

**The Blackburn Diocesan Board of
Education Limited (by guarantee)**

Directors' report and financial statements

31 December 1998

Registered company number 557954

Registered charity number 1020101



The Blackburn Diocesan Board of Education Limited (by guarantee)

Directors' report and financial statements

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The Blackburn Diocesan Board of Education Limited (by guarantee)

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1998.

Principal activities

To promote or assist in the promotion of education in the Diocese of Blackburn being education which is consistent with the faith and practice of the Church of England and to discharge such other responsibilities as may be laid on it by statute or otherwise.

Business review

The Board continued to advise, support and develop the schools of the Diocese, to support chaplaincies in Higher Education, to support and develop work with young people and children throughout the Diocese and to provide a link with statutory and non-statutory partnership agencies. There is a fuller statement of the work in the Board's Annual Report.

Transfer to reserves

The loss for the year of £117,000 (1997: loss £38,000) will be deducted from reserves.

Significant changes in fixed assets

Movements in fixed assets are set out in note 7 to the accounts.

Year 2000

The directors have assessed the impact of the Year 2000 problem (Millennium Bug) on the group and do not believe that it will have a significant impact on operations. Most of the cost for upgrading computer systems have already been incurred as part of the routine updating procedures and the outstanding costs are not expected to exceed £10,000.

Auditors

Pursuant to a shareholders resolution, the charitable company is not obliged to reappoint its auditors annually and KPMG will therefore continue in office.

By order of the board



Canon PJ Ballard
Director

Blackburn Diocesan Board of Education Limited
Cathedral Close
BLACKBURN
BB1 5AA

26 April 1999

The Blackburn Diocesan Board of Education Limited (by guarantee)

Legal and administrative details

The Blackburn Diocesan Board of Education Limited (by guarantee) hereafter referred to as ("DBE") is a registered company and is registered with the Charity Commissioners. The DBE was incorporated on 30 November 1955.

The directors, for the purposes of company law, present their report and financial statements for the year ended 31 December 1998.

Charity Registration number 1020101

Company registration number 557954

Directors	FM Armstrong Canon PJ Ballard (appointed 6 September 1998) (Company Secretary) Prof CJ Carr AJ Collier The Rev J Corbyn MJ Dugdale AL Foulds The Very Rev D Frayne (Chairman) H Harding RH Hardwick JMP Hewitt The Rev GS Ingram PJ Ingram The Rev DH Jenkins TM Jones The Venerable RS Ladds The Venerable FJ Marsh KJ McDonald RE Radford The Rev RG Rainford The Rev MD Ratcliffe S Riley-Evans JC Scott
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Solicitors	Roebucks, Blackburn
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Bankers	National Westminster Bank, Blackburn
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Registered Auditors	KPMG, Preston
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Registered Address	Church House Cathedral Close Blackburn BB1 5AA
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The Blackburn Diocesan Board of Education Limited

(by guarantee)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



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Navigation Way
Ashton-on-Ribble
PRESTON
PR2 2YF

Report of the auditors to the members of The Blackburn Diocesan Board of Education Limited

We have audited the financial statements on pages 5 to 12.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.


Basis of opinion

We conducted our audit in accordance with 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 company'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 company's affairs as at 31 December 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG
Chartered Accountants
Registered Auditors

24 May 1999

The Blackburn Diocesan Board of Education Limited

(by guarantee)

Statement of Financial Activities

for the year ended 31 December 1998

	Note	General fund £000	Restricted funds £000	Barchester fund £000	1998 Total £000	1997 Total £000
Income and expenditure						
Income:						
Grants, donations and legacies		27	11	2,167	2,205	1,549
Fees and chaplaincy income		12	-	-	12	12
Investment income		68	2	1	71	69
Other income		225	-	-	225	227
Total income		332	13	2,168	2,513	1,857
Expenditure:						
Grants to schools		37	6	2,220	2,263	1,547
Diocesan Boards and Councils		279	-	-	279	256
Administration		76	-	-	76	85
Other expenditure		-	4	8	12	7
Total expenditure		392	10	2,228	2,630	1,895
(Deficit)/surplus of income over expenditure for the year	2	(60)	3	(60)	(117)	(38)
Capital gains and losses:						
Realised gains on schools	6	8	-	-	8	11
Realised gains on investments		(1)	-	-	(1)	15
Unrealised gains on investments	8	89	5	-	94	99
Provision for non recoverability of loan		-	-	-	-	(60)
Total capital gains for the year		96	5	-	101	65
New funds:						
Legacies added to endowment funds		-	-	-	-	-
Transfers between funds		-	-	-	-	-
Total new funds received during the year		-	-	-	-	-
Net increase/(decrease) in resources during the year		36	8	(60)	(16)	27
Funds brought forward at 1 January		792	89	107	988	961
Funds carried forward at 31 December	13	828	97	47	972	988

Statement of total recognised gains and losses

for the year ended 31 December 1998

There were no other recognised gains or losses arising, other than those given in the Statement of Financial Activity.

