



OXFORD DIOCESAN BOARD OF EDUCATION

Directors' Report and Financial Statements

for the year ended 31 December 2015

Company Registration Number 07071809

Charity Registration Number 1133586

REGISTERED & PRINCIPAL OFFICE:

CHURCH HOUSE OXFORD
LANGFORD LOCKS
KIDLINGTON
OXFORD
OX5 1GF

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GLOSSARY OF TERMS

CBF	Central Board of Finance of the Church of England
CCLA	CCLA Investment Management Ltd
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
ODES	Oxford Diocesan Education Services Limited
ODST	Oxford Diocesan Schools Trust
SACRE	Standing Advisory Council on Religious Education
SIAMS	Statutory Inspection of Anglican and Methodist Schools
SLA	Service Level Agreement
SOFA	Statement of Financial Activities

DIRECTORS' ANNUAL REPORT 2015

The Trustees, who are also Directors for the purposes of company law, present their annual report, together with the audited financial statements, for the year ended 31 December 2015.

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 56,000 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, and 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 is therefore 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 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;

OBJECTIVES AND ACTIVITIES (continued)

Activities (continued)

- 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;
- Improves the effectiveness of our 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.

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. The public benefits from the provision of inclusive church schools, for over 50,000 pupils through the achievement of the above objectives.

Grant making policy

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

ACHIEVEMENTS AND PERFORMANCE

The Board was successfully reconstituted in the light of recommendations from the National Society, the change in Diocesan structure from three Archdeaconries to four and the changing responsibilities of the Diocesan Boards of Education. The percentage of board members co-opted for their skillset has increased, and the percentage elected is now lower than under the previous constitution. The total number of members was reduced to a maximum twenty two, resulting in a smaller, more skills-focused Board with an emphasis on streamlining and ensuring board members have the requisite skills to work effectively.

We have amended our advice to schools seeking to convert to academy status in light of the new Education and Adoption Bill. Our new Academy Policy has been implemented to encourage maintained schools to form, or join a Multi Academy Trust (MAT). This was done to try to ensure that sufficient strong partnerships of church schools will be formed in the near future allowing schools to formally work together to share good and outstanding practice, and thereby support one another to improve. The intention is to encourage schools to create large enough economic bodies to enable them better to survive in the current climate of austerity funding.

ACHIEVEMENTS AND PERFORMANCE (continued)

It is also driven by a commitment to establish strong MATs which may be in a position to support a school in need at a future point, and to encourage schools to make their own choices about academy destination while the full range of freedoms are available to them. Two new multi academy trusts were established in 2015, both collaborations with church and community schools together, and eight new schools joined The Oxford Diocesan Schools Trust.

We have identified as a strategic priority the need to support governance in our schools. All our maintained schools completed the reconstitution of their Instruments of Government by September 2015. We have purchased and implemented additional modules to our management information system to enable us to improve the tracking of governor appointments to ensure the best possible quality of information, especially to those members of staff who are not office based. We have devised and implemented a new training programme for governors – Excellence in Governance and a programme for Chairs - The Right Programme. Uptake in 2015 was good, feedback was excellent and the total number of attendees at governor training courses has more than doubled since last year. We have also introduced a governance review process which schools can access as part of our Menu of Additional Services, launched this year.

A closer working pattern with parishes and clergy was developed as the priority area in the context of the Archdeaconry plans; and area deans were also being consulted. Members of the advisory team have attended deanery meetings to further strengthen parish links and build on this work. New Clergy and PCC newsletters have been produced to improve communication for both mailing and email.

We were delighted to see the completion of the new buildings for the expanded St Edburg's school in Bicester, and Bletchingdon School. This has increased the number of church primary school places in the area by over 300. The premises team have managed capital grants for 51 building improvement and repair projects across our other schools.

PLANS FOR THE FUTURE

We intend to relaunch our Service Level Agreement (SLA) with schools in 2016 to build on what has been achieved previously, but to simplify the offer to schools. We also intend to expand the range of services offered and to develop an Associate SLA for non-diocesan schools and multi academy trusts that may want to buy in services from the Company. Work already undertaken on a Menu of Additional Services allowed the team to test the market and promote a growing range of services with schools in preparation for the extended offer and we intend to cement our position as a trusted and valued provider.

