



Established in 1839

LONDON DIOCESAN BOARD FOR SCHOOLS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

Company Limited by Guarantee
incorporated on 22 May 1924
Company Number: 00198131

LONDON DIOCESAN BOARD FOR SCHOOLS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

Company registration number:	00198131
Country of incorporation:	England
Charity registration number:	313000
Registered office:	London Diocesan House 36 Causton Street London SW1P 4AU
Secretary:	I R M Woolf
Bankers:	Barclays Bank plc Charities & Education Team Level 27 1 Churchill Place London E14 5HP
Solicitors:	Winckworth Sherwood LLP Minerva House, 5 Montague Close, London SE1 9BB
Independent Auditor:	Grant Thornton UK LLP Registered Auditors Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP
Investment managers: (except directly held property)	CCLA Investment Management Ltd The CBF Church of England Funds 85 Queen Victoria Street London EC4V 4ET M&G Securities Limited Laurence Pountney Hill London EC4R 0HH

The CBF funds are collective investment schemes regulated by the Church Funds Investment Measure 1958, as amended by the Church of England (Miscellaneous Provisions) Measure 1995 and the Trustee Act 2000. The CBF has delegated to CCLA Investment Management Limited, which is regulated by the Financial Services Authority, the investment management, administration and registration of the funds.

M&G Securities Limited is the managing agent for Charities Investment Managers Limited - both companies are regulated by the Financial Services Authority.

LONDON DIOCESAN BOARD FOR SCHOOLS

ANNUAL REPORT

As provided for in Statement of Recommended Practice, Accounting and Reporting by Charities (2015), the Directors have combined their Annual Charity Report with the statutory report required for companies. The report also provides information required by the Charity Commission to be included in the annual Summary Information Return.

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LONDON DIOCESAN BOARD FOR SCHOOLS

MEMBERS OF THE LONDON DIOCESAN BOARD FOR SCHOOLS

All members are directors for the purposes of the Companies Act 2006 and are trustees under charity law.

President: The Bishop of London

Chairman: The Venerable Stephan Welch, Archdeacon of Middlesex until 31 December 2015
The Venerable Luke Miller, Archdeacon of London from 1 January 2016

Elected by the Deanery Synods of the Diocese of London

		<i>Date appointed, if after 1 April 2015</i>	<i>Previous member, if applicable</i>	<i>Date resigned</i>
Brent	Carole Bevis-Smith			
Central Barnet	Sylvia Duthie			
Chelsea	Helen Morgan Edwards			
City	Ann George			
Ealing	Kate Henry	01/01/2016	John Wilson	31/12/2015
East Haringey	Revd Simon Clark	01/01/2016	Karl Murray	31/12/2015
Enfield	Revd Stephen Taylor	01/01/2016	Margarita Barr-Hamilton	31/12/2015
Hackney	Sonia George	01/01/2016	vacancy	
Hammersmith & Fulham	Richard Walton	01/01/2016	Robert Ashdown	31/12/2015
Hampton	Malcolm Eady			
Harrow	Mark Dunning			
Hillingdon	Revd Desmond Banister			
Hounslow	Simon Surtees	01/01/2016	Jan Tellick	31/12/2015
Islington	Richard Nicholson			
Kensington	Eliza Low			
North Camden	Revd Andrew Foreshow-Cain	01/01/2016	Peter Ginnings	31/12/2015
South Camden	Revd Christopher Smith			
Spelthorne	Revd Stuart King	01/01/2016	Doris Neville-Davies	31/12/2015
Tower Hamlets	Revd Trevor Critchlow	01/01/2016	Tracy Miller	31/12/2015
West Barnet	Hannah Mason	01/01/2016	vacancy	
West Haringey	Mary Embleton			
Westminster (Paddington)	Revd David Ackerman	01/01/2016	Helen Everett	07/09/2015
Westminster (St Margaret's)	David Richards			
Westminster (St Marylebone)	Ianthe McWilliams	01/01/2016	vacancy	

Representatives of the London Diocesan Headteachers Council

Headteacher	Sally Moore	01/01/2016	Ann Townshend	31/12/2015
Headteacher	Raymond Prentice	01/01/2016	Stuart Campbell	31/12/2015
Headteacher	Lynn Trigg			
Headteacher	vacancy			

Representative of London Diocesan Fund Finance Committee

Roger Dean

Co-options

Bishop of London Appointee	Mary Findlow	01/01/2016	Revd Simon Grigg	31/12/2015
Bishop of London Appointee	Revd Preb Guy Pope			

LONDON DIOCESAN BOARD FOR SCHOOLS

TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2016

OVERVIEW

- ✚ There are 156 Church of England maintained schools in the Diocese of London
- ✚ In the last 10 years the number of school places has been expanded by 25% through opening 6 primary schools and 5 secondary schools and expanding 13 primary and 8 secondary schools
- ✚ These 156 schools educate 56,000 pupils
- ✚ St Martin's CofE Primary School, West Drayton opened in September 2015
- ✚ Wren Academy & Ark Burlington Danes Academy opened primary departments in September 2015
- ✚ 90% of secondary schools rated good or outstanding
- ✚ 90% of primary schools rated good or outstanding, an improvement from 87% a year ago
- ✚ LDBS is sponsoring a CofE bilingual primary school which opens in Harrow in September 2016
- ✚ Three new secondary schools are to be opened by 2019 providing site issues can be resolved
- ✚ Religious education and collective worship is good or outstanding in 97% of schools

The London Diocesan Board for Schools (LDBS) is a registered charity (charity number: 313000) and was incorporated as a company limited by guarantee in 1924. It is governed by the Diocesan Board of Education Measure 1991, the London Diocesan Board of Education Order 1993 and the Articles and Memorandum of Association. Although the LDBS is a separate charity, it is an integral part of the Diocese of London fulfilling the statutory duties placed on the Diocese in respect of children's education.

The charity's main objects and functions are to:

- (a) Promote or assist in the promotion of education in the Diocese of London, being education which is consistent with the faith and practice of the Church of England;
- (b) Promote or assist in the promotion of religious education and religious worship in schools in the Diocese of London;
- (c) 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;
- (d) Promote co-operation between the Board and bodies or persons concerned in any respect with education in the Diocese;
- (e) Promote the establishment and efficiency of schools and colleges;
- (f) Make grants and loans in aid of building, enlarging or improving school buildings;
- (g) Meet in other ways as may be determined, the necessities of schools.

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The London Diocesan Fund and Deanery Synods elect the majority of members of LDBS for a three-year term. All members of LDBS are directors of the company and trustees of the charity and their liability is limited to £1 in the event of the winding up of the company.

Management of the Charity

Day to day management of the Charity is delegated to:

The Chief Executive: Inigo Woolf and the Director, School Support Services: Liz Wolverson

Matters of an urgent nature which cannot wait for consideration by the Board are referred to the Executive & Finance or the Education Committees as appropriate. These arrangements ensure that the Board is able to respond to opportunities in a timely manner.

Key Priorities

The LDBS wants to provide a school place for every child who wants to attend a Church of England School in the Diocese of London

- ✚ To meet demand we aim to create new schools and expand existing ones
- ✚ We support schools to recruit and train teachers
- ✚ We support schools to achieve high standards
- ✚ We provide training and support in order to improve the teaching of RE

The Diocese is committed to supporting local communities through parishes and the LDBS's strategy embraces supporting community and free schools as well as Church of England schools

- ✚ This strengthens relationships between schools and parishes throughout the Diocese and
- ✚ Demonstrates a visible Christian ethos in all that we do

LONDON DIOCESAN BOARD FOR SCHOOLS

TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2016

STRATEGIC REPORT

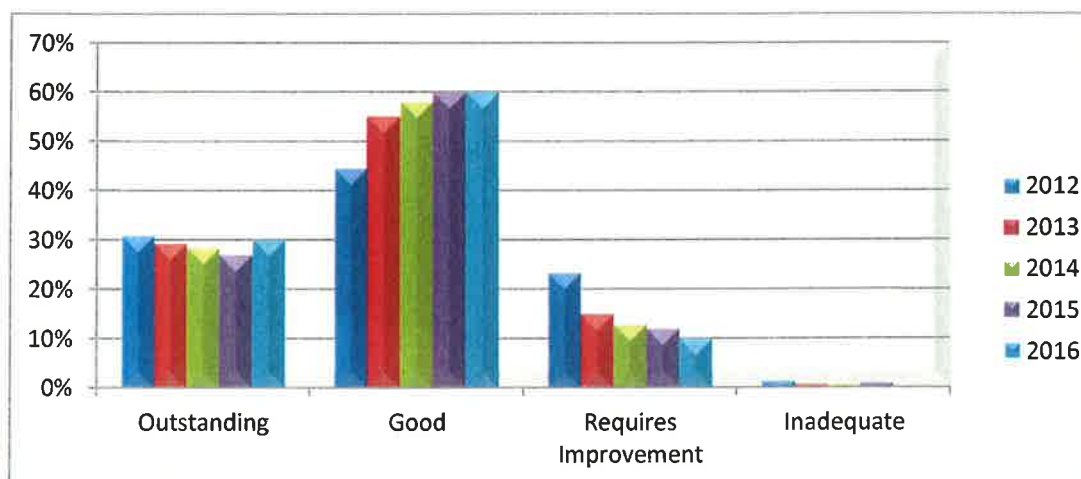
Excellence in Education

The LDBS provides a comprehensive support service to schools through its core support service subscription scheme and through tailored packages provided by the trading subsidiary, Grow Education Partners Ltd.

