registered Auditors

CHESTER DIOCESAN BOARD OF EDUCATION

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2004

| | Note | Unrestricted General Funds £ | Restricted Trust Funds £ | Specific Purpose Funds £ | Total 2004 £ | Total 2003 £ |
|-----------------------------------------------------------------------------------------------------|------|---------------------------------------|-----------------------------------|-----------------------------------|--------------------|--------------------|
| INCOMING RESOURCES | 1.2 | | | | | |
| Activities in furtherance of the Charity's objectives | | 73,334 | - | - | 73,334 | 13,795 |
| Investment income and interest | 2 | 16,167 | 141,149 | 56,433 | 213,749 | 201,891 |
| | | 89,501 | 141,149 | 56,433 | 287,083 | 215,686 |
| Further funds received | | - | - | 139,996 | 139,996 | 861,570 |
| TOTAL INCOMING RESOURCES | | 89,501 | 141,149 | 196,429 | 427,079 | 1,077,256 |
| RESOURCES EXPENDED | 1.3 | | | | | |
| Charitable expenditure: | | | | | | |
| Grants payable | 3.3 | - | 25,140 | - | 25,140 | 75,687 |
| Support costs | | 23,277 | 90,391 | - | 113,668 | 109,727 |
| Management & administration of the charity | | 3,241 | 24,311 | - | 27,552 | 24,260 |
| | | (26,518) | (139,842) | - | (166,360) | (209,674) |
| Funds divested | 3.1 | - | - | (456,288) | (456,288) | (200,271) |
| TOTAL RESOURCES EXPENDED | | (26,518) | (139,842) | (456,288) | (622,648) | (409,945) |
| NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS | | 62,983 | 1,307 | (259,859) | (195,569) | 667,311 |
| Gross transfers between funds | | - | - | - | - | - |
| NET INCOMING/(OUTGOING) RESOURCES BEFORE REVALUATIONS AND INVESTMENT ASSET DISPOSALS | | 62,983 | 1,307 | (259,859) | (195,569) | 667,311 |
| Unrealised gains/(losses) on investments | 6.1 | 12,737 | 112,046 | (787) | 123,996 | 190,137 |
| Unrealised gains on investment property revaluation | 4.1 | - | 73,500 | - | 73,500 | 90,000 |
| Realised gain on disposal of investment property | | - | 1,609 | - | 1,609 | 67,503 |
| NET MOVEMENT IN FUNDS | | 75,720 | 188,462 | (260,646) | 3,536 | 1,014,951 |
| Fund balances brought forward at 1 January 2004 | | 730,138 | 3,943,367 | 1,415,393 | 6,088,898 | 5,073,947 |
| FUND BALANCES CARRIED FORWARD AT 31 DECEMBER 2004 | 10 | 805,858 | 4,131,829 | 1,154,747 | 6,092,434 | 6,088,898 |

CHESTER DIOCESAN BOARD OF EDUCATION
SUMMARY INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 DECEMBER 2004

| | 2004 £ | 2003 £ |
|--------------------------------------------------------------|-----------------------|----------------------|
| Gross income of continuing operations | 230,650 | 173,603 |
| Total expenditure of continuing operations | <u>(166,360)</u> | <u>(206,958)</u> |
| Net income for the year before investment asset disposals | 64,290 | (33,355) |
| Profit on sale of investment properties | <u>83,609</u> | <u>102,753</u> |
| Net surplus for the year | <u><u>147,899</u></u> | <u><u>69,398</u></u> |

All amounts relate to continuing operations.