All amounts arise from continuing operations.

The Blackburn Diocesan Board of Education Limited

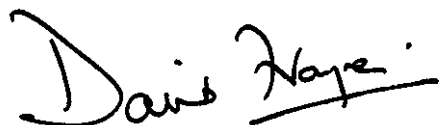
(by guarantee)

Balance sheet

at 31 December 1998

	Note	1998 £000	1997 £000
Fixed assets			
Tangible assets	7	107	110
Investments	8	1,001	1,000
Current assets			
Stocks	9	5	5
Debtors	10	287	166
Deposits and cash at bank and in hand	11	178	250
		<u>470</u>	<u>421</u>
Creditors: amounts falling due within one year	12	(104)	(89)
Net current assets		<u>366</u>	<u>332</u>
Total assets less current liabilities		<u>1,474</u>	<u>1,442</u>
Creditors: amounts falling due after more than one year	12	(502)	(454)
Net assets		<u>972</u>	<u>988</u>
Fund balances			
General fund	13	828	792
Restricted funds	13	97	89
Barchester fund	13	47	107
		<u>972</u>	<u>988</u>

These financial statements were approved by the board of directors on 26 April 1999 and were signed on its behalf by:



The Very Reverend David Frayne
Director

The Blackburn Diocesan Board of Education Limited

(by guarantee)

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historic cost convention and in accordance with the Statement of Recognised Practice: Accounting by Charities and applicable accounting standards.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold property	-	nil
Computers	-	25% per annum
Fixtures and fittings	-	10% per annum
Office equipment	-	25% per annum

Cash flow

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Fixed asset investments

Fixed asset investments are stated at market value at the balance sheet date.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Grants and donations

Grants are recorded as income when receivable. Where grants are restricted to future accounting periods they are treated as deferred income and recognised in those accounting periods. Other donations are recorded as income when received.

2 Surplus of income over expenditure

	1998 £000	1997 £000
<i>Surplus of income over expenditure is stated after charging</i>		
Auditors' remuneration	6	6
Depreciation	5	5
	<hr/>	<hr/>

3 Remuneration of directors

None of the directors received any remuneration from the Board of Education during the year (1997: nil).

The Blackburn Diocesan Board of Education Limited (by guarantee)

Notes (continued)

4 Staff numbers and costs

The average number of persons employed by the company during the year, analysed by category, was as follows:

	Number of employees	
	1998	1997
Administration and secretarial	5	5

The aggregate payroll costs of these employees were as follows:

	1998	1997
	£000	£000
Wages and salaries	44	40
Social security costs	3	3
Other pension costs	2	2
	<u>49</u>	<u>45</u>

Pension scheme - Group Personal Pension Plan

The DBE participates in a defined contribution pension scheme. The assets of the pension scheme are held separately from those of the DBE in an independently administered fund. The pension cost charge for the year represents contributions payable by the DBE to the fund and amounted to £2,000 (1997: £2,000).

In addition to the above 5 employees (1997: 5) the company met some or all of the payroll costs of the following people who worked for the company during the year but were employed by either the Church Commissioners or The Blackburn Diocesan Board of Finance Limited.

	Number of persons	
	1998	1997
Director of Education	1/2	1
Assistant Director of Education	1	1
Principal Adviser	1	1
Diocesan Youth Officer	1/2	1
Children's Work Adviser	1	1
	<u>4</u>	<u>5</u>

The total payroll costs during the year met by the company related to these non-employees amounted to £85,000 (1997: £96,000). The company met 50% of the stipend of The Director of Education together with all related housing and travel expenses. The company met 33% of the stipends of the Assistant Director and Principal Schools Adviser together with all related housing and travel costs.

The full payroll costs of the Youth Officer were met by the company which receives full funding for them from Lancashire County Council, Blackburn with Darwen, Blackpool Borough Council and The Blackburn Diocesan Board of Finance Limited. The full payroll costs of the Childrens Work Adviser were also met by the company which receives full funding from The Blackburn Diocesan Board of Finance Limited.