The support is provided by a small team of advisers supplemented by four serving headteachers who have been willing to allocate time to supporting the LDBS family of schools. One of these headteachers became a full time adviser from January 2016.

The LDBS monitors the progress of all schools which are either Church of England schools in the Diocese of London or are affiliated to the Board. Our regular monitoring identifies schools where there may be concerns and advisers encourage schools and their governing bodies to take appropriate action.

✝ Ofsted grades for LDBS schools at March 2016



Ofsted continues to tighten the criteria for the categories and it is pleasing that the percentage of schools which are good or outstanding continues to improve. In the past year the number of good/outstanding schools has increased from 87% to 90% of the 149 schools which have been open long enough to be inspected. 30% of our schools are judged to be outstanding compared to the national average of 20%.

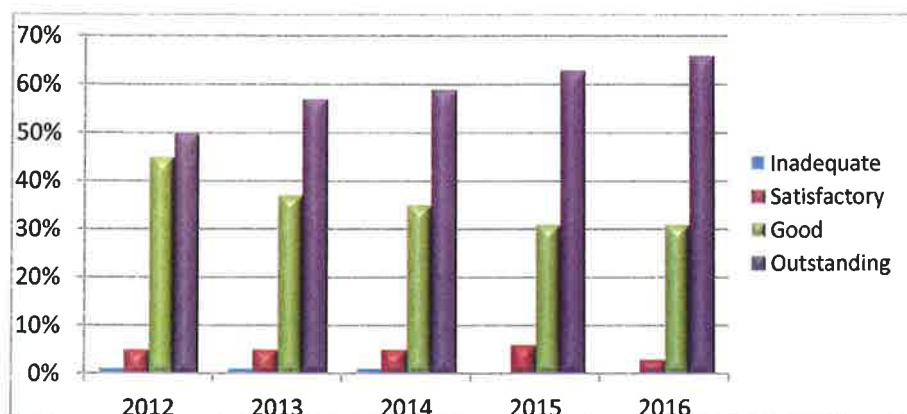
At the year-end no schools were graded inadequate; last year two voluntary aided schools were judged to be inadequate. One school has regained its outstanding grading and the other school ceased to have an Ofsted rating when it closed and reopened as a constituent of the LDBS Academies Trust.

✝ Statutory Inspections of Anglican & Methodist Schools

Standards have continued to improve and during the year the number of schools which are not yet good or outstanding was reduced from nine to four.

LONDON DIOCESAN BOARD FOR SCHOOLS

TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2016

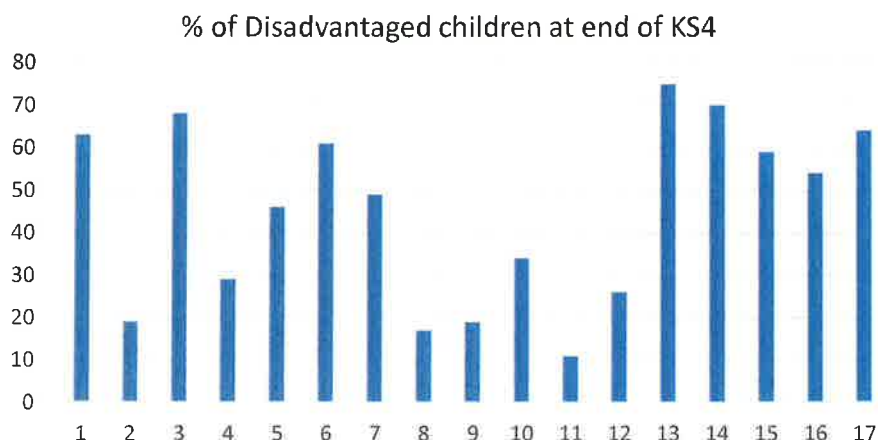


✚ Working with disadvantaged children

Across the LDBS family of schools 38% of primary school pupils and 39% of secondary age pupils have English as an Additional Language (EAL) against a national average of 19%.

The DfE makes available additional funding for disadvantaged children - 36% of Year 6 pupils in LDBS schools benefited rising to 45% of year 11 pupils taking their GCSEs in summer 2015.

The distribution of pupil premium across seventeen secondary schools with Year 11 pupils shows 75% are above the national average.

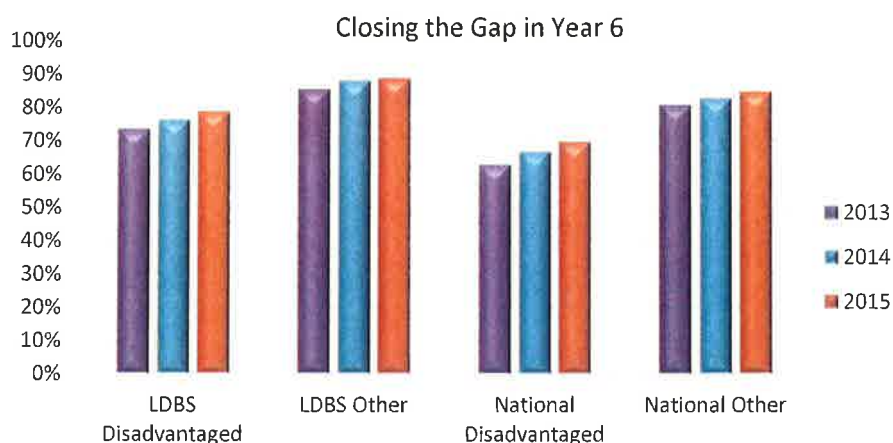


57% of disadvantaged pupils achieved 5 A*-C including English and Maths as against 74% achieved by other pupils giving an overall average of 67%.

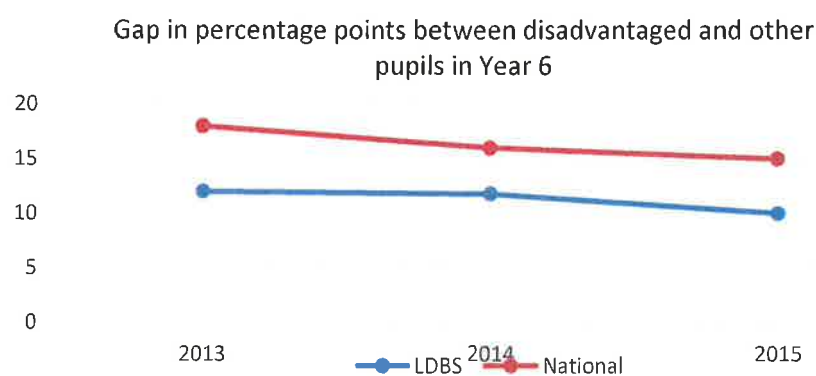
At Key Stage 2 79% of disadvantaged primary pupils achieved Level 4 or above in English, reading and maths against a national average of 70%. 19% of disadvantaged pupils achieved Level 5 six points better than the national average.

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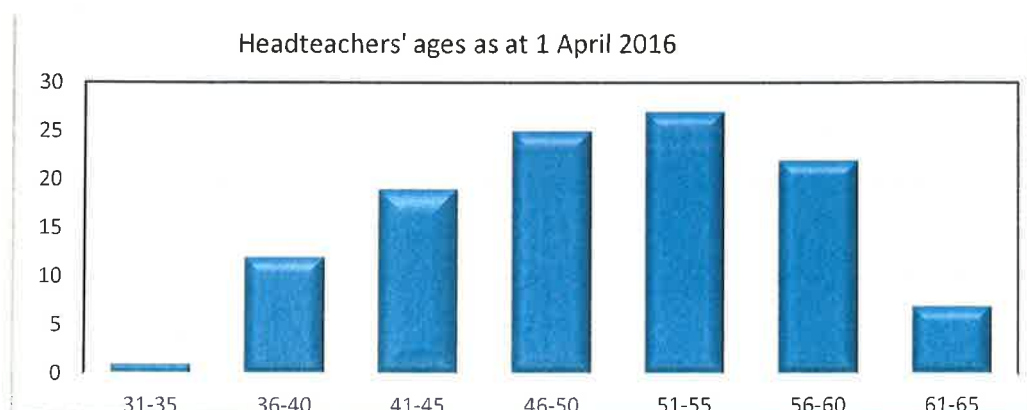


The gap in performance between disadvantaged and other pupils is closing gradually



† School leadership

There have been a large number of headteacher appointments in the last two years and interestingly the mean average age has remained in the narrow range of 49 to 50 for the past 5 years with a consistent distribution of ages apart from the over sixties halving in number.



60% of senior leadership appointments are filled internally.