CHESTER DIOCESAN BOARD OF EDUCATION

BALANCE SHEET

31 DECEMBER 2004

| | Notes | 2004 | | 2003 | |
|-----------------------------------------------------------------|-------|------------------|-------------------------|------------------|-------------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible fixed assets | | | | | |
| - investment properties | 4.1 | | 987,250 | | 995,750 |
| - other | 4.2 | | 266 | | 1,607 |
| Investments | 6 | | 4,261,092 | | 4,111,819 |
| | | | <u>5,248,608</u> | | <u>5,109,176</u> |
| Current assets | | | | | |
| Debtors | 5 | 1,318,043 | | 1,285,430 | |
| Bank balances | | - | | 69,955 | |
| | | <u>1,318,043</u> | | <u>1,355,385</u> | |
| Creditors – amounts falling due within one year | 7.1 | <u>(448,677)</u> | | <u>(346,833)</u> | |
| Net current assets | | | <u>869,366</u> | | <u>1,008,552</u> |
| Total assets less current liabilities | | | <u>6,117,974</u> | | <u>6,117,728</u> |
| Creditors – amounts falling due after more than one year | 7.2 | | <u>(25,540)</u> | | <u>(28,830)</u> |
| Net assets | | | <u><u>6,092,434</u></u> | | <u><u>6,088,898</u></u> |
| Funds | | | | | |
| Specific purpose funds | 8 | | | | |
| - realised | | 1,149,820 | | 1,409,679 | |
| - unrealised revaluation | | <u>4,927</u> | | <u>5,714</u> | |
| | | | <u>1,154,747</u> | | <u>1,415,393</u> |
| Restricted trust funds | 9 | | | | |
| - realised | | 3,015,486 | | 2,930,570 | |
| - unrealised valuation | | <u>1,116,343</u> | | <u>1,012,797</u> | |
| | | | <u>4,131,829</u> | | <u>3,943,367</u> |
| Unrestricted general funds (page 7) | | | | | |
| - realised | | 446,327 | | 383,344 | |
| - unrealised revaluation | | <u>359,531</u> | | <u>346,794</u> | |
| | | | <u>805,858</u> | | <u>730,138</u> |
| | | | <u><u>6,092,434</u></u> | | <u><u>6,088,898</u></u> |

Approved by the board on 14 March 2005

The Rt Rev D A Urquhart
The Bishop of Birkenhead

Director

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2004

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 2000)", applicable accounting standards and the Companies Act 1985.

1.2 Incoming resources

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

1.3 Resources Expended

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

Grants payable 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.

Support costs represent 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.

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

1.4 Investments

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

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

1.5 Taxation

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

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2004

1 PRINCIPAL ACCOUNTING POLICIES (continued)

1.6 Specific purpose funds

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

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

1.7 Restricted trust funds

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

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

1.8 Tangible fixed assets - other than property

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

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

1.9 Tangible fixed assets - property

Proceeds from the sale of former school properties are normally held by the company as custodian trustee (in specific purpose funds, as note 1.6) until a relevant Educational Endowment Order or other determination is issued. The financial statements up to 31 December 1996 did not include any value for former school properties held in the name of the company which had not yet been sold but these properties, classified as investment properties, have been included in subsequent accounts at their estimated market value, as disclosed in note 4.1.

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2004

| 2 | INVESTMENT INCOME | Unrestricted | Restricted | Specific Purpose funds | Total 2004 | Total 2003 |
|---|----------------------|---------------|----------------|------------------------|----------------|----------------|
| | | £ | £ | £ | £ | £ |
| | Unlisted investments | 16,167 | 113,979 | 56,433 | 186,579 | 152,316 |
| | Bank interest | - | 5,616 | - | 5,616 | 3,551 |
| | Rental income | - | 15,167 | - | 15,167 | 39,042 |
| | Loan interest | - | 6,387 | - | 6,387 | 6,982 |
| | | <u>16,167</u> | <u>141,149</u> | <u>56,433</u> | <u>213,749</u> | <u>201,891</u> |

| 3 | RESOURCES EXPENDED | 2004 Charitable Expenditure | 2004 Management & administration of charity | 2004 Total | 2003 Total |
|-----|---------------------------------------------------------|-----------------------------|---------------------------------------------|----------------|----------------|
| | | £ | £ | £ | £ |
| 3.1 | Resources expended comprised the following:- | | | | |
| | Grants made (note 3.3) | 25,140 | - | 25,140 | 75,687 |
| | Property costs incurred | 4,814 | - | 4,814 | 19,556 |
| | Administration charges (note 3.4) | 56,790 | 6,310 | 63,100 | 61,248 |
| | Legal and professional | 42,536 | 4,726 | 47,262 | 25,974 |
| | Audit and accountancy (note 3.5) | - | 13,214 | 13,214 | 10,862 |
| | Bank charges | - | 902 | 902 | 908 |
| | Depreciation | - | 1,341 | 1,341 | 2,639 |
| | Other expenses, including insurance, s consumables, etc | 9,528 | 1,059 | 10,587 | 12,800 |
| | | <u>138,808</u> | <u>27,552</u> | <u>166,360</u> | <u>209,674</u> |

- 3.2 No remuneration (or expense reimbursement) was paid to any of the directors, or members of The Board of Education, for the year (2003: nil). Apart from the directors, the company had no employees during the year (2003: nil).

