



Established in 1839

**LONDON DIOCESAN BOARD FOR SCHOOLS**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**

<b>Company registration number:</b>	00198131
<b>Country of incorporation:</b>	England
<b>Charity registration number:</b>	313000
<b>Registered office:</b>	London Diocesan House 36 Causton Street London SW1P 4AU
<b>Secretary:</b>	I R M Woolf
<b>Bankers:</b>	Barclays Bank plc Charities & Education Team Level 27 1 Churchill Place London E14 5HP
<b>Solicitors:</b>	Winckworth Sherwood LLP Minerva House, 5 Montague Close, London SE1 9BB
<b>Independent Auditor:</b>	Grant Thornton UK LLP Registered Auditors Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP
<b>Investment managers:</b> (except directly held property)	CCLA Investment Management Limited 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: Ex officio - The Bishop of London

Chairman: The Venerable Luke Miller, Archdeacon of London

#### Elected by the Deanery Synods of the Diocese of London

		<i>Date appointed, if after 1 April 2016</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			
East Haringey	Revd Simon Clark			
Enfield	Richard Bunce	21/03/2017	Revd Stephen Taylor	21/03/2017
Hackney	Sonia George			
Hammersmith & Fulham	Richard Walton			
Hampton	Malcolm Eady			
Harrow	Mark Dunning			
Hillingdon	Revd Desmond Banister			
Hounslow	Simon Surtees			
Islington	Richard Nicholson			
Kensington	Eliza Low			
North Camden	Revd Andrew Foreshew-Cain			
South Camden	Revd Christopher Smith			
Spelthorne	Revd Stuart King			
Tower Hamlets	Revd Trevor Critchlow			
West Barnet	Hannah Mason			
West Haringey	Mary Embleton			
Westminster (Paddington)	Revd David Ackerman			
Westminster (St Margaret's)	David Richards			
Westminster (St Marylebone)	Ianthe McWilliams			

#### Representatives of the London Diocesan Headteachers Council

Headteacher	Simon Atkinson	12/10/2016	Lynn Trigg	01/09/2016
Headteacher	Judith Standing	13/10/2016	Sally Moore	01/09/2016
Headteacher	Raymond Prentice			
Headteacher	Matthew Glenn	06/07/2016	vacant	

#### Representative of London Diocesan Fund Finance Committee

Roger Dean

#### Co-options

Bishop of London Appointee Mary Findlow

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 2017**

#### **OVERVIEW**

- ✚ There are 156 Church of England (CofE) maintained schools in the Diocese of London
- ✚ During the past 15 years the London Diocesan Board for Schools (LDBS) has created 15% more primary school places and increased secondary school capacity by 36%.
- ✚ Over 19,000 pupils attend CofE secondary schools in the Diocese – LDBS has more secondary schools than any other diocese in England.
- ✚ Over 37,000 pupils attend CofE primary schools in the Diocese giving an approximate market share of 10% across 18 local authorities.
- ✚ St Jerome CofE Bilingual Primary School, Harrow opened on schedule in September 2016
- ✚ Green School for Boys secondary school, Isleworth will open in September 2017
- ✚ 95% of secondary schools rated good or outstanding, an improvement from 90% a year ago
- ✚ 97% of primary schools rated good or outstanding, an improvement from 90% a year ago
- ✚ Religious education and collective worship is good or outstanding in 99% of schools  
(97% in 2016)

The London Diocesan Board for Schools 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) Protect Church Educational Endowments.

## **LONDON DIOCESAN BOARD FOR SCHOOLS**

### **TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2017**

#### **Members**

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

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. We do this:

- ✚ Through creating new schools and expanding existing ones
- ✚ Supporting schools to recruit and train teachers
- ✚ Ensuring schools are distinctively Christian through confident teaching of Religious Education and Collective Worship
- ✚ By providing every child with an opportunity to realize their full potential

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

## STRATEGIC REPORT

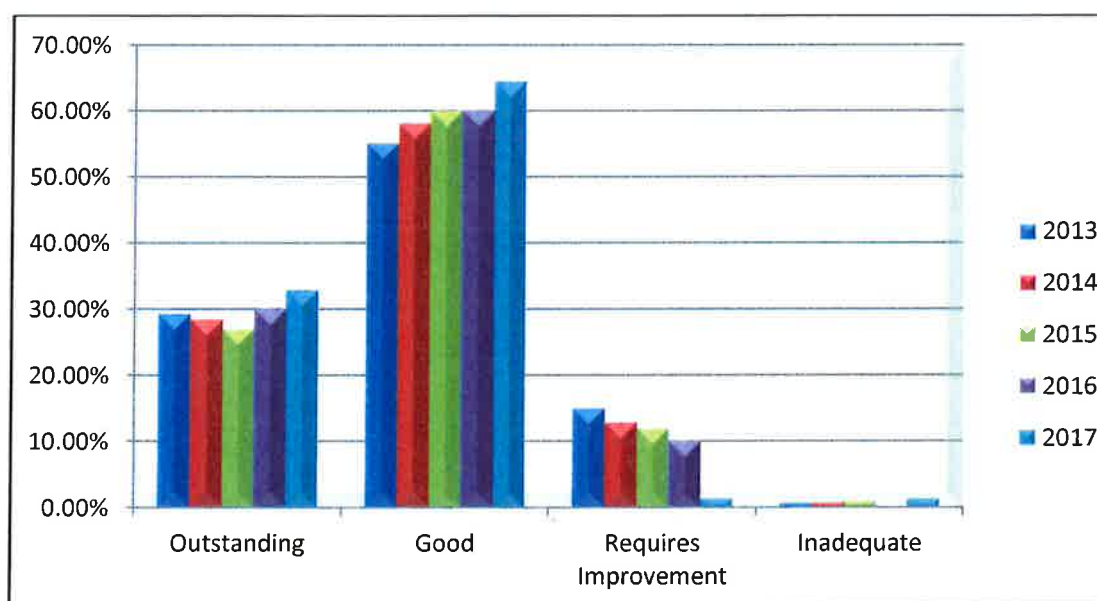
### Excellence in Education

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 serving headteachers who have been willing to allocate time to supporting the LDBS family of schools.

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.