LONDON DIOCESAN BOARD FOR SCHOOLS

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✚ Support for Schools

- ✚ Grow Education Partners Limited is the trading subsidiary of the LDBS which provides specific packages of support for schools seeking to progress on their journey to become outstanding schools. Grow Education Partners counts a growing number of community schools among its clients who value the support given by LDBS advisers and consultants.
- ✚ Grow Education Partners Limited also provide Personnel and HR support to a number of schools.
- ✚ The LDBS has three part time advisers who focus on improving standards in the teaching of religious education and collective worship; the workload of the advisers has been increasing with an increasing number of community schools seeking support and Church School teachers seeking to deepen their knowledge.
- ✚ The LDBS has been supporting a School Centred Initial Teacher Training Course (SCITT) for primary school teachers since 1999 and following the introduction of the DfE's School Direct programme in 2014, most of the 100 trainees are now being sponsored by schools. The Course has capacity for training up to 200 trainees and it is disappointing that too many potential trainees failed to pass the rigorous selection interviews.

✚ LDBS Governor Support Programme:

- ✚ Good governance of a School is essential if the School is to become Good or Outstanding. The LDBS is responsible for finding two governors for almost every Church of England School in the Diocese and this takes up a considerable amount of time and effort now that more governors are interviewed before appointment and careful attention is given to the particular skills requested by schools.
- ✚ The LDBS continues to provide a specialist part-time adviser who trains governors at Causton Street or in schools.
- ✚ The LDBS is also providing a clerking service for a number of schools.

✚ Good quality school buildings

The LDBS has operated for over 50 years a pooled scheme for the maintenance of buildings for Voluntary Aided schools. There is an annual condition survey prepared for each school which enables maintenance projects to be prioritised and ensures grant aid, made available by the Education Funding Agency, is used effectively.

Voluntary Aided schools have to contribute 10% towards repairs and schools pay £27 per pupil per year to ensure that repairs are undertaken when needed and not when schools have made their 10% contributions. The scheme is well funded with minimal arrears. Overall LDBS schools are maintained to a higher than average standard.

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Academies do not have to provide 10% capital contributions for their maintenance programmes and instead must participate in an annual bidding round initiated by the Education Funding Agency. The attention to detail in preparing bids is important and LDBS has assisted a number of academies.

White Paper 'Educational Excellence Everywhere'

- ✚ On 17 March 2016 the Secretary of State launched a White Paper which sets out a significant number of changes; these include the way teachers gain their qualifications, fairer funding of schools and the abolition of schools maintained by local authorities. It is envisaged these changes will be completed within 5 years and there will be a significant impact for the LDBS as a charity.
- ✚ The LDBS will be considering its strategy during 2016/17 in the light of legislation that the DfE will need to promote in Parliament. An initial assessment is that it will increase costs for schools at a time when budgets are constrained and potentially divert resources away from teaching if the DfE does not provide additional funding.
- ✚ The LDBS has been a supporter of academies ever since it opened the first Church of England City Academy in 2002 and thenceforth has used the availability of funds from the DfE to open a number of academies and free schools.
- ✚ With the introduction of the conversion and sponsorship programme after the 2010 General Election, the LDBS took the view that conversion should only take place where there were educational benefits to the pupils and the school was financially sound. LDBS also took the view that multi-academy trusts should grow slowly without overstressing management and finances. The 2016 White Paper on 'Educational Excellence Everywhere' envisages that this programme of conversion will take place over a shorter period of time than previously envisaged.

External impact

✚ General

The LDBS works closely with a large number of organisations and in particular with the Church of England Chief Education Office, The Department for Education, The Education Funding Agency, The National College for School Leadership, three regional schools commissioners and eighteen Local Authorities.

Maintaining a strong reputation as a reliable sponsor of schools has enabled the LDBS not only to win bids for new schools but also to obtain project management roles. Whilst two Education Funding Agency managed building projects fell behind schedule it is pleasing to report that the LDBS has been able to keep on schedule the conversion of an office building into a school for St Jerome's bilingual primary school in Harrow.

LDBS works closely with the London Diocesan Fund on a number of matters whilst always being mindful of the need for the separate charities to manage conflicts of interest. During the year agreement was reached for Holy Trinity School, Tottenham to lease nursery space in the first new Church to be built by the Diocese

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in forty years at Tottenham Hale. The nursery will open in 2017 and provide opportunities for two year olds. The Education Funding Agency also bought the rectory at Norwood Green for St Mary's School which allowed the Rector to move next door to a house which is closer to the Church.

Financial Review

✚ Overall Financial Health

- ✚ Net capital resources declined from £23.2m to £23m mainly as a result of spending £0.3m on refurbishing two trust fund properties.
- ✚ The unrestricted Education Fund was able to generate a surplus of £50k thereby bringing its accumulated surplus up to £527k.
- ✚ The LDBS operates a defined benefit pension scheme which had a surplus of £288k at 31 December 2013 which is not recorded in the financial statements. The next revaluation takes place on 31 December 2016.
- ✚ Cash balances increased from £8.3m to £9.8m now that the Education Funding Agency is pre-paying capital grants and a number of schools continue to deposit funds prior to undertaking building projects.

✚ Key Performance Indicators

The services provided by the Board rely to a large extent on income being received before payment of suppliers. Cash flow is managed actively and daily cash reports are supplemented by regular management accounts and a close monitoring of work in progress on building projects.

✚ Principal Funding Sources

Unrestricted Income LDBS & Grow Education Partners Limited

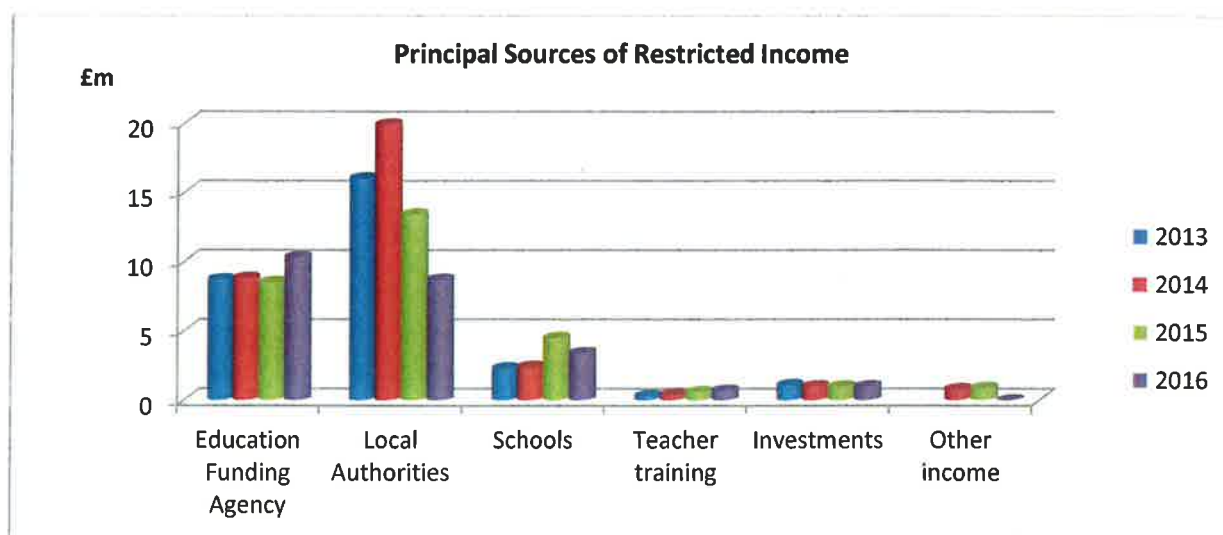
	2016	2015	
	£000's	£000's	change
London Diocesan Fund	509	469	8.50%
Interest income	2	2	0.00%
Subscriptions	500	491	1.80%
Grow Education sales and fees	650	602	8.00%
LDBS sales and fees	30	107	-72.00%
LDBS clerking service	100	80	25.00%
Reimbursement from schools	343	172	99.40%
	2134	1923	
Uniform Schools Trust	300	330	-9.10%
	2,434	2,253	8.00%

- ✚ Whilst the cash grant from the London Diocesan Fund was unchanged there was an increase in the benefit in kind following a notional rent review.

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- ✚ LDBS sales and fees fell 72% partly due to the headteachers' conference taking place every other year and partly because the commission earned on placing job advertisements has dwindled to £3k.
- ✚ Income from the clerking service reflects more realistic pricing of the service.
- ✚ Reimbursement from schools reflects in the main fees earned from setting up new schools, expanding existing schools and providing support to a number of academies.
- ✚ The grant from the Uniform Schools Trust was reduced as it provided additional support to the restricted fund for teacher training.



- ✚ The Education Funding Agency has provided £7.8m in cash towards maintaining the fabric of Voluntary Aided school buildings on the assurance that governing bodies contribute at least 10%; academies have a separate buildings maintenance scheme which is subject to competitive bidding and funds go direct to the academies. In addition £2.5m was received for new free schools at Meridian Angel primary school, Edmonton, St Mary's primary school, Norwood Green, Ealing and St Jerome's Bilingual primary school.
- ✚ The number of school expansions funded by local authorities is reducing and LDBS is only embarking on one expansion project for 2016/17. In the past year Local Authorities provided £8.7m (2015: £13.4m) in grants mainly to support the school places expansion programme at Christ Church Bentinck School, Westminster, St Mary & St John's School, Hendon and St John's School, Clay Hill, Enfield.
- ✚ Schools provided £3.4m of which £1m was provided to fund the 10% maintenance contributions required from Voluntary Aided schools and £2.4m was contributed to school improvement projects.
- ✚ The PGCE Teacher training course fee income increased by 12% to £0.67m reflecting an increase in School Direct places. Investment income remained steady at £1m.