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2004

3 RESOURCES EXPENDED (continued)

3.3 Grants made and committed

In 2004 financial assistance grants totalling £25,140 were paid to the governors of 14 schools (2003: £75,687 to the governors of 14 schools).

| | 2004 £ | 2003 £ |
|------------------------------------------------------------------------|---------------|---------------|
| Runcorn St Bertoline C E Primary - Sign costs | - | 1,322 |
| Brereton C E Primary - Roof repairs | 7,976 | - |
| Birkenhead Priory C E Primary - Insurance costs | - | 1,866 |
| Runcorn Norton C E Primary - Insurance costs | 1,562 | - |
| Woodchurch C E Primary - Insurance costs | 1,259 | - |
| Priory Parish - Insurance costs | 2,138 | - |
| The Bishops' Blue Coat C E High School - grant to cover loan repayment | - | 5,000 |
| Hoole C E Primary - Furniture costs | 2,340 | - |
| Wharton C E Primary - Extension costs | 3,625 | - |
| Astbury C E Primary - Sign costs | - | 1,391 |
| Marton C E Primary - Governors' liability | - | 13,000 |
| Latchford C E Primary - Governors' liability | - | 48,096 |
| Tintwistle C E Primary - Fencing work | 3,117 | - |
| Other grant payments of less than £1,000 each | 3,123 | 5,012 |
| | 25,140 | 75,687 |

3.4 The administration charges are paid to the Chester Diocesan Board of Finance.

3.5 The audit and accountancy charges related to the following:

| | 2004 £ | 2003 £ |
|-----------------------------------|---------------|---------------|
| Current year - Audit | 5,085 | 4,115 |
| - Accountancy | 6,185 | 6,218 |
| - Other services | 1,022 | - |
| Prior year additional accountancy | 922 | 529 |
| | 13,214 | 10,862 |

3.6 The cost of errors and omissions and trustee indemnity insurance for the year amounted to £925 (2003 £1,005).

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2004

4 TANGIBLE FIXED ASSETS

| 4.1 | Investment properties: | £ | £ | £ |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------|-----------------------|
| | At valuation at 1 January 2004 | | | 995,750 |
| | Disposal of investment property at b/f valuation | | | (82,000) |
| | Increase to year end valuation | | | <u>73,500</u> |
| | At valuation at 31 December 2004 | | | 987,250 |
| | An independent review of the valuation of the investment properties held at 31 December 2004 was undertaken by BBG Commercial (Chartered Surveyors) and the increase in their market value has been reflected above. | | | |
| 4.2 | Fixtures and office equipment: | | | |
| | Cost: | | | |
| | - at 1 January 2004 | | 21,401 | |
| | - additions in year | | <u>-</u> | |
| | | | 21,401 | |
| | Depreciation | | | |
| | - at 1 January 2004 | 19,794 | | |
| | - Charge for year | <u>1,341</u> | | |
| | | | <u>21,135</u> | |
| | Net book value at 31 December 2004 | | | <u>266</u> |
| | As at 31 December 2004 | | | <u>987,516</u> |

| 5 | DEBTORS | 2004 £ | 2003 £ |
|---|-----------------------------------------------------|-------------------------|-------------------------|
| | Grants receivable | 464,055 | 564,399 |
| | Loans and advances to parishes and school governors | 766,916 | 644,992 |
| | Other debtors | <u>87,072</u> | <u>76,039</u> |
| | | <u>1,318,043</u> | <u>1,285,430</u> |

Loans to parishes and school governors includes £220,836 (2003: £252,684) repayable after a year from the balance sheet date.