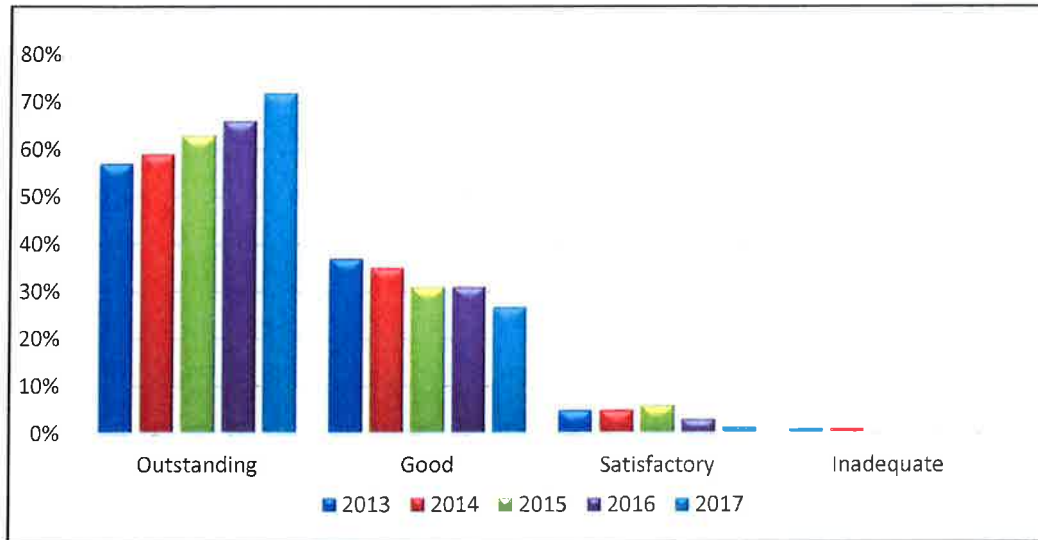
#### ✚ Ofsted grades for LDBS schools at March 2017



The LDBS has had a very successful year in supporting schools and effective strategies adopted by schools has enabled 97% of primary schools and 95% of secondary schools to become good or outstanding schools. The only disappointment was that a primary school, which provides a good education to its pupils was downgraded to inadequate as a result of safeguarding issues. This school addressed the safeguarding issues but under current legislation will be required to become an academy.

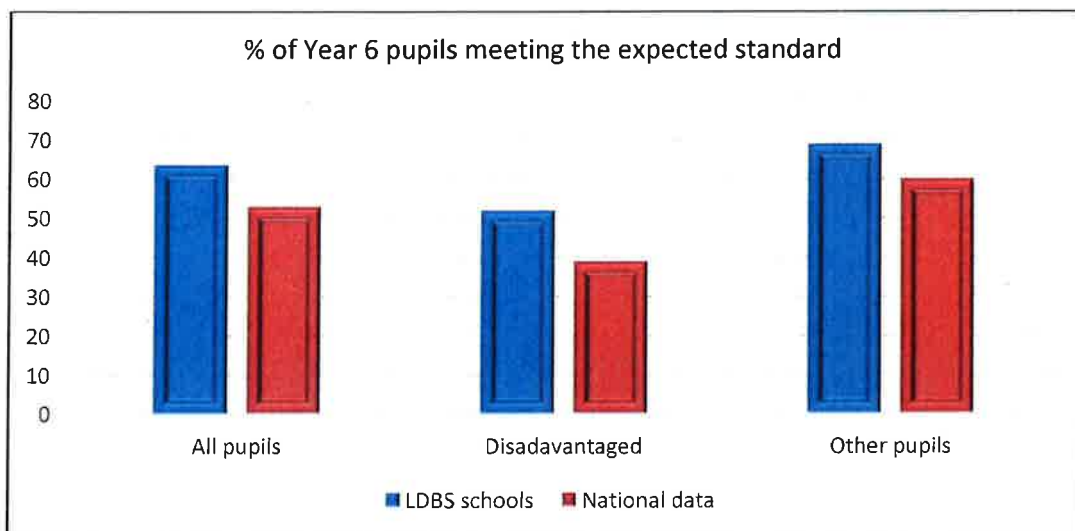
### † Statutory Inspections of Anglican & Methodist Schools

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



### † Working with disadvantaged children

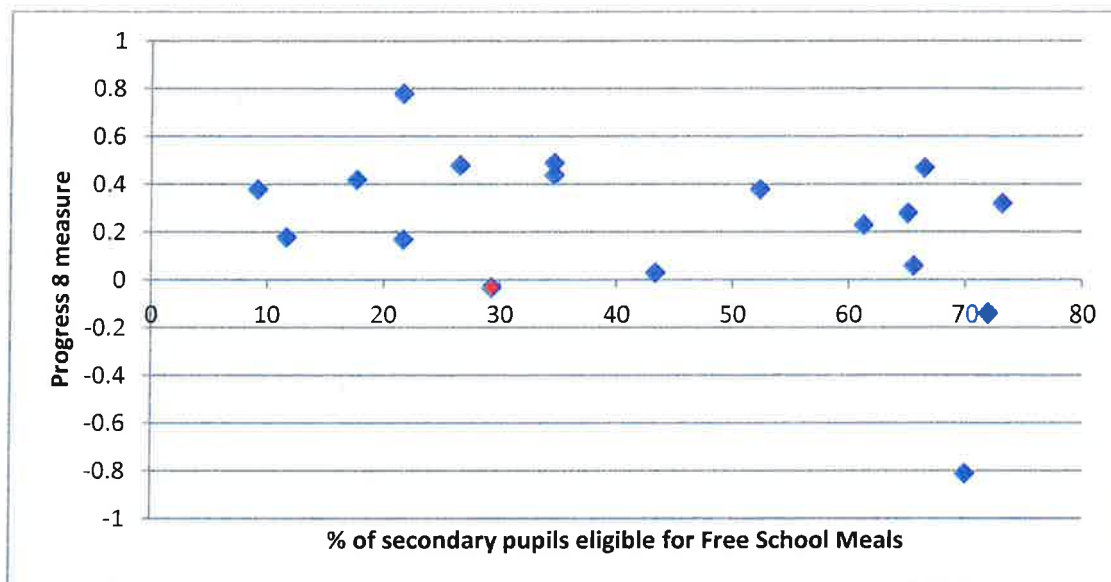
30% of pupils in LDBS primary schools are entitled to free school meals as against a national figure of 26%. The measures for recording expected progress have changed in the past year and comparisons cannot be made with historical data. The impact of strategies employed by LDBS schools to ensure all pupils make the required progress is reflected in the Ofsted grading - 75% of schools exceed the national average for disadvantaged children.





