



## **Oxford Diocesan Board of Education**

### **Directors' Report and Financial Statements**

For the year ended 31 December 2020

Company limited by guarantee (No. 07071809 England and Wales)

Registered charity (No. 1133586)

Registered & Principal Office:  
Church House Oxford  
Langford Locks  
Kidlington  
Oxford OX5 1GF

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CE	Church of England
CBF	Central Board of Finance of the Church of England
CCLA	CCLA Investment Management Limited
CSUST	Church Schools Uniform Statutory Trust
DfE	Department for Education
DFC	Devolved Formula Capital
DT(O)L	Diocesan Trustees (Oxford) Limited
LA	Local Authority
LCVAP	Locally Co-ordinated Voluntary Aided Programme
MAT	Multi Academy Trust
ODBE	Oxford Diocesan Board of Education
ODBF	Oxford Diocesan Board of Finance
ODBST	Oxford Diocesan Bucks Schools Trust
ODES	Oxford Diocesan Education Services Limited
ODST	Oxford Diocesan Schools Trust
Ofsted	Office for Standards in Education
SACRE	Standing Advisory Council on Religious Education
SIAMS	Statutory Inspection of Anglican and Methodist Schools
SLA	Service Level Agreement
SLT	Senior Leadership Team
SOFA	Statement of Financial Activities
VASCA	Voluntary Aided Schools Condition Allocation

## **DIRECTORS' ANNUAL REPORT**

The directors, who are also trustees for the purposes of charity law, present their annual report, together with the audited financial statements, for the year ended 31 December 2020.

## **OBJECTIVES AND ACTIVITIES**

### **Background**

The Charity exists to fulfil the statutory duties of the Diocese of Oxford for the education of children, as updated by the Diocesan Boards of Education Measure 1991 and it currently advises and assists 282 schools and academies, educating 60,000 children and young people. There have been schools in the diocese run by the Church for many hundreds of years, whose trusts were established to provide education, usually for the poor of the parish, with teaching in accordance with the principles of the Church of England. From 1833 onwards the government began to provide funding to support this work and, in 1870, Parliament allowed for the establishment of board and later county schools to provide free education. The 1944 Education Act brought into legislation the dual system of church and state working together in education which the work of this Charity enables and supports. Further changes to legislation in the 2010 Academies Act and the 2011 Education Act bring fresh challenges and accountabilities. The Charity now also works with its academies, as well as the voluntary controlled and voluntary aided schools, to provide advice and in the maintenance and development of a distinctively Christian ethos in schools which remain inclusive and are intended to serve their local community.

### **Objectives**

The Charity continues to achieve its objectives by offering pastoral and professional support to its schools and pupils.

The functions of the Charity are set out in the Diocesan Boards of Education Measure 1991 (as amended), which is the Charity's governing document. The Charity, therefore, is responsible for promoting and assisting:

- Education in the diocese consistent with the faith and practice of the Church of England;
- Religious education and worship in schools.

### **Activities**

The Charity advises governors of church schools, trustees of church educational endowments and any other body or person concerned on any matter affecting church schools in the diocese and additionally takes opportunities to serve all schools in church-led Multi Academy Trusts and specifically:

- Gives advice in relation to any proposed changes to the status, viability and future of all church schools;
- Approves all new building, alterations and refurbishment to Aided School buildings;
- Gives advice to the trustees of Church of England education trusts before any changes are made to their trust property or governing documents (trust deed, Charity Commission scheme, etc);
- Appoints and supports Foundation governors for all church schools;

**OBJECTIVES AND ACTIVITIES (cont'd)**

- Improves the effectiveness of diocesan schools by providing services to support school improvement, professional development of teachers, training for staff and governors, professional advice and pastoral care;
- Advises and supports governing bodies on the appointment of Headteachers and senior staff;
- Receives and considers the reports of all formal inspections (Ofsted and SIAMS) at all church schools, which are required to be carried out under the Education Act 2005; and
- Acts as managing trustee of two trusts.

**Public benefit**

The directors have complied with section 4 of the 2011 Charities Act having due regard to guidance published by the Charity Commission. The directors are aware of the Charity Commission's requirement that the aims, objectives and activities of the charity should provide a clear public benefit. Through the achievement of these objectives set out above, the public benefits from the provision of inclusive church schools for 60,000 pupils and the advisory services of ODBE to the staff and governors of these schools.

**Grant making policy**

The charity makes grant payments as managing trustee in accordance with the terms of each trust.

**ACHIEVEMENTS AND PERFORMANCE****Working with Multi-Academy Trusts**

The pandemic has resulted in the number of academy conversions further reducing but we are still getting schools who are making a positive choice to join a MAT as well as a small number of schools which are required to join a MAT. The two diocesan MATs supported by ODBE have continued to grow. ODST now comprises 38 academies and ODBST is made up of 11 with more in the pipeline. Four of the academy trusts which we work with have pooled their SLA capital allocations together and ODBE manages this programme for them.

We continue to provide support services to schools to assist them in delivering the best possible outcomes. This ranges from appointing approximately 1,000 governors across our schools and academies (including 20 multi-academy trusts); advising on admission policies at 170 schools; organising independent admission appeals for governing bodies; assisting the site trustees with various property matters and organising building work at voluntary aided schools and some academies ranging from small maintenance projects to large scale extension and refurbishments, including the planning of completely new schools.

**New School Opportunities**

Several school-led MATs explored opportunities for Church of England free schools in areas where pupil demand can be demonstrated, and there is low likelihood of negative impact on the flourishing of existing schools. Whilst the national landscape for this is now more competitive with more available MATs to sponsor new free schools, the team continued to prioritise this work and build relationships with existing MATs. As a result, Alder Grove Church of England Primary School opened as part of The Keys Trust in September 2020. This will be followed by Windrush Church of England Primary School in



September 2021 as part of The River Learning Trust. In addition, ODBE supported and facilitated the re-brokerage and re-designation of the primary provision at St Gregory the Great Catholic School. The new Church of England Primary school joined ODST in November 2020 as St Frideswide's CE Primary School.

