



THE BLACKBURN  
DIOCESAN BOARD  
OF EDUCATION

## **The Blackburn Diocesan Board of Education**

**Trustees' annual report and financial statements**

**Company limited by guarantee (no 557954)**

**Registered charity (no 1020101)**

**31 December 2018**

TUESDAY



\*L8BSCMGG\*  
LD4 13/08/2019 #87  
COMPANIES HOUSE

# **The Blackburn Diocesan Board of Education**

Annual Report and Financial Statements  
For the year ended 31 December 2018

---

## **Contents**

VISION STATEMENT .....	3
LEGAL OBJECTS .....	3
STRATEGIC REPORT.....	3
STRATEGIC AIMS AND OBJECTIVES FOR THE YEAR.....	3
ACTIVITIES AND PERFORMANCE.....	4
FINANCE REVIEW .....	11
PRINCIPLE RISKS AND UNCERTAINTIES .....	12
STRUCTURE GOVERNANCE AND MANAGEMENT.....	13
TRUSTEES RESPONSIBILITIES .....	14
STATEMENT OF DISCLOSURE TO THE AUDITORS.....	15
APPOINTMENT OF AUDITOR.....	15
ADMINISTRATIVE DETAIL.....	15
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLACKBURN DIOCESAN BOARD OF EDUCATION .....	17
STATEMENT OF FINANCIAL ACTIVITIES .....	19
INCOME AND EXPENDITURE ACCOUNT .....	20
BALANCE SHEET .....	21
CASH FLOW STATEMENT .....	22
NOTES TO THE FINANCIAL STATEMENTS .....	23

## **The Blackburn Diocesan Board of Education**

Annual Report and Financial Statements  
For the year ended 31 December 2018

---

### **VISION STATEMENT**

*Serve Christ.  
Share the Gospel.  
Support, Equip and Educate*

*Healthy Churches Transforming Communities*

### **LEGAL OBJECTS**

- To promote or assist in the promotion of education in the Diocese of Blackburn ("the diocese") being education which is consistent with the faith and practice of the Church of England.
- To promote or assist in the promotion of religious education and religious worship in schools in the diocese.
- To promote or assist in the promotion of church schools in the diocese and to advise the governors of such schools, and trustees of church educational endowments and any other body or person concerned on any matter affecting church schools in the diocese; to promote co-operation between its Board of Management ("the board") and bodies or persons concerned in any respect with education in the diocese.
- To discharge within the diocese the functions assigned to Diocesan Boards of Education by section 3 to 8 and 11 of the Diocesan Boards of Education Measure 1991 or by any amending legislation.
- To discharge within the diocese such other functions relating to the furtherance of church education as may be assigned to the Board by the diocesan synod, other than functions relating to church schools or church educational endowments.
- To do all such things as are incidental or conducive to the attainment of the aforesaid objects, including acceptance of the trusteeship of any trusts and the investment of any moneys not immediately required for its purpose in or upon such investments securities as the Board may think fit.

### **STRATEGIC REPORT**

#### **STRATEGIC AIMS AND OBJECTIVES FOR THE YEAR**

- The support of Church of England schools in all areas of their activities. In particular:
  - ❖ Development and delivery of religious education and collective worship
  - ❖ Protection of the Church of England's interests in academy conversions in Blackburn Diocese
  - ❖ Maintenance of church school buildings belonging to trustees of Church of England Schools
  - ❖ Protection of the interests of the trustees of Church of England Schools
- The development of youth and children's work in Parishes and Schools across the Diocese of Blackburn.
- The support and development of Christian Spirituality in secular institutions of higher and further education.

The provision of Chaplaincy support to church colleges and church based universities

# The Blackburn Diocesan Board of Education

Annual Report and Financial Statements  
For the year ended 31 December 2018

## Public Benefit Statement

The Board exists under the Diocesan Board of Education Measure (No 2 1991). Its duty is to support all church schools. The public benefit of church schools is demonstrated in the support of high quality education intuitions contributing to improved future economic outcomes for all. We support church schools in meeting the needs of children and their families through a Christian ethos that promotes and enhances human wellbeing. In addition, church schools are actively engaged in community activities, often linked to the church parish, that are designed to unify the local community and build social cohesion. Our support for schools also ensures the provision of buildings which can be used by parishes and outside bodies for the benefit of all. The trustees have referred to Charity Commission guidance on public benefit and consider the entity is compliant.

Our support for Youth and Children's Work across the Diocese touches the lives of thousands of people, many of whom are not regular church attenders and provides chaplains in Church of England high schools to meet the spiritual and pastoral needs of all students.

We offer funding and professional support to the three universities within the Diocese by providing chaplains. The work in universities is both with the university students and also the whole university community and therefore reaches out not just across the Diocese but also beyond.

## ACTIVITIES AND PERFORMANCE

### Main Achievements of the Year

Objectives set until 2020 for the Board of Education:

- To ensure well-resourced and effective worshipping communities that meet the needs of children and young people
- To ensure high quality learning about faith through effective progressive curricula
- To ensure children and young people are nurtured in distinctively Christian environments
- To ensure church schools remain firmly embedded within the Church of England and have systems that allow the best outcomes for their pupils
- To ensure church schools maintain the highest standards in education with a physical environment that enhances the learning experience of each child
- To ensure high calibre of Christian leadership at all levels
- To ensure discipleship opportunities and nurture for adults who work with children and young people

Curriculum and Worship Primary	
Objectives	Main Achievements of the Year
To ensure well-resourced and effective worshipping communities that meet the needs of children and young people	<p>Two new courses 'Developing a Worship Group in Your School' and 'Developing Outdoor Prayer Areas' have been offered centrally each term.</p> <p>Worship resources continue to be added to the website and are widely used and engagement with resources is beyond industry standards.</p> <p>Collective worship conferences have taken place this year for pupils (40 pupils attended) and staff. Bespoke SLA visits have been carried out by Lisa Horobin and Associate Advisers in order to build on good practice in collective worship and an increasing number of outdoor worship areas have been developed.</p> <p>Primary HT network meetings include a time of worship that models good practice and new ideas and resources to use in schools. There has been a particular focus in introducing new worship songs.</p> <p><b>98.94% of primary schools are good or outstanding for Worship according to SIAMS</b></p>
To ensure high quality learning about faith through effective progressive curricula	<p>A series of new centrally delivered courses have been developed to build the capacity, knowledge and expertise of school leaders and practitioners. These include 'Developing Multi-faith and Multi-cultural Education', 'Making the Links Between Christian Values and British Values', 'Developing Children's Spirituality' and 'Developing Godly Play'.</p> <p>The primary RE syllabus launched in the Autumn of 2017 is now embedded in the curriculum across the Diocese. The impact of the new curriculum and RE Today Services' Understanding Christianity resource has been noted by inspectors and RE coordinators.</p>

# The Blackburn Diocesan Board of Education

Annual Report and Financial Statements  
For the year ended 31 December 2018

	<p>Lisa Horobin delivered training in our partner dioceses of Liverpool and Manchester.</p> <p>The RE co-ordinators' conference in Blackburn was attended by over 96 schools the training included effective RE leadership and curriculum delivery.</p> <p>The pupil RE conference has been attended by a significant number of diocesan schools (60 pupil attendees)</p> <p>Six cluster meetings for primary RE coordinators take place each term and are well attended. During the last year over 2 thirds of these meetings have been led by outstanding practitioners.</p> <p><b>97% of primary schools are good or outstanding for Religious Education</b></p>
<p>To ensure children and young people are nurtured in distinctively Christian environments</p> <p>To ensure high calibre of Christian leadership at all levels</p>	<p>Advisers continue to support the appointment processes for senior leaders in schools ensuring that all are appointed with church references with 78% appointed on the first attempt.</p> <p>The HT and DHT Induction programme is continually updated to ensure it is relevant and in line with current practice and Church of England and government directives. Attendance of all those new into leadership posts in church schools is over 90% and feedback very positive.</p> <p>Consultancy work from advisers has supported schools with ethos and distinctiveness.</p> <p>The new SIAMS schedule came into use in September 2018. Extensive training has been delivered to staff and governors. 121 schools attended conferences introducing the new schedule.</p> <p>Lisa Horobin was asked by Manchester Diocese to deliver SIAMS training on their behalf.</p> <p>10 Schools have been inspected since Sept 2018, 8 have received a judgement of excellence.</p> <p>There continues to be direct SIAMS input at Head teacher meetings termly.</p> <p>The new schedule emphasizes the importance of a church school articulating and living out its distinctive Christian vision. Therefore, training, resources and self-evaluation documents have been produced to support schools with this challenge.</p> <p>The annual Headteachers conference was attended by 110 leaders from both primary and secondary schools.</p> <p>The annual Head teacher and Incumbent conference has taken place with over 90 people attending.</p> <p>Christian Leadership Programme (DBE Services) continues to be oversubscribed and positively evaluated. A new middle leader programme is now in place and development work on NQT and schools direct programmes continues.</p> <p>The 'Moving Towards Leadership' programme targeted at staff intending to apply for Headship or senior leader posts aims to prepare prospective candidates for the recruitment process well in advance of application. This is now run termly.</p> <p>Bespoke leadership coaching has been introduced on a small scale.</p> <p>The Associate Adviser team has increased to 21. New Advisers now receive an Induction which includes shadowing experienced Advisers on school visits.</p> <p>Associate Adviser knowledge and expertise has been strengthened through half termly meetings where they receive updates, training and feedback on school visits. This has enhanced their ability to support schools.</p>