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✚ Expenditure

- ✚ Apart from expenditure on school buildings ,which is reimbursed, the major expense is staff remuneration which rose by 7% to £1.9m of which the pension contributions element increased by 12% as pensions were offered to staff previously on short term contracts.
- ✚ This was the first full year of the teacher training course being located in West Hampstead following the expansion in 2014/15 to take in School Direct trainees. Course delivery costs increased by 18% to reflect the increase in premises costs and higher course validation fees so that all School Direct students could gain the PGCE qualification.
- ✚ A summary of the income and expenditure of each restricted fund and the funds where the LDBS is the sole trustee are set out in notes 14 and 15 of the accompanying financial statements.

✚ Outcomes in respect of priorities for 2015/16

- ✚ We recruited an additional primary school adviser from January 2016 and stepped up usage of part time consultants to support primary schools.
- ✚ Board members assisted in the recruitment of members for the new Board.
- ✚ Successfully tendered for project management roles for two new free schools.
- ✚ Supported two successful bids for new schools.
- ✚ Less successful than planned in attracting trainees to SCITT/School Direct programme.

✚ Priorities for 2016/17

- ✚ Develop plans to support the conversion of schools to academies and the other initiatives outlined in the Government's White Paper 'educational excellence everywhere'.
- ✚ Recruit additional advisers to support the growing family of LDBS schools and affiliated schools and to replace staff retiring during the year.
- ✚ Support the delivery of new schools planned by LDBS sponsored academy trusts.
- ✚ Deliver a new gymnasium for use by Spelthorne Gymnastics and Bishop Wand School.
- ✚ Implement stage one of the management succession plan.

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TRUSTEES' REPORT

Governance

The Board

The LDBS Board, which has a maximum membership of 32, meets at least three times a year to set strategy, budgets and review progress in meeting the objectives it sets. In between meetings the Executive & Finance, Education and Audit committees each meet to consider in greater depth matters relevant to their sphere of expertise. The Board is made up of members nominated or elected by Deanery Synods, the London Diocesan Fund and the LDBS Headteachers Consultative Council as well as appointments by the Bishop of London.

The LDBS appoints a number of governors to each school governing body and to a number of charitable foundations. All such appointments are approved by the Executive & Finance Committee.



Audit Committee

Members: Roger Dean, Mark Dunning, Richard Nicholson

Co-opted: Robert Ashdown



Education Committee

Members: Sylvia Duthie, Ann George, Luke Miller, Sally Moore, Raymond Prentice, Hannah Mason, Andrew Foreshow-Cain, Mary Findlow, Christopher Smith, Simon Surtees



Executive & Finance Committee

Members: Guy Pope, Luke Miller, Lynn Trigg, Sylvia Duthie, Richard Walton, Simon Clark, Mark Dunning, David Richards, Helen Morgan Edwards, David Ackerman



The City & Diocese of London Voluntary Schools Fund Grants Committee

Members: Richard Nicholson, Stephen Taylor, Desmond Banister, Helen Morgan Edwards

Co-opted: Ann Townshend

The LDBS has a wholly owned trading subsidiary, Grow Education Partners Limited, which provides services to primary and secondary schools.

Members' Interests

LDBS is a company limited by guarantee and members may derive no benefit, income or capital interest in the Board's financial affairs other than as reimbursement of out of pocket expenses. Note 3(d) to the Financial Statements, on page 26, sets out the total of expenses, if any, reimbursed to members.

Training and Induction of Trustees

Members of the Board are elected by Deanery Synods or nominated. In most instances members have knowledge of the role of trustee through service either on parochial church councils or on school governing bodies. New members are given an induction pack and bespoke training is provided as and when required. Trustees are encouraged to meet with officers or attend training courses if there is particular knowledge they wish to gain.

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Volunteers

LDBS does not make direct use of volunteers; where a former teacher is invited to assist the LDBS with supporting a school, a consultancy fee is charged either to the school concerned or to the LDBS.

Public Benefit

The trustees of the LDBS have considered the guidance provided by the Charity Commission and believe that the Charity provides identifiable public benefits.

All of the Charity's activities are directed towards the promotion of Christian education and in particular the promotion of Church of England Schools within the Diocese of London.

All of these schools provide free public education and are themselves recognised charitable bodies. 56,000 children and young people are educated in these schools with pupils drawn from a wide variety of backgrounds and faiths with over 25% of pupils drawn from minority ethnic backgrounds. The Church of England attaches great importance to inclusivity and improving cohesion within the local communities in which schools are located and Ofsted inspections show that schools are making a very strong contribution to community cohesion with 90% assessed as good or outstanding.

The account of the Board's activities for the year shows that its resources and staffing are entirely directed towards supporting and developing Church of England schools so that they provide a high quality of education for their pupils. Headteachers, staff and governors of these schools report that they believe the supportive activities of the LDBS are extremely helpful to them in enabling them to manage their schools well. Where a school encounters difficulties or is vulnerable, the LDBS is proactive in supporting that school.

The Board is aware that there is a minority public opinion which believes that the existence of Church Schools, financed in the main by the State, is harmful. The Board does not accept this view.

Relationships with Other Key Charities and Agencies

✠ *Church of England schools in the Diocese of London*

Each voluntary aided school has its own governing body with separate charitable status. The LDBS appoints a minority of the governors to each school's governing body and as such does not consider these schools to be related parties. For multi-academy trusts, each school has either a local governing body or a local academy committee. The LDBS is a member of each academy trust and appoints certain directors but does not exercise control. For the LDBS Academies Trust there are management and director links with LDBS and this Trust is considered to be a related party.

✠ *The Diocese of London*

The LDBS is an independent entity working within the Diocese of London and works closely with parishes and other diocesan organisations.

The London Diocesan Fund (LDF) is the body corporate for the Diocese and as such is a related party to the LDBS. In addition to appointing one member to the Board of Trustees of LDBS, several other members are also members of the LDF or have a close association with the Diocese.

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The LDF makes an annual grant and provides LDBS with accommodation at London Diocesan House. The provision of accommodation and other support for payroll and information technology is treated in the financial statements as a donation in kind. Total support from the Diocese amounted to £509,000 (2015: £469,000).

✠ *Schools and Educational Foundations*

The LDBS is a member of a number of academy trusts and has the right to nominate a minority of trustees to these and other educational foundations; these charities give grants to Church of England schools within specific areas in the Diocese of London and are not considered to be related parties.

Policies

Remuneration Policy

The LDBS employs staff on terms comparable to those on the national teachers' pay scale or the pay scales used in schools for non-teaching staff.

Reserves Policy

The unrestricted Education Fund reserves are held to provide working capital for the activities of LDBS. The trustees review the policy annually and consider that it remains appropriate to hold unrestricted reserves equivalent to between three and six months payroll and administrative costs; it is estimated that a reserve of between £400,000 and £500,000 should be sufficient. During the year ending on 31 March 2016 the unrestricted reserve increased by £51k to £527k.

Investment Policy

The investment policy was reviewed during the year and it was agreed to set a total return target of 7% per annum for investments with approximately 10% of net capital resources held in cash.

The total return on pooled investment funds was 3.8% (2015: 11.8%) with income providing 4.4% and capital depreciation of 0.6%. Property investments produced a gross income yield of 4.6% with no appreciation recorded in the year as the properties were revalued at the beginning of the year. This excludes a property which was transferred from investments to tangible fixed assets in summer 2014.

Internal Controls and Management of Risk

The trustees review the register of risks each year in March. The purpose of the review is to highlight the impact and probability of events and the management action required.

The high cost of housing in London is impacting the recruiting, training and retention of teachers. These high costs have also led to schools losing pupils as families move out of London and with funding allocated on a per pupil basis this impacts school budgets. Even for Schools which are fully subscribed their budgets are under pressure and a number of schools have had to prioritise expenditure and make staff redundant. LDBS is providing advice and non-financial support to schools.

The Audit Committee considers that use of charitable funds to establish an internal audit capability would be disproportionate to the risks of not having such a capability; it is satisfied that the reviews carried out by Management of its financial controls and procedures during the year are appropriate.

LONDON DIOCESAN BOARD FOR SCHOOLS

TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2016

The LDBS relies on the London Diocesan Fund for the provision of information technology support including the provision of servers for accounting, website and communications. Contingency arrangements have been drawn up by the London Diocesan Fund in the event that the Diocesan offices have to be vacated in an emergency. These arrangements have been tested by the Diocese but not by the LDBS.

✚ *Funding and liquidity risks*

LDBS maintains a high level of liquidity so as to be able to pay contractors in accordance with the terms of their building contracts should the Educational Funding Agency, local authorities or school governors fail to provide funding within the appropriate timescale. Discounts are offered to schools to pay contributions early so that a pool of liquidity is built up before the main building season for work during the summer holidays.