**School Effectiveness**

Schools continued to be well served by the Link Adviser model and outcomes measured by Ofsted and SIAMS grades of good or better are above the national average in both. Covid-19 brought the inspection processes to a halt in March 2020. ODBE responded quickly to the need for a different form of support for schools through the pandemic and beyond. This has resulted in a re-worked and re-branded SLA entitled Services 4 Schools. At the same time, we have recalibrated our training offer and online resources to take account of the unique challenges that have faced schools throughout these times.

**Strategic Vision**

ODBE produced a three-year vision and strategy to run from 2019 to 2022. This required spending and staffing commitments to be identified alongside strategic priorities and actions taken. The vision and strategy was published in Summer 2019 and took effect from September 2019 onwards. The ODBE staffing model was restructured to take account of this new strategic direction and the reporting and accountability lines altered accordingly. The advent of Covid-19 has required a significant rethink and recalibration for the changed world that we now inhabit. Therefore, in September 2020 ODBE reshaped its strategic vision to focus on a set of medium-term strategic priority areas. These draw upon the previous three-year strategy and provide a transition into the new 2022-2025 strategy for the new triennium.

**Current Impact of Covid-19**

Clearly the Coronavirus pandemic had a significant impact upon the work of ODBE and actions were undertaken to mitigate this. Schools' funding has not been affected initially and the DfE has continued to instruct schools to continue to make payments to suppliers.

The organisation has taken account of its staffing needs over the course of the pandemic and comprehensive use of the Government's Job Retention Scheme was made to furlough staff. Staff not on furlough were invited to make a corresponding salary sacrifice. In addition, ODBE identified significant opportunities for reducing expenditure particularly through the reduction of staff expenses to zero during the lockdown periods.

ODBE established a business continuity plan for the duration of the lockdown in order to maintain productivity and maximise the opportunity to realise projects with the additional time available.

## **FUTURE PLANS**

The ODBE Strategic Objectives 2020-2021 comprise ten priority areas that underpin ODBE's work until the end of the current triennium. They are as follows:

1. Services to Schools - To build upon and enhance the high-quality support ODBE provides for our schools.
2. Organisational Effectiveness - To ensure that ODBE is viable and able to deliver strategic priorities.
3. Finance - To ensure finances support the work of the ODBE in the short and medium term.
4. Governance - To enhance the leadership of CE schools through a more effective ODBE governance strategy.
5. Leadership - To enhance existing support for headteachers/school leaders and explore new opportunities for leadership support.
6. MATs - To strengthen partnerships with existing and future MATs at all levels.
7. Common Vision - To deepen the understanding and potential of the Diocesan Common Vision for the whole ODBE team so that colleagues can play their part in realising the vision.
8. SIAMS - To be able to respond to the changing national picture and enable schools to continue to express their Christian distinctiveness.
9. Communications - To improve communication processes and protocols to all stakeholders.
10. Partnerships - To continue to develop partnerships that will add value to ODBE and its schools.

Planning is underway for a new three-year strategy that takes account of the changed and changing economic, societal, and environmental factors and will have at its core the need for ODBE to be a sustainable organisation delivering an essential service to education.

### **Potential Future Impact of Covid-19**

ODBE will continue to utilise mitigations already in place to meet the challenge of the Covid-19 pandemic. In particular, the increased use of remote working, online training and resources will ensure that income streams are maintained whilst resources are maximised.

## **FINANCIAL REVIEW**

### **General Funds**

Overall total unrestricted income was £1,587K, with a surplus of £48K (3%) on general funds for the year (2019: deficit £56K)

A significant proportion of income came from grants: grant income from the DfE totalled £3,717k for the year (2019 £nil – see Restricted Funds – Building improvement scheme). Grant income from CSUST totalled £531K for the year (2019: £479K) and grant income from ODBF totalled £382K (2019: £344K), 32% and 23% of total unrestricted income respectively.

Income from charitable activities included school service agreement income of £227K (14%) (2019: £264K), training and consultancy income of £139K (8%) (2019 £208K), premises related income of £315K (19%) (2019: £290K) and admissions appeals income of £44K (3%) (2019: £51K).

Costs have been attributed to three categories of support for schools, with staff and overhead costs apportioned between these categories.

**Restricted Funds – Building Improvement Scheme**

Historically the board acted as the agent of school governors in relation to school building works and the purchase of IT equipment for Schools. It acted as the agent of school governors in helping to arrange funding through the DfE and Local Authorities and in paying professional fees and building costs on behalf of school governors. The VASCA (Voluntary-Aided Schools Condition Allocation) system was introduced in April 2020 and superseded the LCVAP (Locally Coordinated Voluntary-Aided Programme). The change in funding gives the charity ultimate control over the application of the VASCA grants to specific schools. Historically, the LCVAP was not reflected in the Statement of Financial Activities as the Charity had no control over the funds and the transactions were those of the school governors rather than the Charity which acted as agent. The VASCA grant funding has now been recognised as income in the Statement of Financial Activities along with the related expenditure. The unspent balance of VASCA funding at the end of the year of £1,292k (2019 - £nil) has to be committed to projects by 31 March 2022 or returned to the DfE. The total balance on the fund at 31 December 2020 was £1,693k (2019: 401k).

**Restricted Funds**

No grant was made from the Thatcham and Newbury restricted trust funds in 2020 (2019: one), no grant from the Hills Bequest Fund (2019: none) and no grant from the Buildings improvement fund except as stated from the SCA in the above paragraph and Note 4 (2019: one). The balance remaining on the income restricted funds at 31 December 2020 was £1,906K (2019: £569K).

**Reserves Policy**

At the end of 2020 the Board's unrestricted funds excluding fixed assets (or free reserves) totalled £404K (2019: £355K), providing 3 months reserves cover for current activities, very slightly below the Board's target of holding approximately 3 months' expenditure in reserve. The 2021 budget was set with the aim of break-even to maintain the current reserves levels, before the impact of Covid-19. See Future Plans section for mitigating actions being taken to minimize the financial impact.

ODBE is supported by CSUST funds which amount to £8,967K capital and £1,906K reinvested income at 31 December 2020. DT(O)L is the sole trustee of this fund. Both capital and income are funds which can only be used for educational purposes (see CSUST section on pages 8 and 9 for further details).

**Investment management**

The charity has general, restricted and endowment funds. The endowment funds and restricted funds have the majority of their capital invested in the CBF Investment Fund, with total investments of £426K (2019: £398K).