The expansion of the central staffing team has led us to decide that our current office accommodation is insufficient to meet our future needs.

PLANS FOR THE FUTURE (continued)

We are working in partnership with the Diocesan Board of Finance and The Oxford Diocesan Schools Trust to relocate together to new premises in Kidlington during 2016 – a large modern office development with much improved working conditions and facilities for all has been purchased and will be refitted prior to our relocation.

The new Education and Adoption Bill due to receive Royal Assent in 2016 will make provision about schools in England that are causing concern, including their conversion into academies and about intervention powers. We plan to work with schools to expand the number of multi academy trusts suitable for church schools.

Looking at data, it is estimated that there is likely to be the need for a number of new schools across the diocese in the next 10 years, and we intend to bid for suitable opportunities so as to give parents in areas of new housing growth the same chance to send their children to a church school as parents in more established areas. We intend to secure funding for a new post to support the work of the Charity to enable us to work with suitable bodies to bid for new academies and free schools during 2016-17.

FINANCIAL REVIEW

General Funds

Overall total incoming unrestricted resources were £1,459K, with a £65K (4%) general funds surplus for the year. £40K of the general funds surplus has been set aside by the trustees into a designated fund for activities in 2017.

A significant proportion of income came from grants: grant income from CSUST totalled £557K for the year, and grant income from ODBF totalled £304K, 38% and 21% of total unrestricted incoming resources respectively. Incoming resources from charitable activities included school service agreement income £298K (20%), premises related income £93K (7%), admissions appeals income £62K (4%) and training and consultancy income £144K (10%).

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

Restricted Funds – Buildings Fund

The Charity acts as agent for school governors in relation to school building works and the purchase of IT equipment for schools. It acts 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.

FINANCIAL REVIEW CONTINUED

This is a significant activity of the Charity but is not reflected in the Statement of Financial Activities as the transactions are those of the school governors rather than the Charity. During the year, the total value of this work amounted to £10.1 million (2014: £8.6million).

Restricted Trust Funds

No grants were made from the restricted trust funds in 2015. The balance remaining on the income restricted funds at 31 December 2015 is £106K (2014 £97K).

Reserves Policy

At the end of 2015 the charity's unrestricted funds total £488K. The directors have set aside £170K of this in a separate designated fund to support activities in 2017, and the remaining balance of £318K in general funds provides reserves cover and cashflow for current activities. The directors aim to continue to make a general funds surplus of at least £20K per annum to build up reserves.

ODBE is supported by CSUST funds which amount to £6,026,766 capital and £1,499,312 reinvested income at 31 December 2015. DT(O)L is the sole trustee of this fund. Both capital and income are restricted funds which can only be used for educational purposes (see CSUST section on page 8 for further details).

Investment management

The principal aim of the Charity's investments is to raise income without diminishing the capital invested. The Charity has an ethical investment policy.

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. 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 2015 was 3.9% (2014: 3.9%). During the year the market value of investments increased by 1.34% (2014: increased by 5.1%).

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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Corporate status

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

Board and Committee structure

The Charity's main Board meets three times a year. It has an Executive Committee which meets more frequently, comprising of the Charity's Chairman with other key directors and the Board's senior officers. The Charity's Board also has four 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.

New directors receive induction training. All directors receive ongoing training and briefings on current issues.

Directors normally serve for a three year term linked to Synodical elections.

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).

STRUCTURE, GOVERNANCE AND MANAGEMENT (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 net incoming or outgoing resources of the company for that period.

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

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

The directors are responsible for 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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 2015 these funds had a total value of £7,526,078 (2014: £7,200,573) of which £6,026,766 (2014: £5,516,726) were capital funds and £1,499,312 (2014: £1,683,847) accumulated 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 accounts of DT(O)L.

The policy for the use of these funds is generally to restrict expenditure to the level of annual income of CSUST.