In November 2014 The Education Funding Agency changed its funding arrangements with the effect that a greater proportion of funding is received in advance of payments made to contractors. The LDBS works with 18 local authorities; some pay promptly whilst others fail to pay within 30 days which requires short term deposits to be drawn down so that contractual payments are made on time. Consequently there is an active management of surplus balances.

✚ *Banking and Interest rate risks*

LDBS invests surplus monies in short-term variable rate deposits and is thus exposed to counterparty risks; The Central Board of Finance of the Church of England which holds most of the LDBS's surplus funds adopts a conservative policy in this regard.

The LDBS has benefited from taking out, in March 2006, an unsecured 30 year fixed rate £3m loan at 5.46% per annum. Although current short term interest rates are lower, interest payments are covered by rental income. With banks charging higher margins over base rate and arrangement fees for unsecured loans, this source of funding remains competitive in the current interest rate environment.

✚ *Market price risk*

The LDBS invests a portion of its long term capital in pooled investment funds and in property investments. It is recognised that this exposes the LDBS to market price risks and investment decisions are made with a five year time horizon such that realizations in the short term when prices are low would not need to take place.

✚ *Reputational risk*

Good governance and leadership are key attributes for successful schools and LDBS has developed a number of strategies, which the Board keeps under review, to maintain the reputation of the Diocese in operating good/outstanding schools.

✚ *Post Referendum risks*

Following the Referendum on 23 June 2016, there may well be an increase in financial risks to the LDBS and potential changes in demographics which could affect the ability of schools to recruit teachers and pupils.

LONDON DIOCESAN BOARD FOR SCHOOLS

TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2016

Taxation Status

LDBS is a registered charity and as such is able to take advantage of exemptions granted under The Corporation Tax Act 2010. It is not liable to corporation tax on charitable income or income from charitable activities.

Ultimate Undertaking

The accounts accompanying this report have been prepared on the basis that the LDBS is the ultimate undertaking. However attention is drawn to the relationship with the Diocese of London mentioned above.

Trustees' Responsibilities for the Financial Statements

The trustees (who are also directors of London Diocesan Board for Schools for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing these financial statements, the trustees are required to:

- ✦ Select suitable accounting policies and then apply them consistently;
- ✦ Observe the methods and principles in the Charities SORP;
- ✦ Make judgements and estimates that are reasonable and prudent;
- ✦ State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ✦ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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 company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- ✦ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ✦ the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

LONDON DIOCESAN BOARD FOR SCHOOLS

TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2016

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 United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

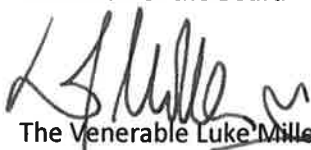
It is the view of the trustees that the company is a going concern as the assets are available and adequate to fulfil the obligations of the charity and that the accompanying financial statements comply with the Companies Act 2006, the Charities Act 2011, and the Charities SORP FRS(102).

Auditor

Grant Thornton UK LLP has expressed willingness to continue in office. In accordance with Section 487(2) of the Companies Act 2006 a resolution to reappoint Grant Thornton UK LLP will be proposed at the Annual General Meeting to be held on 14 July 2016.

The Trustees' Annual Report (including the Strategic Report) was approved by the Board on 14th July 2016

On behalf of the Board



The Venerable Luke Miller, Chairman
London Diocesan Board for Schools
Company number 00198131

Registered Office: 36 Causton Street, London SW1P 4AU

Independent auditor's report to the members of London Diocesan Board for Schools

We have audited the financial statements of The London Diocesan Board for Schools for the year ended 31 March 2016 which comprise the consolidated statement of financial activities (incorporating a consolidated income and expenditure account), the consolidated and charitable company balance sheets, the consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities for the Financial Statements set out on page 16, 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements :

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2016 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report (including the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Grant Thornton UK LLP

Jennifer Brown
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date: 14 JULY 2016

LONDON DIOCESAN BOARD FOR SCHOOLS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Unrestricted Funds 2016 £000's	Restricted Funds 2016 £000's	Endowment Funds 2016 £000's	Total 2016 £000's	Total 2015 £000's
Income from:						
Donations and grants	2a	509	55	-	564	469
Charitable activities	2b	956	23,171	-	24,127	28,440
Other trading activities	5	667	-	-	667	614
Investments	2c	2	1,016	-	1,018	1,026
Other	2d	-	-	-	-	298
Total		2,134	24,242	-	26,376	30,847
Expenditure on:						
Raising funds and investment management		-	(634)	-	(634)	(490)
Commercial trading operations	5	(299)	-	-	(299)	(289)
Charitable activities	3	(2,084)	(23,511)	-	(25,595)	(29,601)
Total		(2,383)	(24,145)	-	(26,528)	(30,380)
Net (losses)/gains on investments		-	(123)	(15)	(138)	7,499
Net income/(expenditure) before transfers		(249)	(26)	(15)	(290)	7,966
Transfers between funds	6	300	(300)	-	-	-
Net income/(expenditure)		51	(326)	(15)	(290)	7,966
Other recognised gains/(losses)						
Change in fair value provision of debtors	10	-	28	-	28	149
Net movement in funds		51	(298)	(15)	(262)	8,115
Reconciliation of Funds						
Fund balances at the beginning of the year		476	21,715	1,045	23,236	15,121
Net movement in funds for year		51	(298)	(15)	(262)	8,115
Fund balances at the end of the year		527	21,417	1,030	22,974	23,236

All incoming resources and resources expended have been derived from continuing activities. There were no other gains and losses in the year.

The accompanying accounting policies and notes form an integral part of these financial statements.

LONDON DIOCESAN BOARD FOR SCHOOLS

CONSOLIDATED BALANCE SHEET AT 31 MARCH 2016

	Notes	Unrestricted Funds 2016 £000's	Restricted Funds 2016 £000's	Endowment Funds 2016 £000's	Group 2016 £000's	Group 2015 £000's
Fixed assets						
Tangible fixed assets	7	30	1,771	-	1,801	1,779
Investments	8	-	19,307	1,030	20,337	21,341
		30	21,078	1,030	22,138	23,120
Current assets						
Finance lease receivable after more than one year	9	-	1,246	-	1,246	-
Finance lease receivable within one year	9	-	49	-	49	-
Trade and other debtors	10	53	2,909	-	2,962	3,441
Cash at bank and in hand		668	9,247	-	9,915	8,427
		721	13,451	-	14,172	11,868
Liabilities						
Creditors falling due within one year	11	(224)	(10,708)	-	(10,932)	(9,278)
Net current assets		497	2,743	-	3,240	2,590
Total assets less current liabilities		527	23,821	1,030	25,378	25,710
Creditors falling due after more than one year	11	-	(2,404)	-	(2,404)	(2,474)
Total assets		527	21,417	1,030	22,974	23,236
Funds						
Unrestricted		527	-	-	527	476
Expendable capital	14	-	21,417	-	21,417	21,715
Permanent capital	15	-	-	1,030	1,030	1,045
Total Funds		527	21,417	1,030	22,974	23,236

These financial statements were approved by the directors on 14 July 2016

The Revd Preb Guy Pope, Director



The Ven Luke Miller, Director



The accompanying accounting policies and notes form an integral part of these financial statements.

LONDON DIOCESAN BOARD FOR SCHOOLS

CHARITABLE COMPANY BALANCE SHEET AT 31 MARCH 2016

	Notes	Unrestricted Funds 2016 £000's	Restricted Funds 2016 £000's	Endowment Funds 2016 £000's	Total 2016 £000's	Total 2015 £000's
Fixed Assets						
Tangible fixed assets	7	30	1,771	-	1,801	1,779
Investments	8	-	19,307	1,030	20,337	21,341
		30	21,078	1,030	22,138	23,120
Current assets						
Finance lease receivable after more than one year	9	-	1,246	-	1,246	-
Finance lease receivable within one year	9	-	49	-	49	-
Trade and other debtors	10	32	2,909	-	2,941	3,381
Cash at bank and in hand		569	9,247	-	9,816	8,316
		601	13,451	-	14,052	11,697
Liabilities						
Creditors falling due within one year	11	(104)	(10,708)	-	(10,812)	(9,107)
Net current assets		497	2,743	-	3,240	2,590
Total assets less current liabilities		527	23,821	1,030	25,378	25,710
Creditors falling due after more than one year	11	-	(2,404)	-	(2,404)	(2,474)
Total assets		527	21,417	1,030	22,974	23,236
Funds						
Reserves		527	-	-	527	476
Expendable capital	14	-	21,417	-	21,417	21,715
Permanent capital	15	-	-	1,030	1,030	1,045
Total Funds		527	21,417	1,030	22,974	23,236

These financial statements were approved by the directors on 14 July 2016

The Revd Preb Guy Pope, Director




The Ven Luke Miller, Director

The accompanying accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £000's	2015 £000's
Cash flows from operating activities			
Net cash provided by operating activities	12	1,211	2,149
Cash flows from investing activities			
Dividends, interest and rents from investments		1,018	1,025
Purchase of property, plant and equipment		(538)	(19)
Net cash provided (used in) investing activities		<u>480</u>	<u>1,006</u>
Cash flows from financing activities			
Repayment of borrowings		(66)	(63)
Interest paid		(137)	(141)
Net cash (used in) financing activities		<u>(203)</u>	<u>(204)</u>
Net increase in cash and cash equivalents		1,488	2,951
Cash and cash equivalents at the beginning of the year		8,427	5,476
Cash and cash equivalents at the end of the year		<u>9,915</u>	<u>8,427</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

LONDON DIOCESAN BOARD FOR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. PRINCIPAL ACCOUNTING POLICIES

The Trustees' report and the accompanying financial statements of the charitable company limited by guarantee have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice, Accounting and Reporting by Charities (2015).