## The Blackburn Diocesan Board of Education

Annual Report and Financial Statements  
For the year ended 31 December 2018

	<p>7 primary schools are now involved in the C of E's Education Foundation's Regional Peer Support Network focusing on the 'Dignity' aspect of the C of E's Vision for Education.</p> <p><b>98.94% of primary schools are good or outstanding for Christian Character.</b></p>
<b>Curriculum and Worship Secondary</b>	
<i>Objectives</i>	<i>Main Achievements of the Year</i>
To ensure well-resourced and effective worshipping communities that meet the needs of children and young people	<p>Worship resources continue to be added to the website and are widely used with engagement with resource beyond industry standards.</p> <p>Collective worship conferences have taken place this year for pupils and schools and SLA Visits have been carried out offering consultancy on worship</p> <p>Network meetings with chaplains/worship leads have shared good practice and resources</p> <p><b>100% of secondary schools are good or outstanding for Worship</b></p>
To ensure high quality learning about faith through effective progressive curricula	<p>Online resources continue to be updated and developed including Pinterest Boards Facebook pages and a YouTube Channel developed &amp; launched to increase networking and support for RE and programmes of study for Illuminating Pathways syllabus and the RE framework</p> <p>Work has been completed on mapping RE programmes (Understanding Christianity) against the PHSE award Archbishop of York Young Leaders Award</p> <p>A new framework for RE has been developed in conjunction with partner dioceses and launched in June 2018 along with the revised Illuminating Pathways programme of Study for KS3.</p> <p>Pilgrimage opportunities for pupils have been presented to schools. These include conjunction with a Government initiative with cross curricular links (VW1 Centenary project) for 2019</p> <p>RENew Group &amp; Induction programme for new and recently appointed HoDRE has continued to support those new in role along with network meetings for HoDREs across the diocese</p> <p><b>100% of secondary schools are good or outstanding for Religious Education</b></p>
To ensure children and young people are nurtured in distinctively Christian environments	<p>In addition to work listed in the primary section above, meetings scheduled to discuss the ongoing employment of chaplains and worship leaders in high schools continues</p> <p>Termly network for chaplains and worship leaders continues.</p> <p><b>100% of secondary schools are good or outstanding for Christian Character</b></p>
To ensure high calibre of Christian leadership at all levels	<p>Headteacher Eucharist and twilight sessions enable sharing of good practice and school to school support.</p> <p>Christian Leadership Programme (DBE Services) continues to be oversubscribed and positively evaluated with a new middle leader programme now the second year. A programme tied to Liverpool Hope and Schools Direct training has been piloted and will continue for a second year into 2019</p>
<b>School Buildings</b>	
<i>Objectives</i>	<i>Main Achievements of the Year</i>
To ensure church schools maintain the highest standards in education with a physical environment that	<p>In 2018 we continued to support schools with capital and revenue work. Virtually all our Voluntary Aided schools continued to subscribe to our Buildings Service Level Agreement. In addition, a small number of schools have moved to buying their reactive and maintenance work from TPM4 as that company continues to grow and enhance its offer and service to schools.</p>

# The Blackburn Diocesan Board of Education

Annual Report and Financial Statements  
For the year ended 31 December 2018

enhances the learning experience of each child	<p>We continue to support schools in their infrastructure and capital works which is a major part of the Board's work. In 2018 we supported 50 major capital works through £3,896,459 of LCVAP funding which is a slight increase on the previous year. We also committed an additional £379,326 of Healthy Pupils Capital Funding across Lancashire and Blackburn with Darwen.</p> <p>We are anticipating a similar level of LCVAP funding for 2019-20. It has been confirmed that there is no further rounds of HPCF available. We have some certainty of capital funding beyond 2019-20 in that the Department for Education has announced changes to the administration of LCVAP Funding. From 2020-21 LCVAP funding will come directly to the Board of Education from the EFSA and will not therefore be administered through the Local Authorities. This means that the Board of Education will not be constrained in terms of having to spend fixed amounts in each of our local authority areas but can spend the funding across the whole VA school estates as need and suitable demands. There is no confirmation of the levels of LCVAP funding for 2020-21 onwards.</p> <p>The majority of schools within the Diocese continue to use the services of the Board to manage their Devolved Formula Capital. The Board offers to all schools the opportunity of a management service to ensure that all statutory requirements are met and that the necessary returns are made regarding this money. The Board has a statutory responsibility to report on the use of this money by all schools to the Department for Education on an annual basis. In February 2019 schools will receive an additional one-off amount of DFC funding, based on a pro rata of £10,000 for a 1 form entry school. Schools will then receive their normal allocation of DFC in May/June.</p> <p>As part of the Service Level Agreement schools have access to cost-effective and robust Insurance brokered with Ecclesiastical. Our Insurance broker service is also taken up by some of the other Northern Dioceses and this continues to secure income for the Board.</p> <p>The Board in partnership with Local Authorities has been in active discussion with regards to the expansion of a number of primary schools through Basic Need funding. An expansion project was completed in October 2018. Another begun in November 2018 with an expected end date of September 2019. Regular meetings are held with Pupil Placement teams to discuss additional demand for school places as population growth, migration and significant housing all impact on the Diocese. Through this we ensure that where there are opportunities to expand through basic need then our schools are consulted and have an opportunity to be part of the solution. There are some specific basic need conversations taking place, although these are still at an early stage.</p> <p>During 2018 the Department for Education asked each school to complete the on-line Asbestos Management Assurance Process. Despite some technical difficulties over 95% of our schools completed the process in the timescale. The DfE is currently processing the data. In addition, the Government's Condition Survey continues to be rolled out, with many of our schools receiving visits during 2018. Many of these reports are now available and indicate that the school estate in general is in a reasonable state of repair. In addition, the Land and Buildings Collection Tool for all our Academies was completed on time and with good cooperation across each of our academies.</p> <p>We have continued to run the same team in terms of school buildings, with Richard Jagger continuing to support us through occasional days on a consultancy basis. This arrangement is cost-effective and has worked well for both parties.</p>
<b>School Structures</b>	
<i>Objectives</i>	<i>Main Achievements of the Year</i>
To ensure church schools remain firmly embedded within the Church	The MATs in the diocese have grown over this year. The Bay Learning Trust has grown to three high schools, The Learning Together Trust has grown to

# The Blackburn Diocesan Board of Education

## Annual Report and Financial Statements For the year ended 31 December 2018

<p>of England and have systems that allow the best outcomes for their pupils</p>	<p>four primary schools and Cidari has grown to nine schools (1 secondary and 8 primaries)</p> <p>Bespoke Governor training has taken place as part of SLA support.</p> <p>Governor support and training has been on-going with courses on Introduction of Church School Governance being delivered. The Board is looking to provide on-line training for Governors from September 2019. There has also been the continued rolling-out of Thinking Governance which has been taken up by a number of our Governing Boards. We held a successful Governor Conference in February 2018 with over 100 attendees, and also a Governor Evensong at the Cathedral. Appointments of foundation governors continues to be a major part of the BoE work with around 400 appointments this year.</p> <p>Admissions and appeals training continues to be delivered. Good information is available on our website – including a clear process for Governors and heads to follow - and there has been an effort to review the Appeal Panellists.</p> <p>5 Primary Schools are involved in an 18-month Disadvantage and Poverty School Action Research pilot, working in partnership with Manchester University's Education Department aimed at raising the attainment of Pupil Premium children.</p> <p>80 Headteachers attended training with a Senior HMI to explore how as Church Schools they could be 'Ofsted ready'.</p> <p>The Board of Education continues to work for the creation of a new church school to meet basic need in the area. This work includes the use of consultants and local authority meetings.</p>
<b>Youth Work</b>	
<b>Objectives</b>	<b>Main Achievements of the Year</b>
<p>To ensure well-resourced and effective worshipping communities that meet the needs of children and young people.</p>	<p><b>To develop effective youth-centred accessible worship in the diocese leading to new more youth activities in CE parishes (aspirational target 20):</b></p> <p>In April 2018 2 staff moved to centralised roles to launch a 'Youth Provision Development Project' working along parish leaders to develop volunteer youth leaders in order that churches will establish, grow or enhance their current youth provision. This involves them working with a parish for a longer-term period (6,9,12months). During initial year they will be honing the process of working with churches whilst piloting the project to rather stats and evidence to support a funding application to the Church Commissioners to upscale the project in the future.</p> <p>Having launched the Youth Council we found that traction was lost very quickly. In light of this the young people who made up the council were invited to join the Youth Committee, several of the young people took up the invitation and are now well embedded in the committee.</p> <p><b>To assist parishes with recommendations of published and online resources:</b></p> <p>We have continued to use the 'Connect mailing' to direct subscribers towards our website. Due to GDPR we saw the number reduce, but since then there has been a steady increase in subscribers. Additionally, we have sought to be more strategic in advertising events and resources via our social media presence.</p>
<p>To ensure high quality learning about faith through effective progressive curricula.</p>	<p><b>To ensure high quality Christian teaching in parishes for 0-5, 5-13, 11-24years:</b></p> <p>We have continued to develop our Pick n Mix series of resources and now offer 8 seasonal resources, with a Pentecost focused resource being released in March/April 2019. These are stand-alone resources that help youth leaders to build youth sessions and best support young people to reflect upon different</p>