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.

Subsidiary Companies

At 31 December 2015 ODBE had one wholly owned subsidiary, not currently trading, Oxford Diocesan Education Services Limited (ODES).

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.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

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. Increasing pressure from the DfE, especially via the 2015 Education and Adoption Bill to accelerate the rate of academisation may mean the likely demand for support outstrips the current personnel resource in ODBE. If the current four academy companies regarded as being sponsored by the Diocese were to encounter significant problems, there would remain a reputational risk to ODBE which could have an impact on the possible academy solutions for other schools.

Mitigating strategies:

- Ensure regular monitoring and review of the effectiveness of the diocesan sponsored academies. Ensure strong & effective governance in these Trusts, involving ODBE officers where appropriate.
- If there is a lack of a geographical spread and capacity of MATs suitable for church schools to allow them to take in additional schools in the future, then our schools will not have as much choice as we would wish in where they choose to go when/if converting into an Academy
- Encourage secondary schools to become MATs, especially those designated with a Anglican religious character;
- Encourage clusters of schools to form MATs Increase staffing levels to ensure sufficient advice to schools is available

2.If small schools are not able to respond to the new climate of financial austerity they may risk becoming financially vulnerable and therefore more at risk of closure in the long term.

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

3. If traded income does not grow sufficiently strongly to replace additional interim CSUST grant by the end of 2016 then there is a risk of a budget deficit

Mitigating strategies:

- Develop new income streams and maximise income from the SLA
- Ensure effective delivery of services
- Consider the need for additional CSUST funding

REFERENCE AND ADMINISTRATIVE DETAILS

DIRECTORS OF THE BOARD

The following were the directors and members of the Oxford Diocesan Board of Education at the date of this report. All have served throughout the year except where indicated otherwise:

Member	Basis of appointment
The Right Reverend C Fletcher	Ex Officio Acting Bishop of Oxford
The Right Reverend A Wilson (Chairman)	Nominated by the Bishop of Oxford
The Ven M C Gorick	Nominated by the Bishop of Oxford
The Revd M A Harwood (Vice Chair to 08.02.16)	Synod elected for Berkshire Archdeaconry
Mr G S Anderson (to 31.12.15) (from 01.01.16)	Synod elected for Berkshire Archdeaconry Co-opted
The Revd M D Bennet	Synod elected for Berkshire Archdeaconry
Ms J Moriarty	Synod elected for Berkshire Archdeaconry
The Revd T J L Harper	Synod elected for Buckingham Archdeaconry
Mrs M E Lomas	Synod elected for Buckingham Archdeaconry
Mr G Strutt	Synod elected for Buckingham Archdeaconry
The Revd Canon A Daffern (Vice Chair from 8.2.16)	Synod elected for Dorchester Archdeaconry
The Revd S E Sharp	Synod elected for Dorchester Archdeaconry
Mrs C Worthington (from 01.01.16)	Synod elected for Dorchester Archdeaconry
The Revd D W McFarland (from 01.01.16)	Synod elected for Oxford Archdeaconry
Mrs K Winrow	Nominated by the Bishop of Oxford
Ms H Crolla (from 01.01.16)	Co-opted
Mr T Edwards-Grundy	Co-opted
Ms N Flower	Co-opted
Ms S A Jarvis (from 01.01.16)	Co-opted
Mr P R Norman	Co-opted
Mr K P Salter	Co-opted
The Revd C Shelley (from 01.01.16)	Co-opted
Directors who resigned during the year or whose term of office came to an end by the date of this report:	
Mr D Exham (to 31.12.15)	Synod elected for Oxford Archdeaconry
The Revd Dr J D Gay (to 31.12.15)	Nominated by the Bishop of Oxford
The Revd Dr M Griffiths (to 31.12.15)	Synod elected for Berkshire Archdeaconry
Ms F Gunn (to 31.12.15)	Co-opted
Mrs J K Hunt (to 31.12.15)	Synod elected for Berkshire Archdeaconry
Mrs J Reece (to 31.12.15)	Synod elected for Oxford Archdeaconry