In the past this has ensured that the capital value was fully maintained over the long term. The directors seek professional investment advice as and when they consider it to be necessary.

The yield on investments during 2020 was 3% (2019: 3.2%). During the year the market value of investments increased by 6.6% (2019: 15.6%).

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **The Diocese of Oxford**

Although the Oxford Diocesan Board of Education is a separate registered charity, it is an integral part of the Diocese of Oxford, fulfilling its statutory duties in respect of children's education.

### **Corporate status**

The charity is registered with the Charity Commission (No. 1133586) and it is a company limited by guarantee (No. 07071809 England and Wales). Its governing document is the Diocesan Boards of Education Measure 1991 (as amended). Activities commenced on 1 January 2011, when the activities and assets of Oxford Diocesan Education Services Limited and the previous Oxford Diocesan Board of Education (Charity Number 307913) were transferred to the new ODBE charitable company.

### **Board and Committee structure**

The directors meet three times a year. There is an Executive Committee which met more frequently, comprising of the Board's Chairman with other key directors and the Board's senior officers. The board of directors has four further committees:

Finance Committee

Schools Effectiveness Committee

Development Committee

Human Resources Panel

### **Appointment of directors**

The Bishop of Oxford is a director by virtue of his office. The Bishop of Oxford is nominally the chairman but has currently delegated that responsibility to the Bishop of Buckingham. The Bishop of Oxford nominates either an area bishop or archdeacon to be a member of the Board. He may also appoint one further director, either clergy or lay.

Ten members are elected to serve as directors by the Diocesan Synod. At least four directors, with a maximum of eight, are co-opted by the Board. Co-opted members have to have experience of church schools in the diocese or have experience of other areas of work with which the Board is concerned.

Directors normally serve for a three year term linked to Synodical elections. New directors receive induction training. All directors receive ongoing training and briefings on current issues.

Some senior staff have job titles incorporating the title "Director" but they are not directors of ODBE for the purpose of company law.

### **Directors' responsibilities**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).



**Directors' responsibilities (continued)**

Under company law the directors 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 company and of the income and expenditure of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to 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 company will continue in business.

The directors are responsible for keeping adequate records that are sufficient to show and explain the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

**Related Parties**

The directors consider the following to be related parties:

- i) Oxford Diocesan Board of Finance (ODBF) – a company with charitable status, which is the principal vehicle for dealing with the financial business of the Diocese of Oxford.

ODBF and the Church Schools Uniform Statutory Trust (CSUST) together supply a significant amount of the financial resources and ODBF partly supplies the administrative resources under which the company operates.

The company is accountable to the Oxford Diocesan Synod for the appropriate use of these resources.

- ii) Diocesan Trustees (Oxford) Limited (DT(O)L) – a company with charitable status which is responsible for ensuring that trust funds are used in accordance with the terms of the trust deed. DT(O)L acts as sole trustee of CSUST funds.

CSUST income may be used for:

- (a) the provision of advice, guidance and resources in connection with management of, or education provided at, voluntary aided, controlled and foundation schools;
- (b) the inspection of church schools; and
- (c) the cost of employing staff in connection with any of these purposes.

**Related Parties (continued)**

DT(O)L is required to consult the charity on the uses of CSUST funds. These funds arise from the proceeds of sale of land and buildings of closed schools vested in CSUST under Statutory Instruments.

At 31 December 2020 CSUST funds had a total value of £10,873K (2019: £10,384K) of which £8,967K (2019: £8,536K) were endowment funds and £1,906k (2019: £1,848k) were accumulated reinvested income funds.

In addition, the buildings and land of a number of closed schools are vested in CSUST. The CSUST funds are included in the financial statements of DT(O)L.

Schedule 36 of the 1996 Education Act consolidated the 1993 Education Act in identifying the financial activity of CSUST funds as being for the work of Diocesan Boards of Education and the support of building work in schools. In the Oxford Diocese the support of building work has been directed towards aided schools due to the statutory responsibilities of Governing Bodies.

Loans from CSUST are used to provide working capital for building work where expenditure is incurred but subsequently reimbursed by the DfE or Local Authority.

- iii) Oxford Diocesan Schools Trust – a Multi Academy Trust formed in 2012
- iv) Oxford Diocesan Bucks Schools Trust – a Multi Academy Trust formed in 2017

ODBE confirms the appointment of directors of these MATS so as to ensure that the Trust Board comprises individuals who will uphold the Christian ethos of the schools and have the ability to run a chain of schools. Apart from confirming the appointments, ODBE plays no part in the day to day running of ODST nor ODBST, and ODST's and ODBST's primary accountability as Multi Academy Trusts is to the Secretary of State. Thus, there is no requirement to consolidate these financial statements with ODBE.

**Subsidiary Companies**

At 31 December 2020 ODBE had one wholly owned subsidiary, Oxford Diocesan Education Services Limited (ODES), which is not trading currently.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The directors confirm that the major strategic risks to which the Charity is exposed have been identified and reviewed and that systems have been established to manage those risks.

Directors have delegated to the Director of Education the task of carrying out reviews of operational risks and the management and monitoring of risks. To achieve this, a register of the identified risks is maintained, and, alongside it, a management and mitigation strategy formed. Directors review the risk register at least annually as part of corporate risk management.

The risk register scores risk based on likelihood, financial and reputational impact. After mitigating action is considered, the following areas have the highest levels of residual risk.

- 1. Whilst there has been a significant improvement in the revenue budget over the past three years there remains some strong external pressures including recently, Covid-19, on the budget and particularly on staffing costs. Failure to address this will result in an erosion of limited reserves which is not sustainable.**

Mitigating strategies:

- Continue to develop new income streams, monitor the viability of current services and maximise income from the SLA and other areas.
- Ensure cost effective delivery of services, particularly in the light of new ways of working following the Covid-19 pandemic.
- The Board is seeking to reduce expenditure in future years by taking action during 2021 to reduce costs.
- To monitor the impact of Covid-19 on investments to ensure long term sustainability.