## The Blackburn Diocesan Board of Education

Annual Report and Financial Statements  
For the year ended 31 December 2018

	<p>points in the year, both in terms of the Church calendar and significant events in their lives.</p> <p>Ahead of relaunching Stable to the Tomb for Epiphany to Easter 2019 we extended the resources. This offers the potential to be downloaded and shaped into a youth work session or followed on social media.</p> <p>For Thy Kingdom Come 2018 we developed two resources:</p> <ol style="list-style-type: none"> <li>1) A prayer card for churches to give out to help everyone to pray for this generation of young people</li> <li>2) A prayer journey for young people for the duration of Thy Kingdom Come. This is available as a print out or a digital image and to follow via social media both in the run up to and during those 10 days.</li> </ol> <p>To help churches to stay in touch with young people, particularly those in Year 6, Year 11 &amp; Year 13 throughout the revision and exam seasons we have produced a set of four postcards. The aim of these is that they are sent to encourage and stay connected with young people while they may not be around church during this time of pressure.</p>
To ensure children and young people are nurtured in distinctively Christian environments.	<p><b>To enable new churches to achieve the Child Friendly Church award (aspirational target 20):</b></p> <p>The development of a Young People Friendly Church' Award has been put on hold due to the folding of the Youth Council as a specific body, but hopefully this will continue to be on the agenda as the young people included through their roles on the Youth Committee.</p> <p>Part of the Youth Provision Development Project is focused on encouraging/challenging churches in regard to the accessibility of their worship opportunities throughout the week to young people</p>
To ensure high calibre of Christian leadership at all levels.	<p><b>To develop training packages that equip the next generation of youth worker in church:</b></p> <p>In 2018 we ran two Youth Camps, one in June and another in September. This reflects the growth in numbers attending our singular camp in 2017 and the need to grow capacity. Our youth camps continue to be a place that we can invest and provide opportunities for young leaders to plan and take a lead.</p> <p>Across 2017-18 we saw a lack of traction for young leader programme (3 evenings, 1 day and a weekend event) other than the weekend event. On reflection this could be due to other commitments, but across the weekend we got the impression that young people were engaging as there was no other Diocesan provision for their age group. In light of this we have paused our young leader programme in order to review it, bring other diocesan departments into the conversation (Vocations and Discipleship), and to discern the right way forward for equipping young leaders and for those aged 14 to 18 years.</p> <p>In the summer of 2018 we led a trip to the Free State Diocese in South Africa. In partnership with Ripley St Thomas School in Lancaster four leaders accompanied 21 young people between the ages of 16-24years. This was an incredible opportunity for the young people to gain experiences they wouldn't have had before; chance to help those far worse off than themselves, reflect upon their faith in light of their experience, and to begin to explore what God is calling them to do.</p> <p>During the visit one staff member was mugged, leading to a serious incident being reported to the Charity Commission and Information Commissioner's Office as personal details were stolen during the incident.</p>
To ensure discipleship opportunities and nurture for adults who work with children and young people.	<p><b>To allow discipleship opportunities for leaders of children's &amp; youth work:</b></p> <p>Following the youth team retreat in February/March in 2018 we booked a team day of reflection for December 2018 led by Ben Mizen a Lego Serious Play facilitator. Additionally, we booked to visit Cumbria again in March 2019,</p>

# The Blackburn Diocesan Board of Education

Annual Report and Financial Statements  
For the year ended 31 December 2018

	<p>opening this retreat opportunity up to the school employed chaplains, at a cost additional to the schools SLA, as well as those employed by the Board of Education.</p> <p>The series of evenings and daytime networking and training continued until summer 2018. In the summer term we reflected upon the strengths and weaknesses of these and for September 2018 relaunched both; monthly 'Coffee Meet Ups' during the day and termly 'Network Evenings'. These move venue and area each time so everyone across the Diocese can access one more locally every few months. These are spaces to connect, share ideas and experiences, and pray together. The evenings also have a training element.</p>
<b>Children's Work 5-13</b>	
<i>Objectives</i>	<i>Main Achievements of the Year</i>
To ensure well-resourced and effective worshipping communities that meet the needs of children and young people	<p><b>To create effective children and family orientated worship in more parishes (aspirational target 20).</b> During the year we have directly supported a total of 6 parishes who have asked for guidance with their All Age Worship services and Messy Church worship. There has also been the opportunity for churches to engage with the Children's Ministry conference which was on the theme of intergenerational worship. 120 people attended this event, representing 45 parishes in the diocese. The Weekly@ lectionary resource has now been extended to include a suggestion for an All Age Talk.</p>
	<p><b>To plant new messy church services within the diocese (aspirational target 20)</b> There continues to be some requests for support from parishes that are interested in growing a Messy Church congregation. The support required can vary depending on confidence, however it typically involves initial discussion, guidance with planning and demonstrating good practice through delivery at first sessions alongside the parish team. The number of parishes supported through planting a Messy Church this year is 4 and we have also advised several other parishes that have shown interest in growing their church through planting other new expressions of worship, for example café style church, and soft play church.</p>
	<p><b>To create effective discipleship events in more parishes</b> A number of churches have worked with us to deliver Spirituality Days with their local Primary School. Parishes in Whalley Deanery teamed up and worked in collaboration with us to offer a Family Activity Day at Whalley Abbey which included bible teaching and prayer. A Bishop's Bible Challenge was launched for KS2 children, focusing on treasure and the Kingdom of God, which over 7500 children have been registered to participate in.</p>
To ensure high quality learning about faith through effective progressive curricula	<p><b>To ensure high quality Christian teaching in parishes for 0-5, 5-13, 11-24years</b> We continue to create a range of effective resource materials that are published online for parishes to access. We grasp any opportunity to share these resources with as many churches as we can, for example by proactively engaging with delegates at the diocesan conference to raise awareness of what we offer. Through interaction with workers we know that more and more parishes are making use of these materials, and this has improved the quality of teaching in many instances by moving on from simply teaching bible stories, to exploring how bible truths are relevant to everyday life and offering discipleship opportunities.</p>
To ensure children and young people are nurtured in distinctively Christian environments	<p><b>To enable new churches to achieve the Child Friendly Church award (aspirational target 20).</b> There have been 6 new parishes that have received the Child Friendly Church award this year, plus 2 applications in progress. 2 existing Child Friendly Churches have completed the self-assessment as part of the review process and have received a renewed certificate. The Children's Committee have recently provided feedback on the Child Friendly Church initiative as we consider if it continues to be an effective vehicle for creating and celebrating the work surrounding welcoming families into our churches.</p>
To ensure high calibre of Christian leadership at all levels	<p><b>To develop training packages that equip the next generation of children's workers in church.</b> <b>To allow discipleship opportunities for leaders of children's work</b></p>

## The Blackburn Diocesan Board of Education

Annual Report and Financial Statements  
For the year ended 31 December 2018

To ensure discipleship opportunities and nurture for adults who work with children and young people	We continue to develop our network of children's workers around the Diocese and currently meet biannually in four locations across the diocese, with the third opportunity to connect being the Children's Ministry Conference. The networking meetings now include a training element, as well as an opportunity to showcase new resources, and offer practical and pastoral support. The Inspire course is available for parishes looking for practical training and the Amplify course is being developed as a deeper level option in collaboration with Manchester and Chester diocese. A workshop was delivered at the Diocesan Conference on working with children in the parish, and a training day was delivered to curates on children and youth work as part of the IME2 teaching. One-off and bespoke training is delivered as and when there is a need.
<b>Children's Work 0-5 Years</b>	
<i>Objectives</i>	<i>Main Achievements of the Year</i>
To ensure well-resourced and effective worshipping communities that meet the needs of children and young people  To ensure high quality learning about faith through effective progressive curricula	Ideas on how to engage under 5's with the weekly lectionary readings continue to be included in the Weekly@ resource which can be accessed via the Board of Education website. A series of creative prayer activities were released every day on social media (Twitter and Facebook) in June, to raise the profile of the National Toddler Group Month of Prayer. The 30 ideas have since been made available via a downloadable booklet, which can also be accessed on the website. Other resources, such as the Outdoor Easter / Christmas are produced with young families in mind.
To ensure high calibre of Christian leadership at all levels	Consideration of how we effectively engage with Under 5's in churches and church groups is included in all training sessions, including IME2 training delivered to curates. Individual parishes are supported either on a 1:1 basis, or via networking meetings.
To ensure discipleship opportunities and nurture for adults who work with children and young people	Parishes in Whalley Deanery were supported in organizing a Family Activity Day at Whalley Abbey over the Summer, which provided leaders with an opportunity to bring families, and were particularly attractive for parents with young children. Sarah has attended the Making Disciples Team meetings throughout the year in order to champion potential discipleship opportunities for those working with children and young people.