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2004

| | | | |
|------------|---------------------------------------------------------------------------|--------------------|------------------|
| 6 | INVESTMENTS | 2004 | 2003 |
| | | £ | £ |
| 6.1 | Unlisted investments, at market value | | |
| | At 1 January 2004 | 4,111,819 | 3,203,791 |
| | Additions in year | 1,032,842 | 1,274,729 |
| | Less: disposals at market value | (1,007,565) | (556,838) |
| | Net gain on revaluation | 123,996 | 190,137 |
| | Market value at 31 December 2004 | 4,261,092 | 4,111,819 |
| | (Historic cost as at 31 December 2004 £3,635,222; 31.12.03 £3,742,264) | | |
| 6.2 | The investments held at 31 December comprised:- | | |
| | CBF deposits | 1,529,232 | 1,470,178 |
| | CBF Fixed Interest securities fund | 557,922 | 606,124 |
| | CBF Investment fund | 2,101,693 | 1,961,869 |
| | COIF deposits and investment fund | 22,503 | 21,094 |
| | Bank account deposits | 49,742 | 52,554 |
| | | 4,261,092 | 4,111,819 |
| 7 | CREDITORS | 2004 | 2003 |
| | | £ | £ |
| 7.1 | Amount falling due within one year: | | |
| | Bank overdraft | 6,007 | - |
| | Loan repayments | 3,290 | 3,590 |
| | Creditors, accruals and deferred income | 437,884 | 343,243 |
| | Sundry creditors | 1,496 | - |
| | | 448,677 | 346,833 |
| 7.2 | Amounts falling due after one year: | | |
| | Loan repayments | | |
| | - Church of England Archbishops' Council | 25,540 | 28,830 |
| 7.3 | The loans outstanding are repayable as follows:- | | |
| | Due within a year | 3,290 | 3,590 |
| | Due between 1 and 2 years | 3,090 | 3,290 |
| | Due between 2 and 5 years | 8,370 | 8,670 |
| | Due after more than 5 years | 14,080 | 16,870 |
| | | 28,830 | 32,420 |

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

CHESTER DIOCESAN BOARD OF EDUCATION
NOTES AND ACCOUNTING POLICIES
YEAR ENDED 31 DECEMBER 2004

| 8 | SPECIFIC PURPOSE FUNDS | Realised £ | Unrealised Revaluation £ | Total £ |
|----------|---------------------------------------|-----------------------|-----------------------------------------|--------------------|
| | Funds held at 1 January 2004 | 1,409,679 | 5,714 | 1,415,393 |
| | Incoming resources | | | |
| | - further funds received | 139,996 | - | 139,996 |
| | - investment income arising | 56,433 | - | 56,433 |
| | Resources expended | - | - | - |
| | Funds divested | (456,288) | - | (456,288) |
| | | 1,149,820 | 5,714 | 1,155,534 |
| | Unrealised (loss) on investments held | - | (787) | (787) |
| | Funds held at 31 December 2004 | 1,149,820 | 4,927 | 1,154,747 |

| 9 | RESTRICTED TRUST FUNDS | Realised £ | Unrealised Revaluation £ | Total £ |
|----------|------------------------------------------|-----------------------|-----------------------------------------|--------------------|
| | Funds held at 1 January 2004 | 2,930,570 | 1,012,797 | 3,943,367 |
| | Incoming Resources: | | | |
| | - investment income arising | 141,149 | - | 141,149 |
| | Resources expended | (139,842) | - | (139,842) |
| | | 2,931,877 | 1,012,797 | 3,944,674 |
| | Realised on investment property disposal | 83,609 | (82,000) | 1,609 |
| | Unrealised gain on investment properties | - | 73,500 | 73,500 |
| | Unrealised gain on investments held | - | 112,046 | 112,046 |
| | Funds held at 31 December 2004 | 3,015,486 | 1,116,343 | 4,131,829 |

CHESTER DIOCESAN BOARD OF EDUCATION

NOTES AND ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2004

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted General funds £ | Restricted Trust funds £ | Specific Purpose funds £ | Total funds £ |
|--|---------------------------------------|--------------------------------|-----------------------------------|------------------|
|--|---------------------------------------|--------------------------------|-----------------------------------|------------------|

Fund balances at 31 December 2004
as represented by:-

| | | | | |
|-------------------------------|----------------|------------------|------------------|------------------|
| Tangible fixed assets | 266 | 987,250 | - | 987,516 |
| Investments | 454,708 | 2,651,637 | 1,154,747 | 4,261,092 |
| Current assets less creditors | 350,884 | 492,942 | - | 843,826 |
| Total Net Assets | 805,858 | 4,131,829 | 1,154,747 | 6,092,434 |

Unrealised gain on investments
included above comprise:-

| | | | | |
|--------------------------------------------------------------------|----------------|----------------|--------------|----------------|
| - unrealised gains at 1 January 2004 | 346,794 | 17,047 | 5,714 | 369,555 |
| - net gain/(loss) arising on revaluation of investments in year | 12,737 | 112,046 | (787) | 123,996 |
| Unrealised gains at 31 December 2004 | 359,531 | 129,093 | 4,927 | 493,551 |