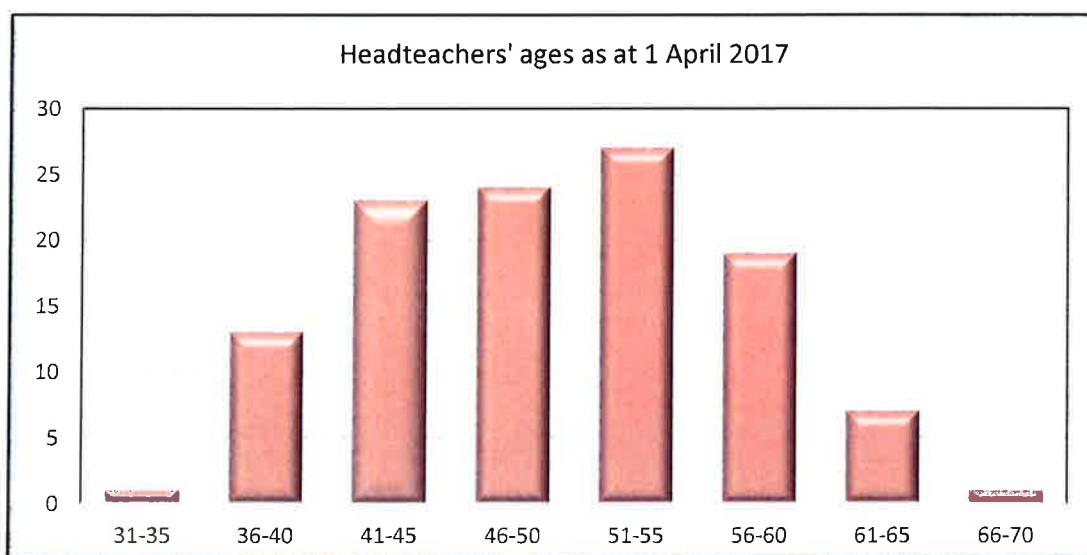
TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2017

For secondary schools a new expected progress measure was introduced last summer and the following chart shows the GCSE results for each CofE secondary school as calculated by the DfE. The national progress 8 average is -0.025 and is shown in red on the chart below. The LDBS has only two secondary schools below zero and strategies have been put in place to improve performance.



#### † 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.



The average age has reduced marginally from 49.9 years to 49.7 years.

82% of the 55 senior leadership appointments were filled from within LDBS schools compared with 58% in 2016.

✚ **Teacher recruitment**

- ✚ LDBS has been attending recruitment fairs for some years to recruit primary school teachers. At the request of secondary schools, LDBS is developing a secondary school recruitment strategy and the initial feedback from a pilot scheme has been positive. The LDBS has also been re-negotiating costs for schools placing recruitment advertisements. LDBS has also met with the Greater London Authority to see whether any pan-London strategies might assist CofE schools.

✚ **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 provides 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; following the introduction of the DfE's School Direct programme in 2014 the Course was opened up to secondary schools in 2015. The Course has capacity for training up to 200 trainees and it is disappointing that too many potential trainees failed to pass either the rigorous selection interviews or the skills test with the result that there are only 79 participants in the current academic year.

✚ **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 and Skills Funding Agency, is used effectively.

**TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2017**

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.

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 and Skills Funding Agency. The attention to detail in preparing bids is important and LDBS has assisted a number of academies.

**Conversion of Schools into Academies**

- ✚ The LDBS has been a supporter of academies ever since it opened the first Church of England City Academy in 2002 and since then it has been an active promoter of new academies and free schools.
- ✚ There are a number of promoters of academies who believe that building multi-academy trusts leads to higher standards in educational outcomes and cost savings in constituent schools. These promoters seldom put children first and the first question that LDBS asks a school contemplating conversion is will the outcomes for pupils be improved. The LDBS also expects a broad curriculum to be offered and religious education forms an important base for all our outstanding schools.
- ✚ The introduction of a national funding formula will put further pressure on school finances especially in London where 80% of LDBS schools will see reductions in their budgets. It is essential that one form entry schools are viable before they contemplate conversion into an academy as no Multi-Academy Trust will want to take responsibility for loss making entities.
- ✚ The LDBS acts as a sponsor of a number of Multi-Academy Trusts and will ensure that there is an appropriate trust for each voluntary school to join as and when it will benefit its pupils.

**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 and Skills Funding Agency (ESFA), 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.

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. In summer 2017 the LDBS Academies Trust will lease nursery space in the first new Church to be built by the Diocese in forty years, at Tottenham Hale.

**Financial Review**

**† Overall Financial Health**

- † Net capital resources increased from £23m to £25.4m following the receipt by the Uniform Schools Trust of an overage payment of £1.2m from the successful rebuild and enlargement of Holy Trinity School, Dalston and grants and donations of £0.7m for the new gymnasium that is being built on land adjacent to Bishop Wand Church of England Secondary School in Sunbury.
- † The unrestricted Education Fund was able to generate a surplus of £4k thereby bringing its accumulated surplus up to £531k.
- † 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 took place on 31 December 2016 and the results will be published in August 2017; despite a good investment performance over the past three years the scheme may fall into a deficit as the valuation of liabilities is based on long term interest rates which have fallen substantially from 3.6% - the rate used to value liabilities at the December 2013 valuation.
- † Cash balances at the year-end of £7.3m cover 92.5% of creditors due in less than twelve months (2016: 90.8%)

**† 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**

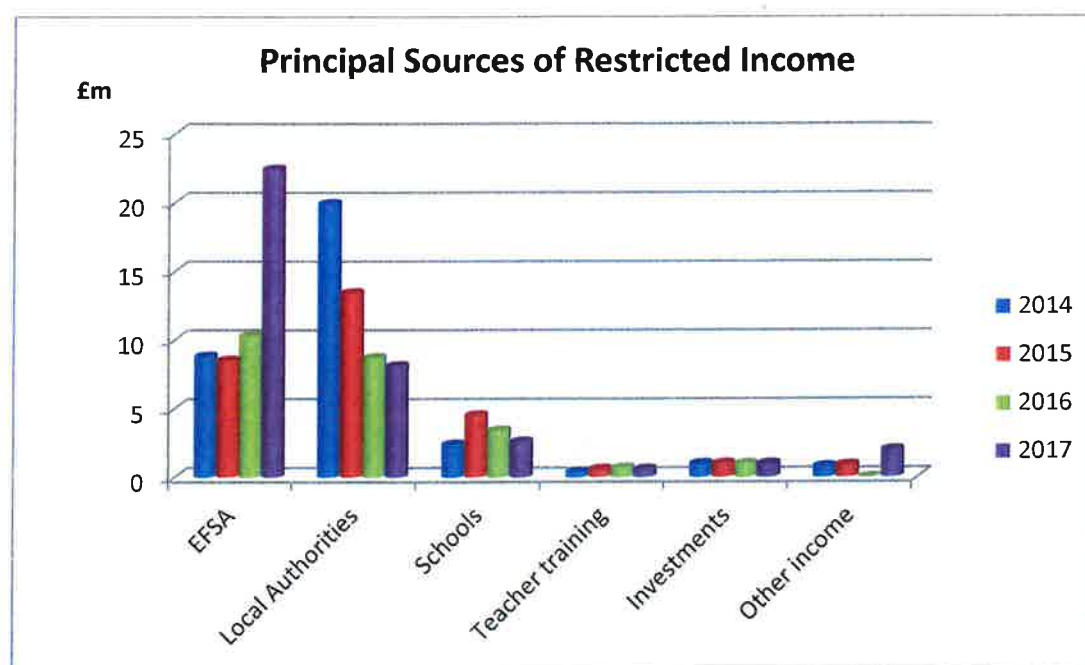
**Unrestricted Income LDBS & Grow Education Partners Limited**

	<b>2017</b>	<b>2016</b>	
	£000's	£000's	change
London Diocesan Fund	487	509	-4%
Interest income	2	2	0%
Grow Education sales and fees	650	667	-3%
LDBS Subscriptions	500	482	4%
LDBS sales and fees	47	30	57%
LDBS clerking service	133	100	33%
Reimbursement from schools	324	344	-6%
	<b>2143</b>	<b>2134</b>	
Uniform Schools Trust	370	300	23%
	<b>2,513</b>	<b>2,434</b>	<b>3%</b>

- † Whilst the cash grant from the London Diocesan Fund was unchanged there was a small decrease in the benefit in kind.

TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2017

- ✚ LDBS sales and fees increased due to the headteachers' conference taking place every other year.
- ✚ Income from the clerking service reflects growth and more realistic pricing of the service with 98% of costs now being recovered from schools.
- ✚ Reimbursement from schools includes fees earned from setting up new schools, expanding existing schools and providing support to a number of academies.
- ✚ The Uniform Schools Trust increased its grant as additional support to the restricted fund for teacher training was not required.



- ✚ For the past two years The Education and Skills Funding Agency (ESFA) has provided £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 an exceptional £14m (2016: £2.5m) was received for providing permanent buildings for Meridian Angel primary school, Edmonton, St Mary's primary school, Norwood Green, Ealing and St Jerome's Bilingual primary school, Harrow; in addition an initial £0.3m was received for a feasibility study for the Green School for Boys.
- ✚ Our last primary school expansion projects funded by local authorities were completed during the year. The only local authority funded secondary school expansion is in Hendon with completion expected in summer 2017. Contributions from local authorities fell from £8.7m to £8.1m in 2017.
- ✚ Schools provided £3.4m of which £1m was provided to fund the 10% maintenance contributions required from Voluntary Aided schools and £1.6m (2016: £2.4m) was contributed to school improvement projects.

**TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2017**

- ✚ The PGCE Teacher training course fee income fell 14% during the year to £0.6m marginally below the 2015 figure which reflects the difficulty in recruiting.
- ✚ Investment income fell 4.5% from just over £1m to just under £1m on account of the termination of the lease by the tenant at one of the properties owned by the Uniform Schools Trust.
- ✚ Other income includes £1.2m provided by Telford Homes PLC from the sale proceeds of the flats above the newly expanded Holy Trinity School, Dalston.

**✚ Expenditure**

- ✚ Apart from expenditure on school buildings, which is reimbursed, the major expense is staff remuneration which rose by 5.5% to £2.05m of which the salary element only increased by 3.9% as a member of staff previously seconded to LDBS became a full time employee.
- ✚ After a period of five years Wren Academy agreed to pay the final account for building works now that a series of leaks to a roof have been resolved. In accordance with the funding agreement, the DfE required LDBS to make a capital contribution of £130k. The other item of unusual expenditure is a contribution to legal costs of £41k for the consistory court case involving Christ Church School, Spitalfields.
- ✚ 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 15 and 16 of the accompanying financial statements.

**✚ Outcomes in respect of priorities for 2016/17**

- ✚ We recruited two primary school advisers to replace one of the advisers who retired and re-allocated a number of schools so that the existing advisers had a more manageable workload.
- ✚ The change in priorities at the Department for Education meant that the conversion of schools to academies is proceeding at a slower pace and the LDBS is able to take a more measured approach based on the benefits for pupils.
- ✚ The ESFA has given LDBS the project management role for delivering the Green School for Boys in Isleworth following the successful delivery of the new free school in Harrow – St Jerome CofE Bilingual School opened on time in September 2016 and is over-subscribed.
- ✚ The LDBS is also project managing the major expansion of St Mary & St John's School, Hendon which will see two forms of entry added to the secondary department.
- ✚ LDBS continues to support three academy trusts which hope to open secondary schools as and when the ESFA can acquire sites.

**TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2017**

- ✚ The new gymnasium for Spelthorne Gymnastics and Bishop Wand Church of England Secondary School which should have been completed in January 2017 is now due for completion in June 2017. There was a delay in completing the purchase of the long lease of land which coincided with a couple of pairs of birds deciding to build nests on critical parts of the site.
  
- ✚ Stage one of the management succession plan was completed successfully with Liz Wolverson becoming full time Chief Executive of the LDBS Academies Trust on 1 December 2016. Her responsibilities within LDBS have been re-allocated across a number of the school advisers and a post of co-ordinating adviser has been created. The LDBS continues to benefit from Liz Wolverson acting as a consultant for one day each week.
  
- ✚ The Trustees wish to place on record, the major impact Liz Wolverson has had on LDBS during her 30 years with the Charity. She was recruited to start a school improvement service and the rest is history. The Trustees are grateful for her commitment to the LDBS and the many roles she has performed over the years from chairing Interim Executive Boards to chairing SACRE meetings.
  
- ✚ In January 2017, St Paul's Cathedral welcomed LDBS schools to a service of celebration and thanksgiving; it was a delight to be able to fill the Cathedral with pupils, teachers and governors. There was a particular focus on Ashford primary school which is celebrating its 200<sup>th</sup> birthday and an opportunity to thank Liz Wolverson for her 30 years of service.
  
- ✚ **Priorities for 2017/18**
  - ✚ Open the Green School for Boys in September 2017 on its temporary site and establish a viable plan for a permanent secondary school site.
  - ✚ Recruit an additional school adviser to complete the re-balancing of the advisory team.
  - ✚ Complete the roll out of the new RE curriculum.
  - ✚ Implement the next phase of the teacher recruitment strategy following the 2016/17 pilot.
  - ✚ Support schools in devising appropriate strategies to remain good or outstanding schools despite reductions in income and increases in costs.
  - ✚ Deliver a new gymnasium for use by Spelthorne Gymnastics and Bishop Wand School.

**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, Matthew Glenn, Luke Miller, Raymond Prentice, Hannah Mason, Andrew Foreshow-Cain, Mary Findlow, Christopher Smith, Simon Surtees



**Executive & Finance Committee**

Members: Guy Pope, Luke Miller, 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, 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 5(d) to the Financial Statements, on page 28, 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.



### **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.

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. 57,000 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 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 LDBS is a member of two community academy trusts and provides support to these and a number of community schools.

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.

## **LONDON DIOCESAN BOARD FOR SCHOOLS**

### **TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2017**

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, a few members are also members of the LDF or have a close association with the Diocese.

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 £487,000 (2016: £509,000) with the cash element remaining unchanged at £180,000.

#### **† *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 2017 the unrestricted reserve increased by £4k to £531k.

#### **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 13.7% (2016: 3.8%) with income providing 4.8% and capital appreciation 8.9%. Property investments produced a gross income yield of 4.4% (2016: 4.6%) with no appreciation recorded in the year as the properties were last revalued in April 2015. One investment property remains empty following a decision by the tenant not to renew their lease in summer 2016. The building will need updating before any investment decision is taken and discussions are taking place with the City of Westminster and Historic England as to the options available to the LDBS.