## FINANCE REVIEW

### Principal Funding Sources

There is an annual grant agreed in advance by the Blackburn Diocesan Board of Finance Limited as agreed by the Diocesan Synod. A grant of service is provided in addition to cash for the provision of finance. The Board is also in receipt of funds allocated from the BDBF restricted Funds. Total funding for the year ended 31 December 2018 is £400,099 (2017: £422,478).

Service level agreements to provide support services to schools £278,880 (2017: £263,668).

Total interest and dividends income is £99,259 (2017: £90,247) representing 9% of total income (2017: 8%).

The Blackburn Diocesan Board of Finance grants represented around 35% of the total income of the charity for the year, equally 24% of the income came from service level agreements and interest and dividend income was 9%.

### Financial Performance

The charitable company has currently £249,000 of support invested in school projects which is repayable by the schools as part of the Barchester scheme. This enables schools to undertake necessary building projects.

The charitable company employs staff to support schools in their maintenance and building projects. During the year £49,934 (2017: £51,106) was spent on directly undertaking activities in this area which includes generating voluntary income.

Additional school support is provided by staff for the development and delivery of religious education and collective worship. This may be in the form of staff directly supporting the school or running training courses and events for the schools. During the year £355,010 of school and governor support (2017: £355,192) was spent on directly undertaking activities in this area.

Youth and children's work occur both in schools and parishes. Youth and children's work directly undertaken activities cost £300,110 (2017: £367,342).

## **The Blackburn Diocesan Board of Education**

### **Annual Report and Financial Statements For the year ended 31 December 2018**

---

The charitable company also supports university chaplains and this support amounted to £135,406 (2017: £136,391) of activities directly undertaken.

#### **Balance Sheet Position**

Net assets at 31 December 2018 are £6,031,000 (2017: £6,253,000) which is made up of designated funds of £3,107,000, restricted funds of £489,000 and endowment funds of £66,000. Within debtors and creditors on the balance sheet are amounts held on behalf of schools under the Barchester scheme. Included in debtors is £260,000 and £3,773,000 is included in creditors. Total unrestricted funds were £2,369,000.

#### **Investment policy**

The charity utilises the CBF fund with CCLA for investments.

This ensures ethical investment, as investments are held in companies which have high standards of corporate governance and act in a responsible way towards stakeholders.

Unrestricted and restricted funds are invested to balance income, liquidity and the reimbursement of capital. Investment policy for long-term funds is aimed primarily at generating a sustainable income with due regard to the need for preservation of capital value.

#### **Reserves policy**

The total funds of the charitable company as at 31 December 2018 are £6,031,000, of which £489,000 are restricted and £66,000 are endowment funds.

The reserves of the company provide working capital for the activities of the Board. The Board also requires funds to be available to provide assistance to schools for their contribution to building projects.

The trustees have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission. They have agreed to set a reserves figure equivalent to one month's maximum expected expenditure on the Barchester school buildings Scheme, £1,476,000, four to six months budgeted running costs for 2019, £605,000 (six months) and have set aside £28,000 to cover future accommodation costs. The total approved level of reserves is £2,109,000.

The total value of free reserves (general reserves less assets used in the charity and designated fund and any pension adjustment) is £1,715,000. The level of free reserves is £394,000 below the approved level. The directors at their summer meeting will review free reserves and designated funds along with plans for the future in order to address the free reserves position.

The level of designated funds at the year-end is £3,107,000 (2017: £2,449,000). Material designated funds include the New Opportunity Fund at £543,775 for school buildings support and the Elmslie Fund at £475,717 for educational purposes in the Blackpool area.

#### **Financial assistance and grant making policy**

Organisations must make applications to the Board of Education Executive. The Executive considers these in the light of their benefit for promoting Christian education within the Diocese. Consideration is also given to the financial circumstances of the organisation applying.

Grants were less than 2% of total expenditure.

#### **Fundraising**

The BDBE does not normally fundraise, during 2018 contributions were collected from youth participating in the trip to South Africa. No fundraising is undertaken by direct marketing or external fundraisers the BDBE has not received any complaints from the public in relation to fundraising activities.

#### **PRINCIPLE RISKS AND UNCERTAINTIES**

The trustees of the charitable company have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. There is no internal audit function as it is not considered an efficient use of the resources of the charity.

They include:

- A strategic plan and annual budget approved by the trustees;
- Regular consideration by the Board of Education of financial results and variance from budgets;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

During the year the trustees have developed their risk management process to assess and document business risks and implement risk management strategies. This involved assessing the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. This

## **The Blackburn Diocesan Board of Education**

### **Annual Report and Financial Statements For the year ended 31 December 2018**

---

process has drawn on the on-going consideration of business risk, which already forms a significant aspect of the trustees' duties.

An annual meeting has been put in place to review the risks of the Blackburn Diocesan Board of Education.

During the year consultants and advisers have been engaged to assist in the management of on-going work where there has been identified need.

The key risks, which may impact on the charitable company, are:

- Failure of the Department for Education (DfE) to process claims in a timely manner to meet the financial obligations of the BDBE;
- Reduction in income to a level not sufficient to cover running costs;
- Repayable financial support to schools not being repaid;
- An increase in statutory duties that cannot be recharged to schools.

The trustees are satisfied that appropriate measures are in place to mitigate the potential financial impact of these risks by having sufficient reserves in place to cover a period of delay, restructuring staff if necessary and has the assurance of the variable annual grant received from the Blackburn Diocesan Board of Finance.

The economic climate continues to impact on school budgets being cut in real terms in 2018. The Board generates resources through Service Level Agreements with schools and it may be that demands placed on school budgets could reduce the ability of schools to buy services from the Board in 2019.

## **STRUCTURE GOVERNANCE AND MANAGEMENT**

The Board of Education is a statutory body under the Diocesan Boards of Education No2 Measure 1991. This requires every diocese to have a Board of Education which has responsibility for overseeing the work of Church Schools and being responsible for managing Education Charitable Trusts. The Board of Education was incorporated in November 1955 and is a company limited by guarantee.

Those persons who are normally referred to as members of the Board of Education are in company law the Directors of the Board and Trustees in charity law.

The Trustees present their report and audited financial statements for the year ended 31 December 2017. The Trustees and the Trustees' Report constitute the Directors and Directors' Report for Companies Act purposes.

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102)) and the Financial Reporting Standard 102 applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

### **Organisation**

The Board of Education, as defined in statute, has overall control of the activities of the Company. The Board operates with five sub committees. The finance, staffing and resources committee is responsible for all financial matters across the work of the Board of Education. The school work is split over two committees with school Christian ethos development considered by the Distinctiveness Committee and the other aspects of work considered by the School Strategy Committee. Parish support work is considered by the Children's Committee and Youth Committee. The Board reports to the Diocesan Synod (Membership of the Diocesan Synod is also the membership of the Diocesan Board of Finance) annually and the Director of Education also reports to the Bishop's Council.

### **Method of Appointment of Trustees**

The trustees are appointed in the following way:

The Chair of the Board is nominated by the Diocesan Bishop. Two Archdeacons have positions by virtue of their office. Two clerks in holy orders and six members are elected from the Diocesan Synod, with six other members being elected by the Diocesan Synod. Up to four co-opted members are appointed on a skills basis.

The trustees are elected every three years with a new Board coming into being on the 1 January following those elections.

### **Induction and Training of Trustees**

On induction there is a meeting with prospective trustees to explain their roles and responsibilities. They are advised of the structure of the Blackburn Diocesan Board of Education and associated companies.

Trustee training is provided as a need is identified.

## **The Blackburn Diocesan Board of Education**

Annual Report and Financial Statements  
For the year ended 31 December 2018

---

### **Remuneration of key management personnel**

The Board is responsible for setting the pay for the key members of staff and any annual increments are agreed by the Chair of the Board.