- 2. In the last few years, the ODBE has become more reliant on grant income which has now become more uncertain due to the impact of Covid-19 and the rate of using accumulated income which is no longer sustainable.**

Mitigating strategies:

- Prepare a three year plan to demonstrate less reliance on grant income including making cost savings.
- Undertake a review on all areas of expenditure within the Board in order to achieve savings.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

- 3. If small schools (in particular) are not able to respond to the continued budgetary restraint they may risk becoming financially vulnerable and, therefore, more at risk of closure in the long term. Whilst their general income is secure this is subject to pupil numbers which are now declining in many primary schools and in some cases causing significant pressures. Any permanent closures would cause a reputational risk to ODBE, create considerable disturbance in the community and would result in ODBE not being able to meet its core purpose of serving schools in affected communities.**

Mitigating strategies:

- Work proactively to identify those schools most at risk and support them to develop strategies.
  - Offer new training opportunities to governors on financial matters. Encourage schools to come together in federations, amalgamations and in academy trusts and consider alternative leadership models where appropriate.
  - Brief the wider diocese and other relevant organisations on how they could support their local schools.
- 4. With the current heightened safeguarding awareness, it could lead to the identification of serious safeguarding concerns which could have a negative reputational impact on the ODBE, the wider diocese and the specific schools concerned.**

Mitigating strategies:

- Liaise with the appropriate Local Authority and diocesan safeguarding leads to ensure early intervention when concerns are raised.
- Ensure that all policies and procedures of the ODBE effectively consider safeguarding issues.
- Ensure that all trustees and staff are sufficiently well trained to deal with safeguarding issues from the Board's perspective.



**REFERENCE AND ADMINISTRATIVE DETAILS (Cont'd.)**

Registered Office	Church House Oxford, Langford Locks, Kidlington, Oxford, OX5 1GF
Bankers	National Westminster Bank plc, 32 Cornmarket Street, Oxford OX1 3EZ
Auditor	Buzzacott LLP, 130 Wood Street, London, EC2V 6DL
Solicitors	Winckworth Sherwood LLP, 16 Beaumont Street, Oxford OX1 2LZ
Insurers	Ecclesiastical Insurance Office plc, Beaufort House, Brunswick Road, Gloucester GL1 1JZ

**BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, the Companies Act 2006, and Accounting and Reporting by Charities: Statement of Recommended Practice effective from accounting periods commencing on or after 1 January 2015.

**STATEMENT OF DISCLOSURE TO AUDITOR**

As far as each director is aware, there is no relevant audit information of which the charity's auditor is unaware.

Each director has taken all the steps he/she ought to have taken as a director in order to make himself/herself aware of any relevant information and to establish that the charity's auditor is aware of that information.

Signed on behalf of the directors



The Right Revd Dr A T L Wilson  
Chairman

7 July 2021



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

### **Opinion**

We have audited the financial statements of Oxford Diocesan Board of Education (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the notes to the financial statements including the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of 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.

### **Basis for opinion**

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

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITOR'S REPORT (Cont'd.)****Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



## **INDEPENDENT AUDITOR'S REPORT (Cont'd.)**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

#### *How the audit was considered capable of detecting irregularities including fraud*

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, the Companies Act 2006, Education Acts, data protection legislation, anti-bribery, employment, pensions and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**INDEPENDENT AUDITOR'S REPORT (Cont'd.)**

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- tested authorisation controls during substantive testing of expenditure;
- assessed whether judgements and assumptions made were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

## **INDEPENDENT AUDITOR'S REPORT (Cont'd.)**

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Buzzacott LLP*

Amanda Francis (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

*22 September 2021*

**STATEMENT OF FINANCIAL ACTIVITIES** For the Year Ended 31 December 2020

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
<b>Donations and grants</b>	2.1					
Grants from CSUST		444	87	-	531	479
Grants from ODBF		382	-	-	382	344
Grants from DfE		-	3,717	-	3,717	-
Job Retention Scheme grant		32	-	-	32	-
		<u>858</u>	<u>3,804</u>	<u>-</u>	<u>4,662</u>	<u>823</u>
<b>Charitable Activities:</b>	2.2					
School premises related income		315	-	-	315	290
School service agreement		227	-	-	227	264
Training and consultancy services to schools		139	25	-	164	217
Admission Appeals		44	-	-	44	51
		<u>725</u>	<u>25</u>	<u>-</u>	<u>750</u>	<u>822</u>
<b>Investments</b>	2.3	4	12	-	16	15
<b>Total Income</b>		<u>1,587</u>	<u>3,841</u>	<u>-</u>	<u>5,428</u>	<u>1,660</u>
<b>EXPENDITURE ON: Charitable Activities</b>						
School leadership and governance support		1,218	-	-	1,218	1,334
School premises related support		273	2,512	-	2,785	322
Admission and Appeals service		48	-	-	48	53
<b>Total Expenditure</b>	3.1	<u>1,539</u>	<u>2,512</u>	<u>-</u>	<u>4,051</u>	<u>1,709</u>
<b>Net income /(expenditure) before gains on investments</b>		48	1,329	-	1,377	(49)
Gains on investments	9	-	8	20	28	62
<b>Net income and net movement in funds</b>		<u>48</u>	<u>1,337</u>	<u>20</u>	<u>1,405</u>	<u>13</u>
Reconciliation of funds:						
Total funds brought forward		363	569	291	1,223	1,210
<b>Total funds carried forward</b>		<u>411</u>	<u>1,906</u>	<u>311</u>	<u>2,628</u>	<u>1,223</u>



**STATEMENT OF FINANCIAL ACTIVITIES** For the Year Ended 31 December 2020  
(continued)

The Statement of Financial Activities (SOFA) includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. The prior year comparative SOFA for 2019 is shown in Note 19 on page 39. The notes on pages 24-39 form part of these financial statements.