### **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.

**TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2017**

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.

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 Education and Skills 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.

For routine maintenance projects for school buildings The Education Funding Agency provides grant funding in advance of payments made to contractors; for new schools or school expansions, the Local Authorities and The Education and Skills Funding Agency reimburse expenditure as it is incurred. Local Authorities do not always pay within the agreed number of days and short term deposits have 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 the cost is competitive for unsecured lending and interest payments are covered by rental income.

✚ *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 it was noted in the Trustees' 2016 Annual Report that 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. One year later a number of schools are reporting a reduction in pupil numbers and LDBS is monitoring the risk.

**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' Annual 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;

## **LONDON DIOCESAN BOARD FOR SCHOOLS**

### **TRUSTEES' ANNUAL REPORT (INCLUDING STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2017**

✠ 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.

The trustees confirm that 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, as trustees, in order to make themselves aware of any relevant audit information and to establish that the charitable company auditor is aware of that information.

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 19 July 2017.

The Trustees' Annual Report (including the Strategic Report) was approved by the Board on 19<sup>th</sup> July 2017.

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

## LONDON DIOCESAN BOARD FOR SCHOOLS

### 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 2017 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 pages 17 and 18, 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](http://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 2017 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and trustees' Annual Report has been prepared in accordance with applicable legal requirements.

### Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Trustees' Annual Report.

### 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 parent charitable company's 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: 27 July 2017

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

		Unrestricted Funds 2017 £000's	Restricted Funds 2017 £000's	Endowment Funds 2017 £000's	Total 2017 £000's	Total 2016 £000's
<u>Income from:</u>	Notes					
Donations and grants	3a	487	708	-	1,195	564
Charitable activities	3b	1,004	33,930	-	34,934	24,127
Other trading activities	4	650	-	-	650	667
Investments	3c	2	977	-	979	1,018
Other	3d	-	1,261	-	1,261	-
<b>Total</b>		<b>2,143</b>	<b>36,876</b>	<b>-</b>	<b>39,019</b>	<b>26,376</b>
<u>Expenditure on:</u>						
Raising funds and investment management		-	(480)	-	(480)	(634)
Commercial trading operations	4	(274)	-	-	(274)	(299)
Charitable activities	5	(2,235)	(33,955)	-	(36,190)	(25,595)
<b>Total</b>		<b>(2,509)</b>	<b>(34,435)</b>	<b>-</b>	<b>(36,944)</b>	<b>(26,528)</b>
Net gains/ (losses) on investments		-	261	65	326	(138)
<b>Net income/(expenditure) before transfers</b>		<b>(366)</b>	<b>2,702</b>	<b>65</b>	<b>2,401</b>	<b>(290)</b>
Transfers between funds	7	370	(370)	-	-	-
<b>Net income/(expenditure)</b>		<b>4</b>	<b>2,332</b>	<b>65</b>	<b>2,401</b>	<b>(290)</b>
<b>Other recognised gains/(losses)</b>						
Change in fair value provision of debtors	11	-	59	-	59	28
<b>Net movement in funds</b>		<b>4</b>	<b>2,391</b>	<b>65</b>	<b>2,460</b>	<b>(262)</b>
<b>Reconciliation of Funds</b>						
Fund balances at the beginning of the year		527	21,417	1,030	22,974	23,236
Net movement in funds for year		4	2,391	65	2,460	(262)
<b>Fund balances at the end of the year</b>		<b>531</b>	<b>23,808</b>	<b>1,095</b>	<b>25,434</b>	<b>22,974</b>

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 on pages 24 to 35 form an integral part of these financial statements.

# LONDON DIOCESAN BOARD FOR SCHOOLS

## CONSOLIDATED BALANCE SHEET AT 31 MARCH 2017

	Notes	Unrestricted Funds 2017 £000's	Restricted Funds 2017 £000's	Endowment Funds 2017 £000's	Group 2017 £000's	Group 2016 £000's
<b>Fixed assets</b>						
Tangible fixed assets	8	34	1,765	-	1,799	1,801
Investments	9	-	21,672	1,095	22,767	20,337
		<b>34</b>	<b>23,437</b>	<b>1,095</b>	<b>24,566</b>	<b>22,138</b>
<b>Current assets</b>						
Finance lease receivable after more than one year	10	-	1,197	-	1,197	1,246
Finance lease receivable within one year	10	-	49	-	49	49
Trade and other debtors	11	79	2,793	-	2,872	2,962
Cash at bank and in hand		641	6,698	-	7,339	9,915
		<b>720</b>	<b>10,737</b>	<b>-</b>	<b>11,457</b>	<b>14,172</b>
<b>Liabilities</b>						
Creditors falling due within one year	12	(223)	(7,857)	-	(8,080)	(10,932)
<b>Net current assets</b>		<b>497</b>	<b>2,880</b>	<b>-</b>	<b>3,377</b>	<b>3,240</b>
<b>Total assets less current liabilities</b>		<b>531</b>	<b>26,317</b>	<b>1,095</b>	<b>27,943</b>	<b>25,378</b>
<b>Creditors falling due after more than one year</b>	12	-	(2,509)	-	(2,509)	(2,404)
<b>Total assets</b>		<b>531</b>	<b>23,808</b>	<b>1,095</b>	<b>25,434</b>	<b>22,974</b>
<b>Funds</b>						
Unrestricted		531	-	-	531	527
Expendable capital	15	-	23,808	-	23,808	21,417
Permanent capital	16	-	-	1,095	1,095	1,030
<b>Total Funds</b>		<b>531</b>	<b>23,808</b>	<b>1,095</b>	<b>25,434</b>	<b>22,974</b>

These financial statements were approved by the directors on 19 July 2017

  
The Revd Preb Guy Pope, Director

  
The Ven Luke Miller, Director

The accompanying accounting policies and notes on pages 24 to 35 form an integral part of these financial statements.