### **Custodian Trustee**

The charitable company is the custodian trustee for all Voluntary Aided Church of England Schools in the Benefice area (Diocese of Blackburn) except in cases where it is the actual trustee either by right of the trustee document or following an order under S86 of the 1944 Education Act.

Under the 1991 Diocesan Board of Education Measure, governors are required to consult the Board and seek written permission to do any work on the school building which involves governor liability.

The Board's main objective is to support Christian education and governors in the maintenance and development of school buildings.

### **TRUSTEES RESPONSIBILITIES**

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees (as Directors) to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **The Blackburn Diocesan Board of Education**

Annual Report and Financial Statements  
For the year ended 31 December 2018

---

### **STATEMENT OF DISCLOSURE TO THE AUDITORS**

So far as the Directors are aware:

- a. there is no relevant audit information of which the charitable company's auditors are unaware, and
- b. we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

### **APPOINTMENT OF AUDITOR**

The re-appointment of Haysmacintyre LLP as auditors to the BDBF will be proposed at the Annual General Meeting.

### **ADMINISTRATIVE DETAIL**

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

The trustees, who are also directors for the purposes of company law, present their trustees' report, together with the audited financial statements, for the year ended 31 December 2018.

This report constitutes the Strategic Report and the Directors' Report required under the Companies Act 2006.

Charity Registration number      1020101

Company registration number      557954

Company Secretary      Mr S Whittaker

Directors/Trustees      Venerable M Everitt  
Mr T Cox  
Mr JMP Hewitt  
Mrs RE Radford  
Miss J Snape  
Mr R Jones  
Canon A Holliday  
Mr G Burrows  
Mrs C Johnson  
Mrs N Cox  
Rev T Horobin  
Rev P R M Venables  
Venerable M Ireland  
Rev D Arnold

Chief Executive Officer      Mr S Whittaker

Appointments are made under the Diocesan Board of Education Measure 1991

## The Blackburn Diocesan Board of Education

Annual Report and Financial Statements  
For the year ended 31 December 2018

---

### Advisers

#### Solicitors

Napthens  
Darwen House  
Walker Office Park  
Blackburn, BB1 2QE

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham  
B3 2ES

#### Bankers

National Westminster Bank  
35 King William Street  
Blackburn  
BB1 7DJ

#### Insurers

Ecclesiastical Insurance Group  
Beaufort House

Brunswick Road  
Gloucester, GL1 1JZ

#### Investment Advisors

CCLA Investment Management Ltd  
Senator House, 85 Queen Victoria Street  
London  
EC4V 4ET

#### Registered Auditor

Haysmacintyre LLP  
10 Queen Street Place  
London, EC4R 1AG

#### Registered Address

Diocesan Office  
Clayton House  
Walker Office Park  
Blackburn BB1 2QE

By order of the board



**The Venerable Michael Everitt**

*Chair of the Board of Education*

Blackburn Diocesan Board of Education Limited  
Clayton House  
Walker Office Park  
BLACKBURN  
BB1 2QE

17 June 2019



## **The Blackburn Diocesan Board of Education**

Annual Report and Financial Statements  
For the year ended 31 December 2018

---

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLACKBURN DIOCESAN BOARD OF EDUCATION**

---

#### **Opinion**

We have audited the financial statements of The Blackburn Diocesan Board of Education for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of the charitable company's net movement in funds, including the 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## The Blackburn Diocesan Board of Education

### Annual Report and Financial Statements For the year ended 31 December 2018

---

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Annual Report have been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company 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.

#### Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Adam Halsey (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditors  
24 June 2019

10 Queen Street Place  
London  
EC4R 1AG

# The Blackburn Diocesan Board of Education

Annual Report and Financial Statements  
For the year ended 31 December 2018

## STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2018

		Unrestricted					
	Note	General Fund £000	Designated Fund £000	Restricted Funds £000	Endowment Funds £000	Total 2018 £000	Total 2017 £000
<b>Income and endowments from:</b>							
Donations and legacies	4	400	-	34	-	434	441
Charitable activities	4	540	-	-	-	540	571
Other trading activities	4	2	-	-	-	2	2
Investments	4	168	2	3	-	173	176
<b>Total</b>		<b>1,110</b>	<b>2</b>	<b>37</b>	<b>-</b>	<b>1,149</b>	<b>1,190</b>
<b>Expenditure on:</b>							
Raising funds	5	11	-	-	-	11	14
Charitable activities	6	1,226	57	2	-	1,285	737
<b>Total</b>		<b>1,237</b>	<b>57</b>	<b>2</b>	<b>-</b>	<b>1,296</b>	<b>751</b>
<b>Net income/(expenditure) before investment gains</b>		<b>(127)</b>	<b>(55)</b>	<b>35</b>	<b>-</b>	<b>(147)</b>	<b>439</b>
Net gains on investments	10	(24)	-	(2)	(1)	(27)	90
<b>Net income/(expenditure)</b>	<b>7</b>	<b>(151)</b>	<b>(55)</b>	<b>33</b>	<b>(1)</b>	<b>(174)</b>	<b>529</b>
<b>Transfer between funds</b>	<b>15</b>	<b>(713)</b>	<b>713</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Actuarial (losses) on defined benefit pension schemes</b>		<b>(48)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(48)</b>	<b>1</b>
<b>Net movement in funds</b>		<b>(912)</b>	<b>658</b>	<b>33</b>	<b>(1)</b>	<b>(222)</b>	<b>530</b>
<b>Total funds brought forward</b>	<b>15</b>	<b>3,281</b>	<b>2,449</b>	<b>456</b>	<b>67</b>	<b>6,253</b>	<b>5,723</b>
<b>Total funds carried forward</b>	<b>15</b>	<b>2,369</b>	<b>3,107</b>	<b>489</b>	<b>66</b>	<b>6,031</b>	<b>6,253</b>

All activities derive from continuing activities.

The notes on pages 23 to 36 form part of these financial statements.

Details of comparative figures by fund are disclosed in note 21.

# **The Blackburn Diocesan Board of Education**

Annual Report and Financial Statements  
For the year ended 31 December 2018

---

## **INCOME AND EXPENDITURE ACCOUNT**

*for the year ended 31 December 2018*

	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
Total income	1,149	1,190
Total expenditure	(1,296)	(751)
Operating (deficit)/profit for the year	(147)	439
Net (losses)/gains on investments	(26)	84
Actuarial loss defined benefit scheme	(48)	1
<b>Net (expenditure)/income for the year</b>	<b>(221)</b>	<b>524</b>

# The Blackburn Diocesan Board of Education

Annual Report and Financial Statements  
For the year ended 31 December 2018

## BALANCE SHEET

at 31 December 2018

	Note	2018 £000	2017 £000
<b>Fixed assets</b>			
Tangible assets	9	576	587
Investments	10	1,295	1,322
		<u>1,871</u>	<u>1,909</u>
<b>Current assets</b>			
Stocks	11	-	-
Debtors (amounts receivable after more than One year £548,000 (2017: £305,000))	12	792	1,108
Cash on deposit	13	4,857	4,686
Cash at bank and in hand	13	3,748	3,827
		<u>9,397</u>	<u>9,621</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(4,512)</u>	<u>(4,529)</u>
<b>Net current assets</b>		4,885	5,092
<b>Total assets less current liabilities</b>		<u>6,756</u>	<u>7,001</u>
<b>Creditors: amounts falling due after more than one year</b>	14	(725)	(748)
<b>Net assets</b>		<u>6,031</u>	<u>6,253</u>
<b>Fund balances</b>			
<b>Endowment funds:</b>	15	66	67
(including investment revaluation reserve of £37,707 (2017:£38,705))			
<b>Restricted income funds</b>	15	489	456
(including investment revaluation reserve of £42,594 (2017:£44,340))			
<b>Unrestricted income funds:</b>			
General funds (including revaluation reserve of £547,165 (2017:£571,407))	15	2,369	3,281
<b>Designated funds</b> (including revaluation reserve of £nil (2017:£nil))	15	3,107	2,449
		<u>6,031</u>	<u>6,253</u>

The notes on pages 23 to 36 form part of these financial statements.