**INCOME AND EXPENDITURE ACCOUNT**

	Total 2020 £'000	<i>Total</i> <i>2019</i> <i>£'000</i>
Income	5,428	1,660
Expenditure	<u>(4,051)</u>	<u>(1,709)</u>
<b>Operating surplus / (deficit) for the year</b>	1,377	(49)
Net gains on investments	<u>8</u>	<u>17</u>
<b>Net income / (expenditure) for the year</b>	<u><u>1,385</u></u>	<u><u>(32)</u></u>

The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

**BALANCE SHEET as at 31 December 2020** Company No. 07071809 (England and Wales)

	Note	2020 £'000	2019 £'000
<b>FIXED ASSETS</b>			
Tangible assets	8	7	8
Investments	9	426	398
<b>Total Fixed Assets</b>		<b>433</b>	<b>406</b>
<b>CURRENT ASSETS</b>			
Debtors	10	168	300
Cash at bank		2,694	1,290
<b>Total Current Assets</b>		<b>2,862</b>	<b>1,590</b>
<b>Creditors: Amounts falling due within one year</b>	12	<b>(567)</b>	<b>(673)</b>
<b>Net Current Assets</b>		<b>2,295</b>	<b>917</b>
<b>Total Assets Less Current Liabilities</b>		<b>2,728</b>	<b>1,323</b>
<b>Creditors: Amounts falling due after more than one year</b>		<b>(100)</b>	<b>(100)</b>
<b>NET ASSETS</b>		<b>2,628</b>	<b>1,223</b>
<b>THE FUNDS OF THE CHARITY</b>			
Endowment Funds	14	311	291
Restricted Funds	15	1,906	569
General Funds		411	363
<b>Total Charity Funds</b>		<b>2,628</b>	<b>1,223</b>

The notes on pages 24 to 39 form part of these financial statements. Included in the above investments are unrealised gains amounting to £332K. See notes 14 to 15 to the financial statements.

These financial statements were approved and authorised for issue by the directors on 7 July 2021 and signed on their behalf by:-



The Right Reverend Dr. A. T. L. Wilson  
Chairman



G S Anderson JP  
Director

more in the south →



## NOTES TO THE FINANCIAL STATEMENTS

### 1. Principal Accounting Policies

The Oxford Diocesan Board of Education (ODBE) is a company limited by guarantee (No. 07071809 England and Wales) and a registered charity (No. 1133586) governed by its Memorandum and Articles of Association, incorporated in England. Its registered office is Church House Oxford, Langford Locks, Kidlington, Oxon OX5 1GF.

#### **Basis of accounting**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

#### **Basis of preparation**

These financial statements have been prepared for the year to 31 December 2020 with comparative information provided for the year to 31 December 2019.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The Charity constitutes a public benefit entity as defined by FRS 102. The financial statements are presented in UK sterling and are rounded to the nearest thousand.

#### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements may require the directors and management to make significant judgements and estimates. Other than the estimation of future income and expenditure flows for the purpose of assessing going concern (see below), there are no critical accounting estimates or areas where judgement has been applied in the preparation of these financial statements.

#### **Going concern**

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The directors have made this assessment with respect to a period of at least one year from the date of approval of these financial statements. The directors have concluded that there are no material uncertainties related to events or conditions, including Covid-19, that may cast significant doubt on the ability of the Charity to continue as a going concern. The directors are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. This is because the Charity has sufficient monetary assets, including short term cash balances, which could be readily realised in order to meet liabilities should there be an unexpected curtailment of income. In addition, plans are in place to reduce costs if income should significantly fall due to Covid-19. Further details are provided in the Future Plans section of the Directors' Report attached to these financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**

### **1. Principal Accounting Policies (cont'd.)**

#### **Income**

Income, including donations and grants is recognised in the period in which the Charity is entitled to receipt, the amount can be measured reliably and it is probable that the funds will be received.

Monies receivable from the Government's Coronavirus Job Retention Scheme are recognised when the charity has entitlement to the income.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

#### **Expenditure**

Expenditure is included in the statement of financial activities when incurred and excludes recoverable VAT.

Expenditure comprises expenditure on the Charity's primary charitable purposes as described in the directors' report including the payments of grants. The expenditure includes both costs that can be allocated directly to such activities and those indirect costs necessary to support them.

Support costs are those costs which enable charitable activities to be carried out. These costs include the expenses relating to finance, human resources, property management, communications and information technology.

Grants payable are included in the statement of financial activities when approved and when committed. Commitment will usually arise when the intended recipient has either received the funds or been informed of the decision to make the donation.

#### **Tangible Fixed Assets**

Depreciation is calculated to write off the office and computer equipment to its residual value by equal instalments over 4 years, being its estimated useful life.

#### **Investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market bid-price.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date.

Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.



**NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)****1. Principal Accounting Policies (cont'd.)****Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Apart from fixed asset investments held at fair value, these are recognised initially at transaction value and subsequently measured as described below.

**Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

**Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year (if any) are disclosed as short-term deposits. Cash placed on deposit for more than one year, (if any) is disclosed as a fixed asset investment.

**Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Liabilities in respect of building works are recognised when the charity is invoiced.

The Charity assists voluntary aided schools with school building projects and the provision of IT equipment. The VASCA (Voluntary-Aided Schools Condition Allocation) system was introduced in April 2020 and superseded the LCVAP (Locally Coordinated Voluntary-Aided Programme). Until April 2020, the Charity acted as the agent of school governors in helping to arrange funding through the DfE and Local Authorities and in paying professional fees and building costs on behalf of school governors. The LCVAP income and expenditure was not reflected in the Statement of Financial Activities as the Charity had no control over the funds and the transactions were those of the school governors rather than the Charity which acted as agent. The change in funding from April 2020 gives the Charity ultimate control over the application of the VASCA grants to specific schools. Therefore, the VASCA grant funding received is recognised in the SOFA along with the related expenditure.

## **NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**

### **1. Principal Accounting Policies (cont'd.)**

#### **Fund structure**

The unrestricted funds comprise those monies which may be used towards meeting the charitable objectives of the charity and may be applied at the discretion of the directors.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

The endowment funds comprise assets which normally must be held as capital (permanent) but, where permitted, may be applied towards meeting certain charitable aims (expendable). The income therefrom may be used either in accordance with the donors' wishes, if stipulated, or for general purposes.

#### **Pensions**

The pension costs charged in the financial statements represent the contributions payable by ODBE during the year to four pension schemes: the final salary scheme operated by ODBF through the Pensions Trust, the Teachers' Pension Scheme, the Pension Builder Scheme of the Church Workers Pension Fund and a private/personal pension scheme. Full disclosure of the final salary pension scheme operated by ODBF is included in the accounts of Oxford Diocesan Board of Finance, the participating employer.



**NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)****ANALYSIS OF INCOME****2.1 Income from Donations**

	Total 2020 £'000	Total 2019 £'000
Annual support grant from CSUST	521	430
Other CSUST grants	10	49
Total grants from CSUST	<u>531</u>	<u>479</u>
Annual ODBF grant	269	264
Common Vision grants: Chaplaincy & Church/Schools relationships	110	77
Other Diocesan grants	<u>3</u>	<u>3</u>
Total Diocesan grants from ODBF	<u>382</u>	<u>344</u>
DfE grants (note 4)	<u>3,717</u>	<u>-</u>
Job Retention Scheme grant	<u>32</u>	<u>-</u>
Total grants	<u>4,662</u>	<u>823</u>

All donations and grants related to unrestricted funds in both the above years except for £87k of the annual grant from CSUST and £3,717 from the DfE which are restricted to property related expenditure.

**2.2 Income from Charitable Activities**

School premises related income	315	290
School Service Level Agreements	227	264
Training and consultancy services to schools	139	208
Admissions Appeals	<u>44</u>	<u>51</u>
Total Unrestricted Income from Charitable Activities	<u>725</u>	<u>813</u>
Restricted income from Training and Consultancy Services to Schools	<u>25</u>	<u>9</u>
Total Income from Charitable Activities	<u>750</u>	<u>822</u>

**2.3 Income from Investments**

Interest Receivable – Unrestricted	4	4
Dividends Receivable – Restricted	<u>12</u>	<u>11</u>
	<u>16</u>	<u>15</u>

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)****3 ANALYSIS OF EXPENDITURE****3.1 Expenditure on Charitable Activities**

	Direct Costs	2020 Support Costs (Note 3.2)	Total Costs	2019 Total Costs
	£'000	£'000	£'000	£'000
Schools Leadership and Governance Support	1,077	141	1,218	1,322
School Premises Related Support	214	59	273	321
Admissions and Appeals Service	40	8	48	53
<b>Total Unrestricted Expenditure</b>	<b>1,331</b>	<b>208</b>	<b>1,539</b>	<b>1,696</b>
School Leadership and Governance Support	-	-	-	12
School Premises Related Support	2,512	-	2,512	1
<b>Total Restricted Expenditure</b>	<b>2,512</b>	<b>-</b>	<b>2,512</b>	<b>13</b>
<b>Total Expenditure on Charitable Activities</b>	<b>3,843</b>	<b>208</b>	<b>4,051</b>	<b>1,709</b>

**3.2 Support Costs**

	School Leadership & Governance Support	School Premises Related Support	Admissions & Appeals Service	2020 Total	2019 Total
	£'000	£'000	£'000	£'000	£'000
Governance (Note 3.3)	12	3	1	16	23
Finance	38	28	2	68	67
Information Technology	27	8	2	37	37
Human Resources	22	6	1	29	29
Other Overhead Costs	42	14	2	58	66
<b>Total</b>	<b>141</b>	<b>59</b>	<b>8</b>	<b>208</b>	<b>222</b>

**3.3 Governance costs**

	2020 £'000	2019 £'000
Audit Fees	7	7
Statutory Costs and Legal Fees	9	13
Committee Costs	-	3
	<b>16</b>	<b>23</b>

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)****4 SCHOOL BUILDING IMPROVEMENTS AND REPAIRS**

The Charity assists voluntary aided schools with school building projects and the provision of IT equipment. The VASCA (Voluntary-Aided Schools Condition Allocation) system was introduced in April 2020 and superseded the LCVAP (Locally Coordinated Voluntary-Aided Programme). Until April 2020, the Charity acted as the agent of school governors in helping to arrange funding through the DfE and Local Authorities and in paying professional fees and building costs on behalf of school governors. The LCVAP income and expenditure was not reflected in the Statement of Financial Activities as the Charity had no control over the funds and the transactions were those of the school governors rather than the Charity which acted as agent. The change in funding from April 2020 gives the Charity ultimate control over the application of the VASCA grants to specific schools. Therefore, the VASCA grant funding received is recognised in the SOFA along with the related expenditure.

	2020 £'000	2019 £'000
Expenditure on School Building Improvements & IT Equipment	<u>2,809</u>	<u>3,521</u>
Funded by:		
Department for Education (DfE) – LCVAP	929	3,197
Department for Education (DfE) - VASCA	1,687	-
Local Authorities (LAs)	-	76
School Governors and other	<u>193</u>	<u>248</u>
	<u>2,809</u>	<u>3,521</u>

**5 DIRECTORS' REMUNERATION**

No remuneration has been paid to any director during the year for acting as a director or trustee (2019: none). 1 director was reimbursed for travel, subsistence and incidental costs amounting to £40 (2019: 7 directors were reimbursed £2K).

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)****6 STAFF COSTS**

The average staff numbers (excluding directors) based on headcount and full time equivalents was as follows:

	2020		2019	
	Average Headcount	Full time Equivalent	Average Headcount	Full time Equivalent
Support for Charitable Activities	20.4	15.4	21.5	20.0
Admin Support	2.4	3.0	3.2	2.9
<b>Total</b>	<b>22.8</b>	<b>18.4</b>	<b>24.7</b>	<b>22.9</b>

Staff costs during the year amounted to:

	2020 £'000	2019 £'000
Wages and Salaries	999	1,028
Pensions Contributions	206	179
Social Security Costs	111	113
<b>Total</b>	<b>1,316</b>	<b>1,320</b>

The number of employees whose emoluments for the year (including benefits in kind but excluding employer's National Insurance and pension contributions) exceeded £60,000 were as follows:

	2020	2019
£60,001-£70,000	1	3
£70,000-£80,000	1	-
£90,001-£100,000	1	1

**REMUNERATION OF KEY MANAGEMENT PERSONNEL**

Key management personnel are deemed to be those having authority and responsibility for planning, directing and controlling the activities of ODBE. In addition to the directors of the company, key management personnel during 2020 comprised:

Director of Education	Mr Antony Wilson
Deputy Director	Mrs Frances Bartlett
Deputy Director	Mr Gordon Joyner

No remuneration was paid to any company director during the year (2019: *£nil*) for acting as a director or a member of key management personnel. The aggregate remuneration, including employer's National Insurance contributions and pensions for these 3 employees amounted to £290K (2019: 4 employees £344K).