# LONDON DIOCESAN BOARD FOR SCHOOLS

## CHARITABLE COMPANY BALANCE SHEET AT 31 MARCH 2017

	Notes	Unrestricted Funds 2017 £000's	Restricted Funds 2017 £000's	Endowment Funds 2017 £000's	Total 2017 £000's	Total 2016 £000's
<b>Fixed Assets</b>						
Tangible fixed assets	8	34	1,765	-	1,799	1,801
Investments	9	-	21,672	1,095	22,767	20,337
		<b>34</b>	<b>23,437</b>	<b>1,095</b>	<b>24,566</b>	<b>22,138</b>
<b>Current assets</b>						
Finance lease receivable after more than one year	10	-	1,197	-	1,197	1,246
Finance lease receivable within one year	10	-	49	-	49	49
Trade and other debtors	11	53	2,793	-	2,846	2,941
Cash at bank and in hand		559	6,698	-	7,257	9,816
		<b>612</b>	<b>10,737</b>	<b>-</b>	<b>11,349</b>	<b>14,052</b>
<b>Liabilities</b>						
Creditors falling due within one year	12	(115)	(7,857)	-	(7,972)	(10,812)
<b>Net current assets</b>		<b>497</b>	<b>2,880</b>	<b>-</b>	<b>3,377</b>	<b>3,240</b>
<b>Total assets less current liabilities</b>		<b>531</b>	<b>26,317</b>	<b>1,095</b>	<b>27,943</b>	<b>25,378</b>
<b>Creditors falling due after more than one year</b>	12	-	(2,509)	-	(2,509)	(2,404)
<b>Total assets</b>		<b>531</b>	<b>23,808</b>	<b>1,095</b>	<b>25,434</b>	<b>22,974</b>
<b>Funds</b>						
Reserves		531	-	-	531	527
Expendable capital	15	-	23,808	-	23,808	21,417
Permanent capital	16	-	-	1,095	1,095	1,030
<b>Total Funds</b>		<b>531</b>	<b>23,808</b>	<b>1,095</b>	<b>25,434</b>	<b>22,974</b>

These financial statements were approved by the directors on 19 July 2017

  
The Revd Preb Guy Pope, Director

  
The Ven Luke Miller, Director

The accompanying accounting policies and notes on pages 24 to 35 form an integral part of these financial statements.

# LONDON DIOCESAN BOARD FOR SCHOOLS

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £000's	2016 £000's
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	13	(1,476)	1,211
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		979	1,018
Purchase of property, plant and equipment		(2,125)	(538)
<b>Net cash (used in) provided by investing activities</b>		<u>(1,146)</u>	<u>480</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(70)	(66)
Drawdown of loan		200	-
Interest paid		(133)	(137)
Finance lease repayments		49	-
<b>Net cash provided by (used in) financing activities</b>		<u>46</u>	<u>(203)</u>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		(2,576)	1,488
Cash and cash equivalents at the beginning of the year		9,915	8,427
<b>Cash and cash equivalents at the end of the year</b>		<u>7,339</u>	<u>9,915</u>

The accompanying accounting policies and notes on pages 24 to 35 form an integral part of these financial statements.

**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 (FRS 102).

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.

**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. The LDBS meets the definition of a public benefit entity.

**1.2 Significant judgements and estimates**

The only material judgements or estimations applied in the preparation of the financial statements relate to a lack of depreciation on freehold property held in tangible fixed assets (note 8) and to the calculation of the fair value provision in debtors (Note 11). 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 (Company No: 2874636).

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 freehold property over their expected useful economic lives of four years. The Freehold property is recorded at its 2015 investment property valuation on the basis that the property will revert to being an investment asset following a re-organisation of property investment assets.

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, 2016 and 2017.

### **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 and Skills 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 and Skills 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.

**(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 2017 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 payable by the LDBS in 2016 and 2017 is 29.1% of salary plus expenses of £4,100.

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 2017

### 2 NET INCOME/(EXPENDITURE) FOR THE YEAR IS STATED AFTER CHARGING:

	Unrestricted	Restricted	Total 2017	Total 2016
	£000's	£000's	£000's	£000's
Auditor's remuneration for the statutory audit	38	1	39	42
Depreciation on fixtures, fittings and equipment	16	6	22	88

### 3 INCOME FROM:

#### (a) Donations and grants

	Unrestricted £000's	Restricted £000's	Total 2017 £000's	Total 2016 £000's
Grant from London Diocesan Fund (see note 14)	487	-	487	509
Grant from Sport England ( 2016: British Gymnastics)	-	411	411	50
Grant from Surrey County Council	-	100	100	-
Brooklands Helix Developments Ltd	-	50	50	-
Garfield Weston Foundation	-	25	25	-
Marks & Spencer PLC energy fund	-	12	12	-
Individual gift aid donations - Alan & Lucy Pascoe	-	50	50	-
- Justin Rose	-	25	25	-
- Sir Keith Mills	-	10	10	-
- Other	-	3	3	-
HMRC tax relief on gift aid donations	-	22	22	-
Grant from John Newman's charity	-	-	-	5
	<b>487</b>	<b>708</b>	<b>1,195</b>	<b>564</b>

#### (b) Charitable activities

Grants and contributions receivable from Education & Skills Funding Agency, Local Authorities and other public bodies	-	30,520	30,520	19,019
Sales, fees and subscriptions	680	1,028	1,708	1,606
Reimbursement from schools	324	2,206	2,530	3,447
Insurance claims	-	70	70	55
Rights of light compensation	-	106	106	-
	<b>1,004</b>	<b>33,930</b>	<b>34,934</b>	<b>24,127</b>

#### (c) Investments

Distributions from unlisted pooled investment funds	-	179	179	170
Rental income from investment properties	-	740	740	809
Interest on cash deposits	2	58	60	39
	<b>2</b>	<b>977</b>	<b>979</b>	<b>1,018</b>

#### (d) Other income

Telford Homes plc	-	1,200	1,200	-
Surrender of lease	-	61	61	-
	<b>-</b>	<b>1,261</b>	<b>1,261</b>	<b>-</b>

### 4 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 (Company No:2874636).

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:

	2017 £000's	2016 £000's
Turnover	650	667
Cost of sales	(271)	(296)
Gross profit	379	371
Administrative expenses	(3)	(3)
Net profit	376	368
Gift Aid to LDBS	(376)	(368)
Balance added to reserves	-	-

# LONDON DIOCESAN BOARD FOR SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 5 EXPENDITURE ON:

	Unrestricted	Restricted	Total 2017	Total 2016
	£000's	£000's	£000's	£000's
<b>(a) Raising funds and investment management</b>				
Investment property expenses	-	255	255	424
Professional fees for investment and trust properties	-	92	92	73
Bank loan interest	-	133	133	137
	-	480	480	634
<b>(b) Charitable activities</b>				
Grants to schools (see details in Note 5(c))	38	192	230	79
Grants to individuals	-	12	12	14
School building works and repairs	-	32,800	32,800	22,440
Salaries, social security and pension costs (see note 6)	1,594	459	2,053	1,945
PGCE SCITT course delivery costs	-	339	339	393
Depreciation	16	6	22	88
Occupancy costs	327	30	357	436
Audit fees	38	1	39	42
Other costs	222	116	338	158
	2,235	33,955	36,190	25,595
<b>(c) Grants made to Schools</b>				
St Mary's High School, Hendon	38	-	38	69
St Jude & St Paul's School, Mildmay Park	-	38	38	-
Greig City Academy	-	3	3	3
Holy Trinity School, Dalston	-	14	14	-
St George the Martyr School, Holborn	-	7	7	7
Wren Academy, Barnet	-	130	130	-
	38	192	230	79

Grants to individuals are provided by the City & Diocese of London Voluntary Schools Fund - see Note 16. There are no support costs allocated to grant making activities.

### (d) Trustees' expenses

No amounts were reimbursed to Trustees (2016: Nil).