These financial statements were approved by the board of directors and were signed on its behalf on 17 June 2019 by:



**The Venerable Michael Everitt**  
Chair of the Board of Education

The Blackburn Diocesan Board of Education is a company limited by guarantee registered in England and Wales (no 557954)

# The Blackburn Diocesan Board of Education

Annual Report and Financial Statements  
For the year ended 31 December 2018

## CASH FLOW STATEMENT

for the year ended 31 December 2018

	2018 £000	2017 £000
<b>Cash (outflow)/ inflow from operating activities</b>		
Net (expenditure)/income	(222)	530
Net losses/(gains) on investments	27	(90)
Depreciation	24	26
Dividends and interest income	(167)	(176)
Decrease in stock	-	4
(Increase)/Decrease in debtors current assets	559	(88)
Decrease in debtors long term assets	(243)	90
Decrease in creditors current liabilities	(17)	(297)
Increase/(Decrease) in creditors long term liabilities	(23)	(11)
Net cash (outflow)	(62)	(12)
<b>Cash from investing activities</b>		
Dividends and interest income	167	176
Purchase of tangible fixed assets	(12)	(7)
	155	169
<b>(Decrease)/Increase in cash in the year</b>	93	157
Cash and cash equivalents at the beginning of the year	8,513	8,356
Cash and cash equivalents at the end of the year	8,605	8,513
<b>Analysis of cash and cash equivalents</b>		
	2018 £000	2017 £000
Cash on deposit	4,857	4,686
Cash at bank and in hand	3,748	3,827
	8,605	8,513

## NOTES TO THE FINANCIAL STATEMENTS

(forming part of the financial statements)

### 1 Accounting policies

#### *Basis of preparation*

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included on a market value basis, and in accordance with the Statement of Recommended Practice for Charities (SORP 2015), the Companies Act 2006 and applicable accounting standards (FRS102).

The charitable company manages its activities in line with income received. As a consequence, the Trustees believe the charitable company is well placed to successfully manage its risks. After making enquiries, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Trustee's report and financial statements. The Trustees believe that the charitable company is a public benefit entity.

The principal accounting policies and estimation techniques are as follows.

#### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and the assumptions used in determining the value of the pension scheme deficit and are discussed below.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

#### **Fixed assets and depreciation**

Assets with a value in excess of £500 are capitalised. 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:

Freehold property	2% per annum
Re-modelling	3.33% per annum
Computers	25% per annum
Fixtures and fittings	5 - 10% per annum
Office equipment	25% per annum

The charitable company will perform annual impairment testing of assets on which depreciation is not provided in accordance with FRS 102 to determine whether residual disposal values of these assets in aggregate continue to exceed carrying value.

#### **Fixed asset investments**

Fixed asset investments are included in the balance sheet at market value and the gain or loss taken to the Statement of Financial Activities.

#### **Stocks**

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

#### **Debtors**

Debtors are stated at amounts receivable less any provision for uncertain recoverability.

#### **Deferred Payment Arrangements**

Deferred Payment Arrangements are agreements to defer payment of the governors' liabilities on buildings projects under the Barchester Scheme.

## **The Blackburn Diocesan Board of Education**

Annual Report and Financial Statements  
For the year ended 31 December 2018

---

### ***Creditors***

Creditors are stated at amounts payable.

### **Income:**

#### ***Grants received and donations***

All grants and donations are recorded as income when receivable. Where grants have conditions relating to future accounting periods they are treated as deferred income and recognised in those accounting periods. Other donations are recorded as income when receivable.

#### ***Fees and Chaplaincy income***

Fees received are recognised on an accruals basis in the period to which they relate.

#### ***Service level agreement income***

From April 1999 schools have been invoiced for the support services provided by the Board of Education. Prior to this school support contributions were voluntary. Income is recognised on an accruals basis.

#### ***Arrangement fee income***

From 2009 arrangement fees are payable on loans arranged for schools by the Board of Education. The arrangement fee is deferred over the life of the loan.

#### ***Investment income***

Interest and dividends are recognised on an accruals basis.

#### ***Grant from Blackburn Diocesan Board of Finance***

The annual grant is agreed in advance by the Blackburn Diocesan Board of Finance Limited as agreed by the Diocesan Synod. A grant of service is provided in addition to cash for the provision of finance.

### **Expenditure:**

#### ***Grants payable***

Grants payable are debited to expenditure when the charitable company has a constructive obligation to pay.

#### ***Barchester Scheme Building work***

The Board of Education has traditionally been involved in helping voluntary aided church school governing bodies with projects involving major funding streams from the Department for Education (DfE). This entails paying contractors' and professional fee invoices on behalf of the governing body concerned, claiming the appropriate grant (90%) from the DfE, and collecting the governors' (and sometimes the local authority) contributions. The Board might also have agreed deferred payments arrangements to the governors (10%) to such projects. The gross turnover of such activity can amount to considerable sums, where a major new build is concerned.

The payment of such invoices is not accounted for as expenditure of the Board. Normally, the Board has received grant funding or the governors' contribution in advance, but where this is not the case it is shown as the making of short term cash-flow deferred payments for the governing bodies concerned. These are repaid when the appropriate DfE grant and governors' contributions are received. Essentially the Board is acting as the agent of the appropriate governing body in these transactions.

The Board also acts as an agent with DfE arrangements for making 'voluntary aided school annual devolved formula capital grants' available to schools in advance of project spend or approval.

During 2018 the total expenditure was £5,412,043 (2017: £5,858,553). This expenditure has not been recognised in the financial statements of the company in line with FRS 102.23.4.

### ***Cost of Activities***

The cost of running each department of the Board is recognised on an accruals basis.

#### ***Governance and support costs***

Governance costs consist of the audit fee and the cost of preparing the accounts.

Board of Education administration support costs are recognised on an accruals basis. Support costs are apportioned on a basis consistent with the use of resources.



## **The Blackburn Diocesan Board of Education**

Annual Report and Financial Statements  
For the year ended 31 December 2018

---

### ***Taxation***

The Blackburn Diocesan Board of Education Limited (by guarantee) is considered to pass the tests set out in paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### ***Pensions***

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in independently administered funds. The amount charged in the statement of financial activities represents the contributions payable to the scheme in respect of the accounting period.

Some of the charitable company's staff are members of the Church Workers Pension Fund. The costs charged as expenditure represent the charitable company's contributions payable in respect of the accounting period, in accordance with FRS102.

Four employees are members of the Church of England Funded Pension Scheme. At 31 December 2018 the Board of Education is responsible for its own liabilities on this scheme and as such the liability is held on the balance sheet.

### ***Fund accounting***

Funds held by the charitable company are either:

*Unrestricted general funds* – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

*Designated funds* – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

*Restricted funds* – these are funds that can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

### ***Endowment funds***

This is capital, held in perpetuity to create income for specified purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Where a grant or donation is received to fund a capital item or where an asset is donated, if there is an obligation relating to the future use or retention of the relevant asset, the balance relating to that asset is held within restricted funds as long as that restriction exists. Where there is no such restriction, the income relating to the purchase of capital items is transferred to unrestricted funds in the Statement of Financial Activities.

### ***Realised gains on schools***

Realised gains on schools represent amounts which accrue to the Board of Education from the sale of church schools' land or buildings and which have been received in the period.

### ***Unrealised gains / losses on investments***

Unrealised gains and losses on investments represent the aggregate change in market value of investments since the previous balance sheet date.

### ***Realised gains / losses on investments***

Realised gains or losses on investments relate to actual gains or losses arising in the period on disposal.

## **2 Remuneration of trustees**

No trustee has received remuneration from the Board of Education during the year (2017: £nil).

Expenses reimbursed to trustees during the year amounted to £nil (2017: £nil).

## The Blackburn Diocesan Board of Education

### Annual Report and Financial Statements For the year ended 31 December 2018

#### 3 Staff numbers and costs

The average number of people employed during the year was 22 (2017: 25).

The average number of full-time equivalent persons employed by the charitable company during the year, analysed by category, was as follows:

	Number of employees	
	2018	2017
Director of Education	1	1
Deputy and Assistant Directors	1	1
Principal Schools Adviser	2	2
Schools Improvement Officers	1	1
Youth and Children's Chaplains/ Officers	7	10
Administration and Secretarial	10	10
	<u>22</u>	<u>25</u>

The aggregate payroll costs of these employees were as follows:

	2018	2017
	£000	£000
Wages and salaries	627	688
Social security costs	58	64
Other pension costs	66	56
	<u>751</u>	<u>808</u>

During the year one employee received a salary in excess of £60,000, in the band £60,000 to £70,000 (2017: one). Pension contributions in respect of these employees was £6,666 (2017: £6,543).

#### Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the charitable company. During 2018 they were:

Chief Executive officer	Stephen Whittaker
Deputy Director	Samuel Johnson

Remuneration, pensions and expenses for these employees amounted to £155,148 (2017: £83,717).

In addition to the above 22 employees (2017: 25) the charitable company met some or all of the payroll costs of the following people who worked for the charitable company during the year but were paid by the Church Commissioners.

	Number of persons	
	2018	2017
University/FE Chaplains	1	1
	<u>1</u>	<u>1</u>

The total payroll costs during the year met by the charitable company and related to these non-employees amounted to £45,273 (2017: £44,517).

#### Pension schemes

##### Group Personal Pension Plan

The Blackburn Diocesan Board of Education participates in a defined contribution pension scheme. The assets of the pension scheme are held separately from those of the Blackburn Diocesan Board of Education in an independently administered fund. The pension cost charge for the year represents contributions payable by the Blackburn Diocesan Board of Education to the fund.