The Charity has insurance to protect it from any loss arising from the neglect or defaults of its directors and to indemnify the directors against the consequences of any neglect or default on their part. The insurance is provided as part of the Charity's general insurance and as such there is no separate premium payable (2019: *none*). The cover provided is up to £100,000 (2019: *£100,000*).



**NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)****7 PENSION COSTS**

Pension contributions were made in the year to four pension schemes: £27K for two staff to the final salary scheme operated by ODBF through the Pensions Trust (2019: £27K), £138K for eleven staff to the Teachers' Pension Scheme (2019: £103K), £37K for ten staff (2019: fifteen staff) to the Church Workers Pension Funds Pension Builder scheme (2019: £46K) and £4K (2019: £3K) for one member of staff to a personal/private pension scheme.

**Staff defined benefit scheme**

Full disclosure of the final salary pension scheme is operated by and included in the accounts of Oxford Diocesan Board of Finance, the participating employer. No additional deficit contributions were due or paid in 2020 towards the previous deficit (2019: £nil).

**Church Workers Pension Fund (CWPF)**

ODBE participates in the Pension Builder Scheme section of CWPF for lay staff. The scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

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

**Pension Builder Scheme**

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending upon the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This means that 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 (2020: £37K, 2019: £46K).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2016.

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**NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)****PENSION COSTS (Cont'd)**

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, ODBE could become responsible for paying a share of that employer's pension liabilities.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The key elements of the valuation are:

- Employer contribution rates were set at 23.68% of pensionable pay (including a 0.08% employer administration charge), effective from 1 September 2019.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million.
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation of the TPS will be as at March 2021, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2023. Supporting documentation regarding the valuation is available on the Teachers' Pensions website. Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. Therefore, ODBE has accounted for its contributions to the scheme as if it were a defined contribution scheme.

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**

**8 TANGIBLE FIXED ASSETS**

	Computer Equipment £'000	Office Equipment £'000	Total £'000
Cost at 1 January 2020	23	5	28
Additions	3	-	3
Cost at 31 December 2020	<u>26</u>	<u>5</u>	<u>31</u>
Depreciation at 1 January 2020	15	5	20
Charge for the Year	4	-	4
Depreciation at 31 December 2020	<u>19</u>	<u>5</u>	<u>24</u>
Net book values at 31 December 2020	<u>7</u>	<u>-</u>	<u>7</u>
<i>Net book values at 31 December 2019</i>	<u>8</u>	<u>-</u>	<u>8</u>

**9 INVESTMENTS**

	Endowment Funds £'000	Restricted Funds £'000	Total £'000
Market Value at 1 January 2020	291	107	398
Unrealised Gains in the Year	<u>20</u>	<u>8</u>	<u>28</u>
Market Value at 31 December 2020	<u>311</u>	<u>115</u>	<u>426</u>
Historical Cost of Investments	<u>20</u>	<u>74</u>	<u>94</u>

All of the invested funds are held within the UK in CBF Investment Fund shares.

**10 DEBTORS**

	2020 £'000	2019 £'000
Amounts due within one year:		
Debtors for School Buildings Work	61	114
Other Debtors	97	173
Prepayments and Accrued Income	<u>10</u>	<u>13</u>
	<u>168</u>	<u>300</u>

Debtors arising from school building work are mainly due from the DfE and Local Authorities, with a small amount from school governors. These debtors principally relate to monies due under the LCVAP which operated until 31 March 2020 (see note 4).



**NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)****11 CASH AT BANK**

	2020	2019
	£'000	£'000
General Deposit and Current Accounts	<u>2,694</u>	<u>1,290</u>

**12 CREDITORS**

	2020	2019
	£'000	£'000
Amounts falling due within one year:		
Funding for School Building Works Received in Advance including amounts due under the LCVAP that operated until 31 March 2020 (see Note 4)	169	450
Expense Creditors	59	55
Accruals and Deferred Income (Note 13)	297	108
Taxation and Social Security	<u>42</u>	<u>60</u>
	<u>567</u>	<u>673</u>
Amounts falling due after more than one year:		
Loan from CSUST	<u>100</u>	<u>100</u>

The loan from CSUST is interest-free with no fixed repayment date and was advanced to assist with cashflow.

**13 DEFERRED INCOME**

	2020	2019
	£'000	£'000
Balance at 1 January	97	121
Amounts added in current year	84	97
Amounts released to income from prior years	<u>(97)</u>	<u>(121)</u>
Balance at 31 December	<u>84</u>	<u>97</u>

Deferred income relates to income received in advance for the period January to March 2021 for the school Service Level Agreement, DFC administration charges and appeals income.



**NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)****14 ENDOWMENT FUNDS**

	Balance at 1 January 2020 £'000	Investment Gains £'000	Balance at 31 December 2020 £'000
Hills Bequest for Schools	145	10	155
ODBE Thatcham & Newbury Educational Charity	146	10	156
<b>Total</b>	<b>291</b>	<b>20</b>	<b>311</b>

Included in the funds at 31 December 2020 is £291K of unrealised investment gains (2019: £271K). These funds are held in CBF Investment Fund shares.

**ODBE - Thatcham & Newbury Educational Charity**

In May 1979 the old Thatcham Church of England school was sold and the Charity Commission provided that one third of the sale proceeds should be managed as a separate charity. This fund has perpetual capital, which is invested in CBF Investment Fund shares. The income from this fund is for furthering the religious, educational and other charitable work of the Church of England in Thatcham and Newbury and the neighbourhood thereof (see note 15).

**Hills Bequest for Schools**

This trust has perpetual capital which is invested in the CBF Investment Fund. The income is for the upkeep, maintenance and repair of Church Schools in the diocese with preference being given to Shrivensham School (see note 15).

**15 RESTRICTED FUNDS**

	Balance at 1 January 2020 £'000	Income £'000	Expenditure £'000	Investment Gains £'000	Balance at 31 December 2020 £'000
Building Improvement Scheme	401	3,804	(2,512)	-	1,693
Hills Bequest for Schools	43	5	-	-	48
ODBE Thatcham & Newbury Educational Charity	125	7	-	8	140
Other	-	25	-	-	25
<b>Total</b>	<b>569</b>	<b>3,841</b>	<b>(2,512)</b>	<b>8</b>	<b>1,906</b>

Included in the funds at 31 December 2020 is £41K of unrealised investment gains (2019: £33K). These funds are held in CBF Investment Fund shares.