Senior staff and advisers

Director of Education	Mrs Anne Davey
Deputy Director Schools Effectiveness	Mrs Fiona Craig
Deputy Director: Premises	Mr Gordon Joyner
Director of Finance	Mrs Alison Jestico

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

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

Bankers National Westminster Bank plc, 32 Cornmarket Street, Oxford OX1 3EZ

Auditors Critchleys LLP, Greyfriars Court, Paradise Square, Oxford OX1 1BE

Solicitors Winckworth Sherwood LLP, 16 Beaumont Street, Oxford OX1 2LZ

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

Insurers: Ecclesiastical Insurance Office plc, Beaufort House, Brunswick Road, Gloucester GL1 1JZ

BASIS OF PREPARATION

This report has been prepared in accordance with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE), effective 1 January 2015.

STATEMENT OF DISCLOSURE TO AUDITORS

As far as the directors are aware, there is no relevant audit information of which the Charity's auditors are unaware.

The directors have taken all the steps they ought to have taken as directors in order to make themselves aware of any relevant information and to establish that the Charity's auditors are aware of that information.

AUDITORS

A resolution to reappoint Critchleys LLP as auditors to the Company and to authorise the directors to fix their remuneration will be proposed at the Annual General Meeting.

Signed on behalf of the directors

The Right Revd Dr A T L Wilson
Chairman

18 May 2016

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

We have audited the financial statements of Oxford Diocesan Board of Education for the year ended 31 December 2015, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and The Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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).

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 Directors' Responsibilities Statement set out on page 5, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

Opinion on financial statements

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 2015 and of its 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime.

Robert Kirtland
Senior Statutory Auditor
For and on behalf of Critchleys LLP
Statutory Auditor

Date:

Critchleys LLP, Greyfriars Court, Paradise Square, Oxford, OX1 1BE

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2015

		General	Desig- nated	Restricted	Endow- ment	2015	2014
	Note	Funds	Funds	Funds	Funds	Total	Total
		£000	£000	£000	£000	£000	£000
INCOME AND ENDOWMENTS FROM:							
Donations and Legacies:							
Grants from CSUST	2.1	557	-	-	-	557	595
Grants from ODBF	2.1	304	-	-	-	304	299
		861	-	-	-	861	894
Charitable Activities:							
School premises related income	2.3	93	-	-	-	93	103
School service agreement		298	-	-	-	298	297
Training & consultancy services to schools		144	-	11	-	155	172
Admission appeals		62	-	-	-	62	67
		597	-	-	-	608	639
Investments	2.2	1	-	8	-	9	8
Total		1,459	-	19	-	1,478	1,541
EXPENDITURE ON CHARITABLE ACTIVITIES:							
School leadership & governance support	3.1	1,091	-	11	-	1,102	1,035
School premises related support	3.1	223	-	-	-	223	208
Admissions & appeals service	3.1	80	-	-	-	80	81
Total		1,394	-	11	-	1,405	1,324
Net income		65	-	8	-	73	217
Transfers between funds		(40)	40	-	-	-	-
Other recognised gains/(losses):							
Gains/ (losses) on investments	7	-	-	-	3	3	10
Net movement in funds		25	40	8	3	76	227
Reconciliation of funds:							
Total funds brought forward		293	130	556	203	1,182	955
Total funds carried forward		318	170	564	206	1,258	1,182

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Total 2015 £000	Total 2014 £000
Income	1,478	1,541
Expenditure	(1,405)	(1,324)
Operating surplus/(deficit) for the year	73	217
Net gains on investments	-	-
	<hr/>	<hr/>
Net income for the year	73	217
	<hr/> <hr/>	<hr/> <hr/>