The Blackburn Diocesan Board of Education Limited

(by guarantee)

Notes (continued)

5 Interest payable and similar charges

	1998 £000	1997 £000
On bank loans, overdrafts and other loans wholly repayable within five years	-	-

6 Realised gains on schools

There are 192 Church of England Schools in the Diocese of Blackburn. Should any of these schools be closed and the premises be sold, then the Diocesan Board of Education would normally have a claim on the proceeds. Proceeds received in 1998 were £8,000 (1997:£ 11,000). The use of such proceeds is restricted to activities benefiting Diocesan schools.

7 Tangible fixed assets

	Freehold property and improvements £000	Fixtures, fittings and other equipment £000	Total £000
Cost			
At beginning of year	93	40	133
Additions	-	2	2
At end of year	93	42	135
Depreciation			
At beginning of year	-	23	23
Charge for year	-	5	5
At end of year	-	28	28
Net book value			
At 31 December 1998	93	14	107
At 31 December 1997	93	17	110

The Blackburn Diocesan Board of Education Limited (by guarantee)

Notes *(continued)*

8 Investments

	Unlisted securities Central Board of Finance Church of England Investment fund		Listed securities treasury stock	Total UK investments
	Fixed interest securities fund			
	£000	£000	£000	£000
Market valuation				
At beginning of year	632	261	107	1,000
Additions	89	-	-	89
Disposals	(182)	-	-	(182)
Increase in market value	68	23	3	94
At end of year	607	284	110	1,001
Historic cost	433	249	96	778

Listed securities are 8% Treasury Stock 2003

9 Stocks

	1998 £000	1997 £000
Books and materials	5	5

10 Debtors

	1998 £000	1997 £000
Amounts due from Diocesan Board of Finance	-	3
Other debtors	287	163
	287	166

11 Deposits and cash at bank and in hand

	1998 £000	1997 £000
Cash at bank	20	72
Deposits with Central Board of Finance	158	178
	178	250

The Blackburn Diocesan Board of Education Limited (by guarantee)

Notes (continued)

12 Creditors

	1998 £000	1997 £000
<i>Amounts falling due within one year</i>		
Amounts due to Board of Finance	26	-
Bank overdraft	26	38
School loans	6	7
Other creditors	5	4
Accruals and deferred income	41	40
	<u>104</u>	<u>89</u>
<i>Amounts falling due after more than one year</i>		
Education trust funds	397	343
School loans	55	61
Other loans	50	50
	<u>502</u>	<u>454</u>

The school loans are payable by instalments as follows:

	Instalments payable between one and two years		Instalments payable between two and five years		Instalments payable after five years		Total	
	1998 £000	1997 £000	1998 £000	1997 £000	1998 £000	1997 £000	1998 £000	1997 £000
School loans	6	6	24	28	30	34	60	68

13 Funds

	General fund £000	Restricted fund £000	Barchester fund £000	Total £000
At beginning of year	792	89	107	988
(Deficit)/surplus of income over expenditure in the year	(60)	3	(60)	(117)
Capital gains in the year	96	5	-	101
Transfers between funds during the year	-	-	-	-
At end of year	<u>828</u>	<u>97</u>	<u>47</u>	<u>972</u>

The General Fund consists of those amounts available for the general purposes of the Board of Education. Restricted Funds comprise the Common Fund of £51,000 (1997: £48,000) and the Residential Endowment Fund of £46,000 (1997: £41,000).

The Barchester Fund is a voluntary contribution scheme, which holds funds for maintenance and building projects of Church of England schools.

The Blackburn Diocesan Board of Education Limited

(by guarantee)

Notes (continued)

14 Share capital

The company is limited by guarantee, registered in England and does not have authorised or allotted share capital. The liability of each member of the Board may not exceed £1.

15 Analysis of net assets between funds

	Tangible fixed assets	Investments	Net current assets	Creditors falling due after more than one year	Total
	£000	£000	£000	£000	£000
General Fund	107	954	269	(502)	828
Restricted Fund	-	47	50	-	97
Barchester Fund	-	-	47	-	47
	<u>107</u>	<u>1,001</u>	<u>366</u>	<u>(502)</u>	<u>972</u>

16 Diocesan youth work

Diocesan youth work is funded as follows:

	Total £000
Expenditure	50
Grant received from Local Authorities	(27)
Grant received from DBF	(21)
Net charge to Diocesan Board of Education	<u>2</u>

17 Commitments

Capital commitments at 31 December, for which no provision has been made in these accounts, were as follows:

	1998 £000
Authorised, but not contracted	-