**Building improvement scheme**

The balance on this fund represents contributions from the DfE, Local Authorities and school governors that have not yet been applied to building projects in schools. Since 1 April 2000 the purpose of this fund has been for both improvements and repairs (see note 4).

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**NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)****16 RELATED PARTIES**

ODBF is a related charity, which provided an annual grant to ODBE of £269K in 2020 (2019: £264K). In 2020 ODBF made a grant of £110K to ODBE to support Common Vision projects: chaplaincy and development of church/school relationships. In the prior year, 2019, ODBF made grants totaling £135K to support engagement between schools and parishes and the development of new schools. ODBF provides support services (HR, finance, ICT, premises, communications and administration) to ODBE with a total cost of £171K in 2020 (2019: £168K). The amount due to ODBF was £20K at 31 December 2020 (2019: £14K).

DT(O)L holds the funds of CSUST and consults with the charity on the use of CSUST funds (see Directors' Report). CSUST provides interest-free loans to the charity which amounted to £100K on 31 December 2020 to finance cash flow (2019: £100K). CSUST made grants of £531K in 2020 to support the work of ODBE (2019: £479K).

Oxford Diocesan Schools Trust (ODST) was formed in 2012 as a multi academy trust. Service charges from ODBE to ODST for project management, buildings consultancy, schools advisory, officer and premises support during 2020 totaled £253K (2019: £251K). The amount due to ODBE was £43K at 31 December 2020 (2019 £43K).

Oxford Diocesan Bucks Schools Trust (ODBST) was formed in 2017 as a multi academy trust. Service charges from ODBE to ODBST for project management, schools advisory and officer support during 2020 totaled £37K (2019: £50K). The amount due to ODBE was £16K at 31 December 2020 (2019: £22K).

ODBE confirms the appointment of directors so as to ensure that the Trust Boards comprises individuals who will uphold the Christian ethos of the schools and have the ability to run a chain of schools. Apart from confirming the appointments, ODBE plays no part in the day to day running of ODST or ODBST, and ODST's and ODBST's primary accountability as multi academy trusts is to the Secretary of State. Thus, there is no requirement to consolidate the financial statements of ODST and ODBST with those of ODBE.

**Transactions with subsidiary companies**

998 shares of Oxford Diocesan Education Services Limited (ODES) held by ODBF were gifted on incorporation to ODBE with nil value. There were no transactions with the subsidiary company in 2020 (2019: none) and no balance due at the end of the year (2019: £nil).

**17 FINANCIAL COMMITMENTS**

All future financial commitments for school projects are the responsibility of school governors and are funded by amounts contractually due from the DfE, LAs or school governors directly.

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**

**18 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Fixed Assets & Investments £'000	Cash at Bank £'000	Debtors £'000	Liabilities £'000	Total £'000
<b>Endowment Funds</b>					
Hills Bequest for Schools	155	-	-	-	155
ODBE Thatcham & Newbury Charity	156	-	-	-	156
<b>Total Endowment Funds</b>	<b>311</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>311</b>
<b>Restricted Funds</b>					
Building Improvement Scheme	-	2,102	60	(469)	1,693
Hills Bequest for Schools	-	48	-	-	48
ODBE Thatcham & Newbury Charity	114	26	-	-	140
Other	-	25	-	-	25
<b>Total Restricted Income Funds</b>	<b>114</b>	<b>2,201</b>	<b>60</b>	<b>(469)</b>	<b>1,906</b>
<b>General Funds</b>	<b>8</b>	<b>493</b>	<b>108</b>	<b>(198)</b>	<b>411</b>
<b>Total Net Assets at 31 December 2020</b>	<b>433</b>	<b>2,694</b>	<b>168</b>	<b>(667)</b>	<b>2,628</b>

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)****19 Prior Year Comparatives****STATEMENT OF FINANCIAL ACTIVITIES For the Year Ended 31 December 2019**

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds 2019 £'000
<b>INCOME AND ENDOWMENTS FROM:</b>					
<b>Donations</b>					
	2.1				
Grants from CSUST		479	-	-	479
Grants from ODBF		344	-	-	344
		<u>823</u>	<u>-</u>	<u>-</u>	<u>823</u>
<b>Charitable Activities:</b>					
	2.2				
School premises related income		290	-	-	290
School service agreement		264	-	-	264
Training and consultancy services to schools		208	9	-	217
Admission Appeals		51	-	-	51
		<u>813</u>	<u>9</u>	<u>-</u>	<u>822</u>
<b>Investments</b>	2.3	<u>4</u>	<u>11</u>	<u>-</u>	<u>15</u>
<b>Total Income</b>		<u>1,640</u>	<u>20</u>	<u>-</u>	<u>1,660</u>
<b>EXPENDITURE ON: Charitable Activities</b>					
School leadership and governance support		1,322	12	-	1,334
School premises related support		321	1	-	322
Admission and Appeals service		53	-	-	53
<b>Total Expenditure</b>	3.1	<u>1,696</u>	<u>13</u>	<u>-</u>	<u>1,709</u>
<b>Net (expenditure)/income before gains on investments</b>		(56)	7	-	(49)
Gains on investments	9	-	17	45	62
<b>Net (expenditure)/ income and net movement in funds</b>		<u>(56)</u>	<u>24</u>	<u>45</u>	<u>13</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		419	545	246	1,210
<b>Total funds carried forward</b>		<u>363</u>	<u>569</u>	<u>291</u>	<u>1,223</u>

The Statement of Financial Activities (SOFA) includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities. The notes on pages 21-35 support the above figures.

At 31 December 2019, the above funds were represented by the following net assets :-

	Fixed Assets & Investments £'000	Cash at bank £'000	Debtors £'000	Liabilities £'000	Total £'000
Endowment Funds	291	-	-	-	291
Restricted Funds	107	898	114	(550)	569
Unrestricted Funds	8	392	186	(223)	363
<b>Total</b>	<u>406</u>	<u>1,290</u>	<u>300</u>	<u>(773)</u>	<u>1,223</u>