As permitted by LDBS's Articles and Memorandum of Association the resources expended by the charity include £16,500 (2016: £11,776) in respect of indemnity insurance for the trustees and officers.

	2017 £000's	2016 £000's
<b>6 STAFF COSTS</b>		
Wages and salaries	1,567	1,508
Social security costs	171	147
Pension costs	315	290
	2,053	1,945

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	15	18
Primary trading and non statutory support	18	14
	33	32
Average number of employees	51	50

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	1	3
£80,001 - £ 90,000	2	2
£90,001 - £100,000	1	-

Aggregate employer pension contributions for the employees above were £82,500 (2016: £80,000), 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.

# LONDON DIOCESAN BOARD FOR SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

The total amount of employee benefits, including health insurance, received by the Chief Executive was £91,000 (2016: Chief Executive and Director(School Support Services) £191,000).

### 7 TRANSFERS BETWEEN FUNDS

The Uniform Schools Trust (Restricted Fund) made a grant to the Education Fund (Unrestricted) of £370k (2016:£300k).

### 8 TANGIBLE FIXED ASSETS

Group and Charity		Freehold Property	Fixtures, Fittings and Equipment	Total
		£000's	£000's	£000's
<b>Cost</b>	At 1 April 2016	1,750	117	1,867
	Additions	-	20	20
	Disposals	-	(15)	(15)
	At 31 March 2017	<b>1,750</b>	<b>122</b>	<b>1,872</b>
<b>Depreciation</b>	At 1 April 2016	-	66	66
	Provided in year	-	22	22
	Disposals	-	(15)	(15)
	At 31 March 2017	-	<b>73</b>	<b>73</b>
Net book value at 31 March 2017		<b>1,750</b>	<b>49</b>	<b>1,799</b>
Net book value at 31 March 2016		1,750	51	1,801

### 9(a) INVESTMENTS AT MARKET VALUE

	Uniform Schools Trust	Sole Trustee Funds	2017 Total	2016 Total
	£000's	£000's	£000's	£000's
<b>Unlisted</b>				
Central Board of Finance of the Church of England (CBF)				
- Investment fund	504	424	928	800
- Property fund	633	91	724	744
- Global Equity Income fund	-	75	75	66
M&G Charifund units	2,261	-	2,261	2,052
	<b>3,398</b>	<b>590</b>	<b>3,988</b>	<b>3,662</b>
<b>Freehold Properties</b>				
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
	<b>10,475</b>	<b>6,200</b>	<b>16,675</b>	<b>16,675</b>
<b>Leasehold Property</b>				
Long lease of land at Sunbury	-	90	90	-
Gymnasium in course of construction at Sunbury	-	2,015	2,015	-
	<b>13,873</b>	<b>8,895</b>	<b>22,768</b>	<b>20,337</b>

Included within sole trustee funds are investments relating to endowment funds: £1,095k (2016: £1,030k).

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



# LONDON DIOCESAN BOARD FOR SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 9(a) INVESTMENTS AT MARKET VALUE continued

A long lease has been acquired on land adjacent to Bishop Wand School on which a gymnasium is being constructed. It will be leased to Spelthorne Gymnastics on practical completion in June 2017. Both leases are inside the Landlord & Tenant Act.

The property at 13/14 Archer Street, acquired with vacant possession in June 2004, and the land and gymnasium at Sunbury are 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 2017 is £3.975m.

<b>9(b) INVESTMENTS AT COST</b>	<b>Uniform Schools Trust £000's</b>	<b>Sole Trustee Funds £000's</b>	<b>2017 Total £000's</b>	<b>2016 Total £000's</b>
<b>Unlisted</b>				
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
<b>Property</b>	1,932	4,905	6,837	4,732
All investments are held in the United Kingdom.	<b>4,592</b>	<b>5,083</b>	<b>9,675</b>	<b>7,570</b>

### 10 FINANCE LEASE RECEIVABLE

A finance lease was provided to Wren Academy for the construction of a sixth form centre with an anticipated redemption date of 31 October 2036.

<b>Group and Charity repayments</b>	<b>2017 £000's</b>	<b>2016 £000's</b>
under one year	49	49
one to five years	210	205
later than five years	987	1,041
	<b>1,246</b>	<b>1,295</b>

### 11 TRADE AND OTHER DEBTORS

	<b>Group 2017 £000's</b>	<b>Charity 2017 £000's</b>	<b>Group 2016 £000's</b>	<b>Charity 2016 £000's</b>
Outstanding claims				
- Education & Skills Funding Agency	557	557	-	-
Amounts due from schools	1,725	1,699	1,224	1,204
Trade debtors	584	584	1,730	1,729
Other debtors (comprise loans to employees)	6	6	8	8
	<b>2,872</b>	<b>2,846</b>	<b>2,962</b>	<b>2,941</b>

£1.0m (2016: £1.0m) of the amounts due from schools become due after twelve months.

There is a fair value provision of £178k ( 2016: £237k) set against the £0.9m (2016: £1m) due from a school.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

<b>12 CREDITORS</b>	<b>Group 2017 £000's</b>	<b>Charity 2017 £000's</b>	<b>Group 2016 £000's</b>	<b>Charity 2016 £000's</b>
<b>- Amounts falling due within one year</b>				
Trade creditors	3,351	3,356	6,049	6,050
Other creditors	26	8	26	8
Loan repayments	94	94	70	70
Accruals and deferred income	4,609	4,514	4,787	4,684
	<b>8,080</b>	<b>7,972</b>	<b>10,932</b>	<b>10,812</b>

Accruals and deferred income include amounts of £4.4m (2016: £4.7m) in respect of grants and contributions received in advance of related expenditure being incurred. £1.8m (2016: £2.5m) of the preceding year balance was released in the current year.

<b>- Amounts falling due after one year</b>	<b>Group 2017 £000's</b>	<b>Charity 2017 £000's</b>	<b>Group 2016 £000's</b>	<b>Charity 2016 £000's</b>
Loan repayments				
due within 1 to 2 years	99	99	75	75
due within 2 to 5 years	324	324	247	247
due thereafter	2,086	2,086	2,082	2,082
	<b>2,509</b>	<b>2,509</b>	<b>2,404</b>	<b>2,404</b>

- A term loan from Barclays forms part of the liabilities of the restricted Uniform Schools Trust fund- final repayment 2036.
- An interest free loan of £200,000 was provided by the London Marathon Trust to City & Diocese of London Voluntary Schools Fund in 2016-17 repayable in 114 equal monthly instalments from 31 May 2017.