The Blackburn Diocesan Board of Education participates in the Defined Benefits Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

## The Blackburn Diocesan Board of Education

Annual Report and Financial Statements  
For the year ended 31 December 2018

### Defined Benefits Scheme

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

For funding purposes, DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2018: £20,697 2017: £19,400) plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total charge of £20,697 for 2018 (2017: £19,400).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of DBS is carried out once every three years. The most recent was carried out as at 31 December 2016. In this valuation, the Life Risk Section was shown to be in deficit by £2.6m and £2.6m was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in DBS was £26.2m.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 41.2% of pensionable salary and expenses of £2,900 per year.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

	2018 £000	2017 £000
Balance sheet liability at 1 January	-	-
Deficit contribution paid	(46,822)	-
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SoFA)	46,822	-
Balance sheet liability at 31 December	-	-

\* Comprises change in agreed deficit recovery plan and change in discount rate between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	December 2018 £000	December 2017 £000	December 2016 £000
Discount rate	0.00%	0.00%	0.00%

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities. The next valuation of the scheme is being carried out as at December 2019.

## The Blackburn Diocesan Board of Education

Annual Report and Financial Statements  
For the year ended 31 December 2018

---

### Church of England Funded Pension Scheme (CEFPS)

Blackburn Diocesan Board of Education participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2018: £73,264, 2017: £72,639), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £73,264 for 2018 (2017: £72,639).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2015. A valuation at 31 December 2018 is currently under way, but the results of this are yet to be determined. The 2015 valuation revealed a deficit of £236m, based on assets of £1,308m and a funding target of £1,544m, assessed using the following assumptions:

- An investment strategy of:
- for investments backing liabilities for pensions in payment, an allocation to gilts of 33% from the valuation date until 31 December 2019 and thereafter increasing linearly to 70% by 31 December 2030 (with the remainder in return-seeking assets); and
- a 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- Investment returns equivalent to 2.6% p.a. on gilts and 4.6% p.a. on return-seeking assets;
- RPI inflation of 3.2% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% p.a.;
- Mortality in accordance with 80% of the S2NMA and S2NFA tables, with allowance for improvements in mortality rates in line with the CMI 2015 core projections with a long-term annual rate of improvement of 1.5%.

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the deficit repair contributions payable (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2016 to December 2017	January 2018 to December 2025
Deficit repair contributions	14.1%	11.9%

The deficit recovery contributions under the recovery plan in force as at 31 December 2016, 31 December 2017 and 31 December 2018 were as set out in the above table.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2017 and over 2018 is set out in the table below.

# The Blackburn Diocesan Board of Education

Annual Report and Financial Statements  
For the year ended 31 December 2018

	2018 £000	2017 £000
Balance sheet liability at 1 January	88	101
Deficit contribution paid	(11)	(13)
Interest cost (recognised in SoFA)	1	1
Remaining change to the balance sheet liability* (recognised in SoFA)	-	(1)
Balance sheet liability at 31 December	<u>78</u>	<u>88</u>

\* Comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2018 £000	December 2017 £000	December 2016 £000
Discount rate	2.1%	1.4%	1.5%
Price inflation	3.1%	3.0%	3.1%
Increase to total pensionable payroll	1.6%	1.5%	1.6%

The legal structure of the scheme is such that if another Responsible Body fails, Blackburn Diocesan Board of Education could become responsible for paying a share of that Responsible Body's pension liabilities.

## 4 Analysis of Income

	2018 £000	2017 £000
<b>Donations and legacies</b>		
Donations	11	11
Diocesan Board of Finance General Funds	400	422
Diocesan Board of Finance Restricted Funds	-	-
External organisations	23	8
	<u>434</u>	<u>441</u>
<b>Income from charitable activities</b>		
Fees and Chaplaincy income	94	144
Sale of publications and courses	135	131
Service level agreements	279	263
Consultancy work	-	1
Supporting Church of England academies	4	14
Rent	28	18
	<u>540</u>	<u>571</u>
<b>Other trading activities</b>		
DBE Services Fees	2	2
<b>Investment income</b>		
DBE Services gift-aid donation (17% owned)	74	86
Dividends	59	63
Interest	40	27
	<u>173</u>	<u>176</u>

# The Blackburn Diocesan Board of Education

Annual Report and Financial Statements  
For the year ended 31 December 2018

## 5 Fund Raising Costs

	Activities undertaken directly £000	Grant funding of activities £000	Support costs £000	Total 2018 £000	Total 2017 £000
Generating voluntary income	7	-	2	9	12
Fundraising trading	2	-	-	2	2
<b>Total Fund-Raising Costs</b>	<b>9</b>	<b>-</b>	<b>2</b>	<b>11</b>	<b>14</b>

## 6 Charitable Activities

Activity or Programme	Activities undertaken directly £000	Grant funding of activities £000	Support costs £000	Total 2018 £000	Total 2017 £000
Cost of charitable activities:					
School and governor support	355	-	106	461	448
Higher and further education	134	1	40	175	171
Children's work	71	-	21	92	106
Resource centre	-	-	-	-	5
Youth work	229	-	68	297	357
Youth work - designated	-	-	-	-	2
Schools work - designated	-	57	-	57	-
School buildings support	155	2	46	203	92
Debt provision Bretherton	-	-	-	-	16
Debt provisions *	-	-	-	-	(460)
<b>Charitable activities subtotal</b>	<b>944</b>	<b>60</b>	<b>281</b>	<b>1,285</b>	<b>737</b>

\* During the year there was a release of a bad debt provision regarding an old school site.

## 7 Net expenditure for the year

	2018 £000	2017 £000
These are stated after charging:		
Auditors remuneration	7	10
<b>Total</b>	<b>7</b>	<b>10</b>

## 8 Realised gains on schools

There are 190 Church of England Schools in the Diocese of Blackburn (2017: 190 schools). The Church of England Primary School at Out Rawcliffe was closed in July 2013 and the Board is currently in the process of establishing the exact terms regarding closure and use of the sale proceeds of the original Trust Deed. If this is not available, the Board will follow due process in establishing how the proceeds from the sale of the school should be used or distributed. During 2016 £298,960 was received regarding this school and is currently being held as a liability on the balance sheet. Should any other diocesan schools be closed, and the premises be sold, then the Diocesan Board of Education would normally have a claim on some or all of the proceeds.

# The Blackburn Diocesan Board of Education

Annual Report and Financial Statements  
For the year ended 31 December 2018

## 9 Tangible fixed assets

	Buildings £000	Fixtures, fittings and other equipment £000	Total £000
<b>Cost</b>			
At beginning of year	580	83	663
Additions	10	3	13
At end of year	590	86	676
<b>Depreciation</b>			
At beginning of year	32	44	76
Charge for year	15	9	24
At end of year	47	53	100
<b>Net book value</b>			
At 31 December 2018	543	33	576
At 31 December 2017	548	39	587

## 10 Investments

Unlisted securities  
Central Board of Finance  
Church of England

	Investment Fund £000	Fixed interest securities fund £000	Total UK investments £000
Market valuation			
At 31 December 2017	1,070	252	1,322
Decrease in market value	(3)	(24)	(27)
At 31 December 2018	1,067	228	1,295
Historic cost	445	224	669

Included within Total UK Investments is a 17% holding in DBE Services Limited, a non-listed company and a related party. The Board of Education holds 12 shares in DBE Services Limited valued at £12 (2017: £12).

## 11 Stocks

	2018 £000	2017 £000
Books and materials	-	-

# The Blackburn Diocesan Board of Education

Annual Report and Financial Statements  
For the year ended 31 December 2018

## 12 Debtors

	2018 £000	2017 £000
<b>Amounts receivable within one year</b>		
Deferred payments on school building projects	11	99
Deferred Payment Arrangements	36	89
Other debtors	114	432
Loans	1	1
Prepayments	30	47
Accrued income	30	74
Amounts due from Diocesan Board of Finance	22	56
Amounts due from DBE Services Limited	-	5
	<hr/>	<hr/>
Debtors: amounts receivable within one year	244	803
	<hr/>	<hr/>
<b>Amounts receivable after more than one year</b>		
Deferred Payment Arrangements	213	289
Loans	15	16
Amount owed from related party (Cidari)	320	-
	<hr/>	<hr/>
Debtors: amounts receivable after more than one year	548	305
	<hr/>	<hr/>

	Instalments due in one year		Instalments payable due in two and five years		Instalments due in five years or more		Total	
	2018 £000	2017 £000	2018 £000	2017 £000	2018 £000	2017 £000	2018 £000	2017 £000
Deferred Payment Arrangements	36	89	169	179	44	110	249	378
Loans	1	1	4	4	11	12	16	17
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	37	90	173	183	55	122	265	395
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