The Accounts comply with the Charities Act 2011 and the Companies Act 2006. A summary of the principal accounting policies which have been applied consistently except as stated, is set out below. Following the transition to Financial Reporting Standard, FRS 102 for the first time in 2015/16, all the accounting policies have been aligned with the new accounting standard and comparative figures for 2015 have been restated where necessary (see note 20).

1.1 Basis of Preparation

The Financial Statements have been prepared under the historical cost convention, as adjusted for the revaluation of investments and investment properties. The Statements are presented in Sterling (£). As discussed in the trustees' report, the trustees have a reasonable expectation that the 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 annual report and accounts.

1.2 Significant judgements and estimates

The only material judgements or estimations applied in the preparation of the financial statements are in respect to the calculation of the fair value provision in debtors as set out in Note 10. There are no other material judgements or estimates in the preparation of these financial statements.

1.3 Basis of Consolidation

The financial statements aggregate the Statements of Financial Activities and Balance Sheets of the Funds held under the LDBS's control namely:

Education Fund	unrestricted fund
Grow Education Partners Limited	wholly owned trading company
Uniform Schools Trust	restricted fund
Uniform Schools Trust - Schools Building Projects	restricted fund
Post Graduate Certificate of Education	restricted fund
Schools Buildings' Maintenance Scheme	restricted fund
City and Diocese of London Voluntary Schools Fund	sole trustee of a permanent endowment
David Greig 1949 Trust	sole trustee of a permanent endowment
Uxbridge Lecturers House Fund	sole trustee of a permanent endowment
St Jude and St Paul Mildmay Park Trust	sole trustee

The LDBS also:

- holds funds, on behalf of an educational charity associated with one school, that are not included in the financial statements but are shown in note 15 to the accounts;
- is Trustee for a number of schools; the assets of the schools concerned are not included in the financial statements until such time as the school is closed and the site is available for sale.

1.4 Subsidiary Undertakings

The consolidated financial statements include the financial statements of LDBS and its wholly owned subsidiary Grow Education Partners Limited.

The investment in Grow Education Partners Ltd is held under the cost model.

1.5 Tangible Fixed Assets and Depreciation

Depreciation is calculated on a straight-line basis and aims to write down the cost of tangible fixed assets other than investment properties over their expected useful economic lives of four years or in the case of one operational property fifty years.

LONDON DIOCESAN BOARD FOR SCHOOLS

Items are capitalised at historical cost except those costing less than £250 except for the PGCE SCITT course where expenditure is written off against specific capital grants received.

No depreciation has been provided on an operational property transferred from investment properties in 2014 as further refurbishment costs were charged to the statement of financial activities during 2015 and 2016.

1.6 Receivables due from Schools

Where schools require more than twelve months to pay off building project balances, an estimate is made of the realistic timescale for repayment; a fair value adjustment is calculated based on the present value of estimated future cash flows discounted at the gross redemption yield of a government stock with a similar repayment date.

1.7 Fixed Asset Investments

The Uniform Schools Trust holds investment property originally vested in it in respect of schemes created under various Education Acts. Investment property held in this and in the sole trustee funds is included in the financial statements at estimated open market value in accordance with Statement of Standard Accounting Practice No 19 'Accounting for Investment Properties'. Depreciation is not provided in respect of freehold investment properties. This treatment is contrary to the Companies Act 2006, which states that fixed assets should be depreciated, but is, in the opinion of the trustees, necessary in order to give a true and fair view of the financial position of the Company and Group.

Investments are included at market value and the original cost is shown in a note to the accounts. All changes in value are reported in the Statement of Financial Activities.

A lease held as an operating lease was reorganised during the year ending 31 March 2016 and reclassified as a finance lease. The interest element has been calculated on the basis that the lease is cancelled at end of October 2036.

1.8 Finance Lease

Finance leases are leases in which substantially all the risks and rewards of ownership other than legal title, are transferred to the lessee. Assets acquired and held for use under finance leases are presented as a debtor at an amount equal to the investment in the lease. Finance income is subsequently recognized at a constant periodic rate of return on that net investment.

1.9 Financial Instruments

All financial assets and liabilities are of a kind that qualify as basic financial instruments; these instruments are initially recognized at transaction and subsequently measured at their settlement value.

1.10 Incoming Resources

(a) Donations and grants

Donations, other than grants from charitable organisations, are recognised when received.

Donated services from the London Diocesan Fund are included in income at a valuation, which is an estimate of the financial cost borne by the donor, with a quantifiable and measurable value to the charity. An equivalent amount is charged as expenditure.

All the trustees of the Charity are volunteers and no attempt is made to measure the value of the time they spend supporting the Charity.

(b) Charitable activities

Grants receivable from the Education Funding Agency and Local Authorities are credited to income in the year in which the related expenditure is incurred; an estimated sum is included in the financial statements for grants not agreed at the end of the financial year. Contributions due from school governors and other grants are treated in the same way.

An estimate of future income is included in the financial statements for claims not able to be made prior to the year-end, but relating to expenditure which was incurred before the year-end.

Other grants received for specific activities includes unspent capital held for voluntary aided schools devolved by the Department for Education. These grants have been pooled by schools within the Schools' Buildings Maintenance Scheme. Policy guidance issued by the Education Funding Agency indicates that the grants are repayable if not used within three years. Grants received in excess of expenditure incurred in the year are treated as deferred income. These grants are accounted for on a first in first out basis.

LONDON DIOCESAN BOARD FOR SCHOOLS

(c) Other trading activities

Subscriptions received by Grow Education Partners Limited for the academic year beginning 1 September are recognised as income evenly over three terms.

(d) Investments

Investment income includes rental income, receivable during the year, and dividends and interest when received.

1.11 Expenditure

Resources expended, including grants, are included in the Statement of Financial Activities on an accruals basis. The LDBS is not registered for VAT whereas Grow Education Partners Limited and the City & Diocese of London Voluntary Schools Fund are registered for VAT.

- Raising funds and investment management funds

The cost of generating funds includes all costs relating to the raising of funds and the management of the properties included in these financial statements and professional fees incurred as trustee of a number of schools.

- Charitable activities

Grants made to schools and to individuals are recognised only when the conditions attaching to the grants have been met.

Overheads are allocated where possible to the relevant charitable funds. Where expenditure cannot be specifically allocated, costs are apportioned between funds based on estimated time spent by staff. No administrative charges were levied during the year ended 31 March 2016 on the subsidiary company, Grow Education Partners Limited or on the sole trustee funds including the City & Diocese of London Voluntary Schools Fund.

Costs include those incurred by Trustees in connection with the administration of the charity including audit costs. Staff costs relating to the preparation of reports for meetings of Trustees and the statutory accounts are apportioned on a time basis.

The value of accrued holiday pay at the year end is calculated but no provision is made as the amount is immaterial.

1.12 Pensions

- Defined benefit scheme

All eligible permanent employees are given the opportunity to join the Church of England Defined Benefits Scheme, which is administered by the Church of England Pensions Board. The current rate of contribution, by the LDBS, 29.1% of salary plus expenses of £4,100 (31.6% including expenses in 2015).

Due to the nature of this scheme, the LDBS is unable to identify its share of the underlying assets and liabilities. In accordance with the provisions of Section 28 of FRS 102 the scheme is treated as a defined contribution scheme. As a result the pension costs charged to the SOFA in the year are contributions payable towards the benefits and expenses accrued in that year, plus any impact of deficit contributions. There are no deficit recovery payments which need to be recognized as a liability in the financial statements.

- Other

Some staff have reached agreement to join or remain in alternative pension schemes to which LDBS contributes.

1.13 Restricted Funds

Restricted funds are to be used for specified purposes laid down by the donor / granting body. Expenditure for those purposes is charged to the fund together with a fair allocation of overheads and support costs.

1.14 Transfers

Grants between funds for internal purposes are treated as transfers in the Statement of Financial Activities (SOFA). Other grants are included in charitable activities in the SOFA.