**13 NOTES TO THE CASH FLOW STATEMENT**

<b>Reconciliation of net income/(expenditure) to net cash flow from operating cash activities</b>	<b>2017 £000's</b>	<b>2016 £000's</b>
Net income/(expenditure) for the year as per the Statement of Financial Activities	2,401	(290)
Amortisation of lease	-	72
Depreciation charges	22	16
(Gains)/losses on investments	(326)	138
Dividends, interest and rents from investments	(979)	(1,018)
Interest paid	133	137
Decrease in debtors	149	507
(Decrease)/increase in creditors	(2,876)	1,649
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(1,476)</b>	<b>1,211</b>

**14 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 £307,000 (2016: £329,000). 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 (2016: £180,000) and recharged expenses of £1,692,000 (2016: £1,610,000). The balance owed to London Diocesan Fund at 31 March 2017 was £nil (2016: nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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

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 and LDBS Academies Trust 2 where Revd. Guy Pope, a trustee of LDBS and the Chief Executive of the LDBS are directors of both Trusts. The Chief Executive of the LDBS Academies Trust provides consultancy services to LDBS.

The LDBS received £110,400 (2016: £94,000) from LDBS Academies Trust and paid to the LDBS Academies Trust £8,500 (2016: nil). In addition LDBS Academies Trust paid £5,400 (2016: £16,000) to Grow Education Partners Limited. LDBS Academies Trust 2 paid £2,000 to LDBS during the year.

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 £572,700 from St Michael's SCITT Account (2016: £667,000) as and when funds are needed/become available.

15 RESTRICTED FUNDS

	Balance 1 April 2016	Incoming Resources	Resources Expended	Transfers	Recognised gains/(losses) & fair value adjustments	Balance 31 March 2017
	£000's	£000's	£000's	£000's	£000's	£000's
Schools Building Maintenance Fund	965	2,265	(132)	(1,996)	-	1,102
PGCE SCITT/School Direct Course	3	646	(644)	-	-	5
Sole Trustee Funds ( see note 14)	20,449	33,965	(33,659)	1,626	320	22,701
	<b>21,417</b>	<b>36,876</b>	<b>(34,435)</b>	<b>(370)</b>	<b>320</b>	<b>23,808</b>

16 SOLE TRUSTEE FUNDS

<i>Restricted Funds</i>	Balance 1 April 2016	Incoming Resources	Resources Expended	Inter-Fund Interest	Recognised gains/(losses) & fair value adjustments	Balance 31 March 2017
	£000's	£000's	£000's	£000's	£000's	£000's
Uniform Schools Trust	17,248	32,971	(33,592)	1,772	320	18,719
City & Diocese of London						
Voluntary Schools Fund	791	873	(14)	(146)	-	1,504
Uxbridge Lecturer's Fund	9	1	-	-	-	10
St Jude & St Paul Mildmay Park	2,401	117	(50)	-	-	2,468
David Greig Trust 1949	-	3	(3)	-	-	-
	<b>20,449</b>	<b>33,965</b>	<b>(33,659)</b>	<b>1,626</b>	<b>320</b>	<b>22,701</b>

Transfers to/(from) Uniform Schools Trust comprises

	2017	2016
Transfer of subscriptions from Schools Building Maintenance Fund	727	922
Transfer of devolved capital from Schools Building Maintenance Fund	1,269	1,087
Transfer of loan interest from City & Diocese Voluntary Schools Fund	146	150
Transfer to PGCE Course	-	(70)
Transfer to unrestricted funds	(370)	(300)
	<b>1,772</b>	<b>1,789</b>

# LONDON DIOCESAN BOARD FOR SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 16 SOLE TRUSTEE FUNDS continued

<i>Permanent endowment funds:</i>	Balance 1 April 2016 £000's	Incoming Resources £000's	Resources Expended £000's	Transfers £000's	Recognised gains/(losses) £000's	Balance 31 March 2017 £000's
City & Diocese of London						
Voluntary Schools Fund	951	-	-	-	54	1,005
Uxbridge Lecturer's Fund	13	-	-	-	2	15
David Greig trust 1949	66	-	-	-	9	75
	<b>1,030</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65</b>	<b>1,095</b>

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 9).

### Uniform Schools Trust (Established 1996)

The Trust was established under Section 557 of the 1996 Education Act. The Trustee may apply capital and income in expenditure on school sites and buildings. The Trustee may also apply income in or towards the provision of advice, guidance and resources (including materials) in connection with any matter related to the management of, or education provided at, any relevant school in the Diocese.

### 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.

### 17 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:

		2017 £000's	2016 £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	14	12
St Mary's School, Marylebone	CBF Deposit Fund	1	-
St Paul's with St Michael's School, Haggerston	CBF Deposit Fund	2	2
Latymer & All Saints School, Edmonton	CBF Investment Fund	15	13
Latymer & All Saints School, Edmonton	CBF Deposit Fund	4	3
Holy Trinity School, Tottenham - Girls Green School Fund	COIF Charities Investment Fund	43	37
		<b>81</b>	<b>69</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

**18 CONTINGENT LIABILITIES**

The LDBS has been joined in a legal action involving a voluntary aided school in the Diocese. A provision of £41,000 has been made in the Accounts for the estimated costs outstanding as at 31 March 2017 but as the decision is subject to an appeal additional costs, if any, attributable to the LDBS cannot be ascertained until a final judgement is received (2016: Nil).

**19 CAPITAL COMMITMENTS**

At 31 March 2017 there were capital commitments of £567,000 (2016: £nil).

**20 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 in 2016 and in 2017.

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.

10 employees (6 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.

# LONDON DIOCESAN BOARD FOR SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 21 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2016

	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total £000's
<b>Income from:</b>				
Donations and grants	509	55	-	564
Charitable activities	956	23,171	-	24,127
Other trading activities	667	-	-	667
Investments	2	1,016	-	1,018
Other	-	-	-	-
<b>Total</b>	<b>2,134</b>	<b>24,242</b>	<b>-</b>	<b>26,376</b>
<b>Expenditure on:</b>				
Raising funds and investment management	-	(634)	-	(634)
Commercial trading operations	(299)	-	-	(299)
Charitable activities	(2,084)	(23,511)	-	(25,595)
<b>Total</b>	<b>(2,383)</b>	<b>(24,145)</b>	<b>-</b>	<b>(26,528)</b>
Net (losses)/gains on investments	-	(123)	(15)	(138)
<b>Net income/(expenditure) before transfers</b>	<b>(249)</b>	<b>(26)</b>	<b>(15)</b>	<b>(290)</b>
Transfers between funds	300	(300)	-	-
<b>Net income/(expenditure)</b>	<b>51</b>	<b>(326)</b>	<b>(15)</b>	<b>(290)</b>
<b>Other recognised gains/(losses)</b>				
Change in fair value provision of debtors	-	28	-	28
<b>Net movement in funds</b>	<b>51</b>	<b>(298)</b>	<b>(15)</b>	<b>(262)</b>
<b>Reconciliation of Funds</b>				
Fund balances at the beginning of the year	476	21,715	1,045	23,236
Net movement in funds for year	51	(298)	(15)	(262)
<b>Fund balances at the end of the year</b>	<b>527</b>	<b>21,417</b>	<b>1,030</b>	<b>22,974</b>