## 13 Deposits and cash at bank and in hand

	2018 £000	2017 £000
Bank (Current Account and Deposits)	3,748	3,827
Deposits with Central Board of Finance Church of England	4,857	4,686
	<hr/>	<hr/>
	8,605	8,513
	<hr/>	<hr/>



# The Blackburn Diocesan Board of Education

Annual Report and Financial Statements  
For the year ended 31 December 2018

## 14 Creditors

	2018 £000	2017 £000
<b>Amounts falling due within one year</b>		
Receipts in advance on behalf of boards of school governors	2,185	2,441
Monies held on behalf of schools in relation to Devolved Formula Capital (DFC)	1,588	1,498
Other creditors	624	436
Accruals	13	28
Deferred income	102	126
<b>Creditors falling due within one year</b>	<b>4,512</b>	<b>4,529</b>
<b>Amounts falling due after more than one year</b>		
Education trust funds	647	644
Deferred income	-	16
Defined benefit pension liability	78	88
<b>Creditors falling due after more than one year</b>	<b>725</b>	<b>748</b>
<b>Deferred Income:</b>		
At beginning of year	142	
Recognised in year	(142)	
Deferred income 2018	102	
<b>At end of year</b>	<b>102</b>	

Deferred income is recognised as follows:

	Recognised in one year		Recognisable between two and five years		Recognisable after five years		Total	
	2018 £000	2017 £000	2018 £000	2017 £000	2018 £000	2017 £000	2018 £000	2017 £000
Deferred income	102	126	-	16	-	-	102	142

## 15 Funds

	Unrestricted		Restricted	Endowment	Total
	General fund £000	Designated fund £000	fund £000	fund £000	£000
At beginning of year	3,281	2,449	456	67	6,253
Surplus/(deficit) of income over expenditure in the year	(127)	(55)	35	-	(147)
Investment gains in the year	(24)	-	(2)	(1)	(27)
Transfers between funds	(713)	713	-	-	-
Actuarial loss on pension scheme	(48)	-	-	-	(48)
<b>At end of year</b>	<b>2,369</b>	<b>3,107</b>	<b>489</b>	<b>66</b>	<b>6,031</b>

# The Blackburn Diocesan Board of Education

## Annual Report and Financial Statements For the year ended 31 December 2018

The General Fund consists of those amounts available for the general purposes of the charitable company.

	At 1 January 2018 £000	Income £000	Expenditure £000	Net investment gains, losses and transfers £000	At 31 December 2018 £000
<b>Designated funds</b>					
Youth and Chaplaincy	208	-	-	(49)	159
Sponsoring academies	400	-	-	-	400
Elmslie Fund	493	2	-	(19)	476
New Opportunity Fund	545	-	(2)	-	543
Priest Hutton School House Fund	78	-	(24)	-	54
Kenwyn Ave Fund	166	-	-	-	166
Church Workers Pension Deficit	80	-	-	(27)	53
Clayton House	38	-	-	(10)	28
Admissions & Appeals	331	-	-	(30)	301
Appointments & Appeals	110	-	-	(10)	100
Vision 2026	-	-	-	400	400
Statutory Governance	-	-	-	219	219
Schools causing concern	-	-	(31)	239	208
	<b>2,449</b>	<b>2</b>	<b>(57)</b>	<b>713</b>	<b>3,107</b>
<b>Restricted funds</b>					
Residential Income Fund	33	1	-	-	34
Education Trust Funds	95	2	(2)	(2)	93
Common Fund	328	14	-	-	342
Other restricted funds	-	20	-	-	20
	<b>456</b>	<b>37</b>	<b>(2)</b>	<b>(2)</b>	<b>489</b>
<b>Endowment funds</b>					
Residential Endowment Fund	67	-	-	(1)	66

The specific purposes for which the designated and restricted funds are to be applied is as follows:

The Youth and Chaplaincy fund - for the support of chaplaincy work.

The Academies fund - to support the sponsoring of academies.

The Elmslie fund is used for the work of the youth chaplain at Blackpool St George CE School.

The New Opportunity Fund - for school buildings support.

Priest Hutton School House – for youth and children's work in churches and schools across the diocese.

Proceeds from Kenwyn Ave fund - for support of Youth Chaplaincy work in the Blackpool area.

The Residential Endowment and Income Fund are used to support Youth Work activities.

The Common Fund was set up by schools make voluntary donations to support capital work in schools.

Church workers pension deficit – designated for use against deficits on the defined benefit pension scheme for some employed staff.

Clayton House – balance of funds designated for the accommodation of the head office to be used for final costs and retention following the purchase of the building.

Admissions, Appointments and Appeals – designated to cover the cost of statutory expenditure for where there is no direct source of income.

Educational Trust Fund – the revaluation reserve on funds held in creditors awaiting final decision on ownership of the investment.

# The Blackburn Diocesan Board of Education

## Annual Report and Financial Statements For the year ended 31 December 2018

Vision 2026 – a designated fund has been created to enable churches and schools to fund initiatives and projects that seek to deliver the objectives of the diocese vision 2026.

Statutory Governance – this fund is to be used to underwrite the Board of Education's statutory duties for governance in schools.

Schools causing concern – schools falling into difficulty often require financial support and assistance this fund will enable the diocese to work in partnership with local authorities to support schools as they seek to improve.

### 16 Share capital

The charitable 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.

### 17 Analysis of net assets between funds

	Tangible fixed assets £000	Investments £000	Net current assets £000	Creditors falling due after more than one year £000	Total £000
Unrestricted Funds	576	1,152	3,826	(78)	5,476
Restricted Fund (restricted)	-	77	1,059	(647)	489
Endowment fund (restricted)	-	66	-	-	66
	<u>576</u>	<u>1,295</u>	<u>4,885</u>	<u>(725)</u>	<u>6,031</u>

### 18 Commitments

At the year-end a storage building was under construction with £25,082 plus vat due to be paid on completion (2017: none).

### 19 Related party transactions

The company is related to Blackburn Diocesan Board of Finance Ltd who provides significant funding by way of a grant. At the year end the balance due from this company was £21,673 (2017: £56,009). Grants received in the year from this company amounted to £400,099 (2017: £422,478) and recharges in the year were £30,405 (2017: £20,670).

The company is related to DBE Services Ltd by virtue of owning 17% of the share capital. There was £7,921 due to DBE Services Ltd (2017: £5,038 due from) at the year end and recharges in the year were £8,926 (2017: £7,120).

The company is related to Cidari Multi-Academy Trust which was set up by both the DBE and DBF to look after Church of England schools converting to academies within the diocese. As at 31 December 2018 £322,108 (2017: £324,786) was due from this company and recharges in the year were £9,780 (2017: £7,900).

### 20 Financial instruments

	2018 £000	2017 £000
Financial assets measured at fair value	<u>1,295</u>	<u>1,322</u>
Financial assets measured at amortised cost	<u>9,415</u>	<u>9,621</u>
Financial liabilities measured at amortised cost	<u>5,255</u>	<u>5,277</u>
Financial liabilities measured at fair value	<u>-</u>	<u>-</u>

# The Blackburn Diocesan Board of Education

Annual Report and Financial Statements  
For the year ended 31 December 2018

## 21 Prior year comparative Statement of Financial Activities

	Unrestricted				2017
	General Fund £000	Designated Fund £000	Restricted Funds £000	Endowment Funds £000	Total £000
<b>Income and endowments from:</b>					
Donations and legacies	430	-	11	-	441
Charitable activities	571	-	-	-	571
Other trading activities	2	-	-	-	2
Investments	172	1	3	-	176
<b>Total</b>	<b>1,175</b>	<b>1</b>	<b>14</b>	<b>1</b>	<b>1,190</b>
<b>Expenditure on:</b>					
Raising funds	14	-	-	-	14
Charitable activities	777	2	(42)	-	737
<b>Total</b>	<b>791</b>	<b>2</b>	<b>(42)</b>	<b>-</b>	<b>751</b>
<b>Net income/(expenditure) before Investment gains</b>	<b>384</b>	<b>(1)</b>	<b>56</b>	<b>-</b>	<b>439</b>
Net gains/(losses) on investments	79	-	5	6	90
<b>Net income/(expenditure)</b>	<b>463</b>	<b>(1)</b>	<b>61</b>	<b>6</b>	<b>529</b>
Transfer between funds	(373)	372	1	-	-
Actuarial (losses) on defined benefit pension schemes	1	-	-	-	1
<b>Net movement in funds</b>	<b>91</b>	<b>371</b>	<b>62</b>	<b>6</b>	<b>530</b>
<b>Total funds brought forward</b>	<b>3,190</b>	<b>2,078</b>	<b>394</b>	<b>61</b>	<b>5,723</b>
<b>Total funds carried forward</b>	<b>3,281</b>	<b>2,449</b>	<b>456</b>	<b>67</b>	<b>6,253</b>