LONDON DIOCESAN BOARD FOR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2 INCOME FROM:

	Unrestricted	Restricted	Total 2016	Total 2015
	£000's	£000's	£000's	£000's
(a) Donations and grants				
Grant from London Diocesan Fund (see note 13)	509	-	509	469
Grant from British Gymnastics	-	50	50	-
Grant from John Newman's charity	-	5	5	-
	509	55	564	469
(b) Charitable activities				
Grants and contributions receivable from Education Funding Agency, Local Authorities and other public bodies	-	19,019	19,019	21,932
Sales, fees and subscriptions	612	994	1,606	2,206
Reimbursement from schools	344	3,103	3,446	3,495
Insurance claims	-	55	55	564
Reimbursement from Telford Homes plc	-	-	-	243
	956	23,171	24,127	28,440
(c) Investments				
Distributions from unlisted pooled investment funds	-	170	170	172
Rental income from investment properties	-	809	809	814
Interest on cash deposits	2	37	39	40
	2	1,016	1,018	1,026
(d) Other income				
Surrender of lease	-	-	-	298
	-	-	-	298

3 EXPENDITURE ON:

(a) Raising funds and investment management				
Investment property expenses	-	424	424	299
Professional fees for investment and trust properties	-	73	73	51
Bank loan interest	-	137	137	140
	-	634	634	490
(b) Charitable activities				
Grants to schools (see details in Note 3(c))	69	10	79	156
Grants to individuals	-	14	14	14
Training bursaries for PGCE SCITT course students	-	-	-	109
School building works and repairs	-	22,440	22,440	26,480
Salaries, social security and pension costs (see note 3)	1,474	471	1,945	1,816
PGCE SCITT course delivery costs	-	393	393	307
Depreciation	13	75	88	66
Occupancy costs	350	85	436	358
Audit fees	41	1	42	38
Other costs	138	22	158	257
	2,084	23,511	25,595	29,601
(c) Grants made to Schools				
St Mary's High School, Hendon	69	-	69	53
St Jude & St Paul's School, Mildmay Park	-	-	-	85
Greig City Academy	-	3	3	3
St John's School, Walham Green	-	-	-	7
St George the Martyr School, Holborn	-	7	7	8
	69	10	79	156

Grants to individuals are provided by the City & Diocese of London Voluntary Schools Fund - see Note 14. There are no support costs allocated to grant making activities.

(d) Trustees' expenses

No amounts were reimbursed to Trustees (2015: Nil).

As permitted by LDBS's Articles and Memorandum of Association the resources expended by the charity include £11,776 (2015: £9,500) in respect of indemnity insurance for the trustees and officers.

LONDON DIOCESAN BOARD FOR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

4 STAFF COSTS

	2016 £000's	2015 £000's
Wages and salaries	1,508	1,420
Social security costs	147	138
Pension costs	290	258
	1,945	1,816

The average number of staff employed by the company, including contracted part time staff on a full time equivalent basis was:

Statutory advice and corporate	18	18
Primary trading and non statutory support	14	11
	32	29

The number of employees whose emoluments for the year exceeded £60,000 are as follows:

£60,001 - £70,000	3	3
£70,001 - £80,000	3	4
£80,001 - £90,000	2	1

Aggregate employer pension contributions for the employees above were £80,000 (2015: £97,000), payable to defined benefit schemes, Church Workers Pension Fund for two employees, Teachers' Pension Scheme for four employees and a self invested pension plan for one employee.

The key management personnel of the charity comprise the management team as listed on page 3. The total amount of employee benefits, including employer's pension contribution and health insurance, received by the management team was £191,000 (2015: £185,000).

5 NET INCOME FROM NON CHARITABLE TRADING ACTIVITIES OF SUBSIDIARIES

The Charitable Company owns the entire issued ordinary share capital of £100 of Grow Education Partners Limited, a company registered in England & Wales.

The principal activity of Grow Education Partners Limited is the provision of consultancy services to schools and a summary of its results is set out below:

	2016 £000's	2015 £000's
Turnover	667	614
Cost of sales	(296)	(285)
Gross profit	371	329
Administrative expenses	(3)	(4)
Operating profit	368	325
Gift Aid to LDBS	(368)	325
Net profit	-	-

6 TRANSFERS BETWEEN FUNDS

The Uniform Schools Trust (Restricted Fund) made a grant to the Education Fund (Unrestricted) of £300k (2015:£330k).

LONDON DIOCESAN BOARD FOR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

7 TANGIBLE FIXED ASSETS

Group and Charity		Freehold Property	Fixtures, Fittings and Equipment	Total
		£000's	£000's	£000's
Cost	At 1 April 2015	1,750	94	1,844
	Additions	-	38	38
	Disposals	-	(15)	(15)
	At 31 March 2016	1,750	117	1,867
Depreciation	At 1 April 2015	-	65	65
	Provided in year	-	16	16
	Disposals	-	(15)	(15)
	At 31 March 2016	-	66	66
Net book value at 31 March 2016		1,750	51	1,801
Net book value at 31 March 2015		1,750	29	1,779

8(a) INVESTMENTS AT MARKET VALUE

	Uniform Schools Trust £000's	Sole Trustee Funds £000's	2016 Total £000's	2015 Total £000's
Unlisted				
Central Board of Finance of the Church of England (CBF)				
- Investment fund	434	366	800	835
- Property fund	651	93	744	699
- Global Equity Income fund	-	66	66	70
M&G Charifund units	2,052	-	2,052	2,195
	3,137	525	3,662	3,799
Freehold Properties				
Moreton Street SW1	750	-	750	750
School House, Johns Mews WC1	2,300	-	2,300	2,300
Half Acre, Brentford TW8	650	-	650	650
Bishops Avenue SW6	3,725	-	3,725	3,725
Fulham High Street, SW6	2,400	-	2,400	2,400
35 Treadgold Street, W11	450	-	450	450
Friern Barnet Scout Hut NW11	200	-	200	200
St Jude's School, King Henry's Walk N1	-	1,225	1,225	1,225
St Jude's Cottages, King Henry's Walk N1	-	1,125	1,125	1,125
13/14 Archer Street W1	-	3,850	3,850	3,850
	13,612	6,725	20,337	20,474

Included within sole trustee funds are investments relating to endowment funds: £1,030k (2015: £1,045k).

	Book Value 1 April 2015 £000's	Additions £000's	Amortisation £000's	Transfer to Finance Lease £000's	Book Value 31 March 2016
Leasehold property: Wren Academy sixth Form Centre	867	500	(72)	(1,295)	-

The lease to Wren Academy was reorganised during the year when funds held in work in progress were capitalized and deposits returned to the Academy prior to the lease being reclassified at the year end as a finance lease. See Note 9.

LONDON DIOCESAN BOARD FOR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

8(a) INVESTMENTS AT MARKET VALUE continued

Changes in market value during the period

	1 April 2015 £000's	Additions £000's	Change in value £000's	Amortisation £000's	Transfer £000's	31 March 2016 £000's
Unlisted investments	3,799	-	(137)	-	-	3,662
Property investments	17,542	500	-	(72)	(1,295)	16,675
	21,341	500	(137)	(72)	(1,295)	20,337

The freehold investment properties and the freehold operational property were valued on an open market basis as at 1 April 2015 by Stanley Hicks & Co., Chartered Surveyors. The leasehold property is valued at cost less depreciation.

The property at 13/14 Archer Street, acquired with vacant possession in June 2004, is held by the City & Diocese of London Voluntary Schools Fund, which has given a mortgage to the Uniform Schools Trust as security for inter-fund indebtedness. The amount outstanding at 31 March 2016 is £2.675m.

8(b) INVESTMENTS AT COST	Uniform Schools Trust £000's	Sole Trustee Funds £000's	2016 Total £000's	2015 Total £000's
Unlisted				
Central Board of Finance of the Church of England (CBF)				
- Investment fund	51	50	101	101
- Property fund	526	75	601	601
- Global Equity Income fund	-	53	53	53
M&G Charifund units	2,083	-	2,083	2,083
	2,660	178	2,838	2,838
Property	1,932	2,800	4,732	5,732
	4,592	2,978	7,570	8,570

All investments are held in the United Kingdom.

9 FINANCE LEASE RECEIVABLE

On 31 March 2016 a lease granted for the construction of a sixth form centre for Wren Academy was reorganised and reclassified as a finance lease. At 31 March 2016 the capital value of the lease was £1,295k with an anticipated redemption date of 31 October 2036.

Group and Charity repayments	under one year £000's	one to five years £000's	later than five years £000's
	49	205	1,041

10 TRADE AND OTHER DEBTORS

	Group 2016 £000's	Charity 2016 £000's	Group 2015 £000's	Charity 2015 £000's
Amounts due from schools	1,224	1,204	1,300	1,281
Trade debtors	1,730	1,729	2,134	2,093
Other debtors (comprise loans to employees)	8	8	7	7
	2,962	2,941	3,441	3,381

£1.0m (2015: £1.0m) of the amounts due from schools become due after twelve months.

There is a fair value provision of £237k (2015: £265k) set against the £1m due from a school.

LONDON DIOCESAN BOARD FOR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

11 CREDITORS	Group 2016 £000's	Charity 2016 £000's	Group 2015 £000's	Charity 2015 £000's
- Amounts falling due within one year				
Trade creditors	6,049	6,050	1,941	1,912
Other creditors	26	8	16	11
Bank loan	70	70	66	66
Accruals and deferred income	4,787	4,684	7,255	7,118
	10,932	10,812	9,278	9,107

Accruals and deferred income include amounts of £4.7m (2015: £7.25m) in respect of grants and contributions received in advance of related expenditure being incurred. £2.5m (2015: £4.5m) of the preceding year balance was released in the current year.