11 RELATED PARTIES

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

| | 2004 £ | 2003 £ |
|-----------------------------------------------------------------------------------------|---------------|-----------|
| Administration charges payable to The Chester Diocesan Board of Finance for the year | 63,100 | 61,248 |
| of which the following amount was included as a creditor at the year end | - | 260 |

CHESTER DIOCESAN BOARD OF EDUCATION

SUMMARY OF INVESTMENTS HELD

MANAGEMENT INFORMATION

AT 31 DECEMBER 2004

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 | 429,317 | 23,086 | 429,317 | 23,086 |
| | - CBF Fixed Interest Securities fund | 576,924 | 12,100 | 549,525 | 12,177 |
| | - CBF Investment fund | 1,519,708 | 45,606 | 1,650,291 | 419,445 |
| | - COIF Investment fund | 2,460 | - | 22,503 | - |
| | | 2,528,409 | 80,792 | 2,651,636 | 454,708 |
| | Unrealised gain on investments held at 31 December 2004 | | | | |
| | - restricted trust funds | 123,228 | | | |
| | - unrestricted general funds | | 373,917 | | |
| 2) | Specific Purpose fund investments | Cost | 2004 Market value | | |
| | | £ | £ | | |
| | Unlisted investments, as schedule B | | | | |
| | - CBF deposits | 1,076,829 | 1,076,829 | | |
| | - CBF Investment fund | 23,251 | 28,176 | | |
| | - Nat West Bank Reserve account | 49,742 | 49,742 | | |
| | | 1,149,822 | 1,154,747 | | |
| | Unrealised gain on investments held at 31 December 2004 | 4,927 | | | |

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

**MANAGEMENT INFORMATION
SCHEDULE B**

| | Total funds at 1.1.04 | Funds received | Funds withdrawn | Income Reinvested | Transfer to Restricted Trust Fund | 31.12.04 Total funds | Increase/ (decrease) in market value in year | 31.12.04 Unrealised investment uplift |
|-----------------------------------------------|--------------------------|-------------------|--------------------|----------------------|--------------------------------------------|----------------------------|----------------------------------------------------------|------------------------------------------------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Funds held pending an order | | | | | | | | |
| Hooton School | 4,533 | - | (210) | 224 | - | 4,547 | 334 | 1,797 |
| Margaret Davies, Handley | 3,440 | - | - | 170 | - | 3,610 | 313 | 1,299 |
| Congleton Mossley | 242 | - | - | 12 | - | 254 | 27 | 152 |
| Funds held on behalf of Local Trustees | | | | | | | | |
| (As Custodian Trustees) | | | | | | | | |
| Bidston | 17,183 | - | (653) | 661 | - | 17,191 | 1,122 | 1,679 |
| Funds held pending determination | | | | | | | | |
| Davenham School | 104,576 | - | (2,703) | 4,351 | - | 106,224 | (2,583) | - |
| Mossley School | 39,668 | 1,556 | - | 3,746 | - | 44,970 | - | - |
| Little Sutton | 81,929 | - | (1,572) | 3,374 | - | 83,731 | - | - |
| Stapley Broad Lane | 5,910 | 1,118 | - | 286 | - | 7,314 | - | - |
| Upton Deed of Gift | 52,554 | - | (3,528) | 716 | - | 49,742 | - | - |
| Upton 1843 Grant | 227,880 | - | (236,573) | 8,693 | - | - | - | - |
| Chelford | 327,494 | - | (208,943) | 9,726 | - | 128,277 | - | - |
| Tintwistle | 242,428 | - | (1,983) | 10,083 | - | 250,528 | - | - |
| Wharton School | 90,362 | - | - | 3,763 | - | 94,125 | - | - |
| Wharton School House | 54,217 | - | - | 2,258 | - | 56,475 | - | - |
| Worleston School House | 157,263 | - | (123) | 6,545 | - | 163,685 | - | - |
| Dukinfield St. John | - | 31,160 | - | 465 | - | 31,625 | - | - |
| Edgeley | - | 106,162 | - | 1,360 | - | 107,522 | - | - |
| | 1,409,679 | 139,996 | (456,288) | 56,433 | - | 1,149,820 | (787) | 4,927 |