- Amounts falling due after one year	Group 2016 £000's	Charity 2016 £000's	Group 2015 £000's	Charity 2015 £000's
Bank loan				
due within 1 to 2 years	75	75	70	70
due within 2 to 5 years	247	247	235	235
due thereafter	2,082	2,082	2,169	2,169
	2,404	2,404	2,474	2,474

- The loan forms part of the liabilities of the restricted Uniform Schools Trust fund.

12 NOTES TO THE CASH FLOW STATEMENT

Reconciliation of net income/(expenditure) to net cash flow from operating cash activities	2016 £000's	2015 £000's
Net income/(expenditure) for the year as per the Statement of Financial Activities	(290)	7,966
Amortisation of lease	72	56
Depreciation charges	16	11
Losses/ (gains) on investments	138	(7,499)
Dividends, interest and rents from investments	(1,018)	(1,025)
Interest paid	137	140
Decrease in debtors	507	3,226
Increase/(decrease) in creditors	1,649	(726)
Net cash inflow from operating activities	1,211	2,149

13 TRANSACTIONS WITH RELATED PARTIES

The London Diocesan Fund and the London Diocesan Board for Schools are separate charities but various diocesan bodies appoint the majority of the directors of the two companies. A number of members are directors of both charities. In addition Inigo Woolf, acting in a personal capacity, is a director of the London Diocesan Fund.

A number of directors are governors and/or employees of schools which buy services from LDBS and its subsidiary, Grow Educational Partners. There are no significant purchases or sales which require disclosure.

The London Diocesan Fund provides office, computer support and payroll facilities to the LDBS. Although no charge is made for this support, the financial statements reflect the value of the donation under the heading London Diocesan Fund grant with an equivalent cost shown under the cost of charitable activities. The amount included in the Accounts is £329,000 (2015: £281,000). The increase in 2016 reflects a notional increase in rent for office space.

The London Diocesan Fund also provided a cash grant during the year of £180,000 (2015: £188,000) and recharged expenses of £1,610,000 (2015: £1,526,000). The balance owed to London Diocesan Fund at 31 March 2016 was £nil (2015: nil).

The accounts have been prepared on the basis that the LDBS is the ultimate undertaking.

LONDON DIOCESAN BOARD FOR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

13 TRANSACTIONS WITH RELATED PARTIES continued

The LDBS has taken advantage of the exemptions available under FRS 102 "Related Party Disclosures" not to disclose transactions between it and its trading subsidiary, Grow Education Partners Limited.

The LDBS is a member of a number of academy trusts that have been formed as charitable companies under the Academies Act 2010. For some of these charitable companies the LDBS holds the land and building as trustee but does not consider the academy trusts to be related parties with the exception of LDBS Academies Trust where Revd Guy Pope is a director of both charities and the Chief Executive and the Director, School Support Services of the LDBS are directors.

The LDBS received £94,000 (2015: £72,000) from LDBS Academies Trust and paid to the LDBS Academies Trust £nil (2015: £16,500). In addition LDBS Academies Trust paid £16,000 (2015: £12,000) to Grow Education Partners Limited.

St Michael's School, Camden Town sponsors the LDBS SCITT PGCE Course and receives grants for students from the Education Funding Agency and Student Loans Company. The LDBS drew down £667,000 from St Michael's SCITT Account as and when funds are needed/become available.

14 RESTRICTED FUNDS

	Balance 1 April 2015	Incoming Resources	Resources Expended	Transfers	Recognised gains/(losses) & fair value adjustments	Balance 31 March 2016
	£000's	£000's	£000's	£000's	£000's	£000's
Uniform Schools Trust Fund	17,629	21,156	(23,231)	1,789	(95)	17,248
Schools Building Maintenance Fund	1,023	2,068	(117)	(2,009)	-	965
PGCE SCITT/School Direct Course	-	684	(751)	70	-	3
Sole Trustee Funds (see note 14)	3,063	334	(46)	(150)	-	3,201
Transfer to unrestricted fund	-	-	-	300	-	-
	21,715	24,242	(24,145)	-	(95)	21,417

Transfers to/(from) Uniform Schools Trust comprises

	2016	2015
Transfer of subscriptions from Schools Building Maintenance Fund	922	767
Transfer of devolved capital from Schools Building Maintenance Fund	1,087	985
Transfer of loan interest from sole trustee funds	150	165
Transfer to PGCE Course	(70)	(40)
Transfer to unrestricted funds	(300)	(330)
	1,789	1,547

15 SOLE TRUSTEE FUNDS

	Balance 1 April 2015	Incoming Resources	Resources Expended	Transfers	Recognised gains/(losses)	Balance 31 March 2016
<i>Restricted Funds</i>	£000's	£000's	£000's	£000's	£000's	£000's
City & Diocese of London						
Voluntary Schools Fund	738	236	(33)	(150)	-	791
Uxbridge Lecturer's Fund	8	1	-	-	-	9
St Jude & St Paul Mildmay Park	2,317	94	(10)	-	-	2,401
David Greig trust 1949	-	3	(3)	-	-	-
	3,063	334	(46)	(150)	-	3,201

LONDON DIOCESAN BOARD FOR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

15 SOLE TRUSTEE FUNDS continued

<i>Permanent endowment funds:</i>	Balance 1 April 2015 £000's	Incoming Resources £000's	Resources Expended £000's	Transfers £000's	Recognised gains/(losses) £000's	Balance 31 March 2016 £000's
City & Diocese of London Voluntary Schools Fund	961	-	-	-	(10)	951
Uxbridge Lecturer's Fund	14	-	-	-	(1)	13
David Greig trust 1949	70	-	-	-	(4)	66
	1,045	-	-	-	(15)	1,030

The balance on the City & Diocese of London Voluntary Schools Fund includes a 13.125% interest in the property at 13/14 Archer Street (see note 7).

The City & Diocese of London Voluntary Schools Fund (Established 1813)

This charity (registered no 312259) may provide grants to schools for maintenance of school premises and to young persons under the age of 25 years who have for at least two years at any time attended a Church of England Voluntary School in the Diocese of London (Accounts are available from the Registered Office).

The Uxbridge Lecturer's House Fund (Established 1721)

This charity provides grants to Church of England schools in the Parish of Uxbridge.

The St Jude's, Mildmay Park, Church of England Primary School Foundation (Established 1857)

This charity owns land and buildings which were formerly used by St Jude & St Paul Church of England School. The Foundation is for the sole benefit of this School.

David Greig Trust 1949

The charity benefits pupils of Greig City Academy.

The London Diocesan Board for Schools Trust Property (Established 2008)

This charity was set up to administer and hold land to the west of Warnham Road and to the north-west, north and east of Hilton Avenue, London N12 9HB as a permanent endowment. The land is leased to the Wren Academy for 125 years from 1 September 2008. No financial transactions have taken place nor has any value been ascribed to the land.

16 TRUST FUNDS

In its capacity as trustee of a number of schools the LDBS is the owner of a number of school sites. No value is ascribed to these sites whilst they continue to operate as voluntary aided schools.

The LDBS is custodian trustee for:

		2016 £000's	2015 £000's
	Investments at Market Value		
Bartlett Legacy - St Saviours School, Poplar	CBF Investment Fund	2	2
St Mary's School, Marylebone	CBF Investment Fund	12	13
St Mary's School, Marylebone	CBF Deposit Fund	-	14
St Paul's with St Michael's School, Haggerston	CBF Deposit Fund	2	2
Latymer & All Saints School, Edmonton	CBF Investment Fund	13	14
Latymer & All Saints School, Edmonton	CBF Deposit Fund	3	3
Holy Trinity School, Tottenham - Girls Green School Fund	COIF Charities Investment Fund	37	39
		69	87

17 CONTINGENT LIABILITIES

The LDBS has been joined in a legal action involving a voluntary aided school in the Diocese and the costs, if any, attributable to the LDBS cannot be ascertained until the Consistory Court judgement is received in September 2016. Therefore no provision has been made in the Accounts (2015: Nil).

LONDON DIOCESAN BOARD FOR SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

18 CAPITAL COMMITMENTS

At 31 March 2016 there were capital commitments of £nil (2015: £nil).

19 PENSIONS - Defined Benefit Scheme

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

For funding purposes, the 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.

It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102 and as such 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, plus any impact of deficit contributions (see below).

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 the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2013. In this valuation, the Life Risk Section was shown to be in deficit by £4.9m and £4.3m was notionally transferred from the employers' sub-pools to the Life Risk Pool. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £12.9m.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 29.1% of pensionable salary and expenses of £4,100 per year. (2015: 31.6% inclusive of expenses).

The completed service section of the DBS (active and deferred members) for the LDBS sub-pool had a surplus of £288k at 31st December 2013.

9 employees (5 full time and 4 part-time) are members of the Teachers' Pension Scheme with the LDBS making a contribution of 16.48% (14.1% until end of August 2015) of their salary. A further member of staff has set up a self invested pension plan (SIPP) to which the LDBS makes monthly contribution.

20 TRANSITION TO FRS 102

This is the first year LDBS has presented its financial statements under FRS 102. For the year ending 31 March 2015, UK GAAP was the prevailing accounting standard. The date of transition was 1 April 2014 and a reconciliation of the surplus and the reserves from the amounts previously stated in the 2015 financial statements showed that no adjustments were required following the change in accounting policies.