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 2015

Company number 07071809

	Note	2015 Total £000	2014 Total £000
Fixed Assets			
Tangible assets	6	9	11
Investments	7	206	203
Total Fixed Assets		<u>215</u>	<u>214</u>
Current Assets			
Debtors	8	388	1,473
Cash at bank	9	1,440	2,176
Total Current Assets		<u>1,828</u>	<u>3,649</u>
Creditors			
Amounts falling due within one year	10	(685)	(2,181)
Net Current Assets		<u>1,143</u>	<u>1,468</u>
Total Assets less Current Liabilities		<u>1,358</u>	<u>1,682</u>
Creditors: Amounts falling due after more than one year	10	(100)	(500)
NET ASSETS		<u><u>1,258</u></u>	<u><u>1,182</u></u>
THE FUNDS OF THE CHARITY:			
Endowment funds	11	206	203
Restricted funds	12	564	556
Designated funds		170	130
General funds		318	293
Total charity funds		<u>1,258</u>	<u>1,182</u>

The notes on pages 18 to 28 form part of these financial statements. Included in the above investments are unrealised gains amounting to £185K. See note 11.

These accounts are prepared in accordance with the provisions applicable to companies subject to the small companies regime under the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These Financial Statements were approved and authorised for issue by the directors on 18 May 2016 and signed on their behalf by:

The Right Revd Dr A T L Wilson
Chairman

The Revd M A Harwood
Director

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE), effective 1 January 2015.

b) Funds accounting

ODBE holds funds of the following types:

Endowment Funds - restricted funds, which must be held permanently, and the capital maintained.

Restricted Funds - funds that are subject to specific legally binding conditions imposed by the donor.

General Funds – funds that are available for any purpose within ODBE's objects.

c) Incoming resources

All income is accounted for on an accruals basis with the exception of dividends, which are recognised as income when received.

d) Resources expended

All expenditure is recognised when a liability is reasonably certain in terms of amount and payment.

Wherever possible, costs are charged directly to the activity concerned. Support costs are apportioned to the costs of the various activities on the basis of direct costs.

e) Grants payable

All grants are made in accordance with the terms of the trust and are charged in the year when the trustees have agreed to make the grants.

f) Liability recognition

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Funding received in advance of expenditure for building works is recognised as a liability until those funds are used to pay for the building works for which they were given.

Loans are recognised when received.

Grant payments are recognised as liabilities when the trustees have approved the grants.

g) Tangible Fixed Assets – Office Equipment

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

h) Investment assets

Investments are stated at closing mid-market price at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

i) Pensions

The pension costs charged in the financial statements represent the contributions payable by ODBE during the year to 3 pension schemes: the final salary scheme operated by the Pensions Trust, the Teachers Pension Scheme and the Church Workers Pension Funds hybrid defined contribution scheme. Full disclosure of the final salary pension scheme is included in the accounts of Oxford Diocesan Board of Finance, the participating employer.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ANALYSIS OF INCOME

2.1 Donations and legacies

	2015 £000	2014 £000
Annual support grant from CSUST	322	316
Grant from CSUST for expansion of schools support	200	245
Other CSUST grants	35	34
Total grants from CSUST	<u>557</u>	<u>595</u>
Annual Diocesan grant	244	239
Diocesan grant for parish engagement	60	60
Total Diocesan grants	<u>304</u>	<u>299</u>
Total grants	<u>861</u>	<u>894</u>

2.2. Investment Income

Interest - unrestricted	1	-
Dividends - restricted	8	8
	<u>9</u>	<u>8</u>

2.3 Income from Charitable Activities

Schools service agreement	298	297
School premises related income	93	103
Admissions appeals	62	67
Training and consultancy services to schools	144	163
Total Unrestricted Income from Charitable Activities	<u>597</u>	<u>630</u>
Training and consultancy income	11	9
Total Restricted Income from Charitable Activities	<u>11</u>	<u>9</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. ANALYSIS OF EXPENDITURE

3.1 Expenditure on charitable activities

	2015 Direct costs £000	2015 Support costs £000	2015 Total costs £000	2014 Total costs £000
Schools leadership and governance support	950	141	1,091	991
School premises related support	168	55	223	208
Admissions and appeals service	72	8	80	81
Total Unrestricted Expenditure	<u>1,190</u>	<u>204</u>	<u>1,394</u>	<u>1,280</u>
School leadership and governance support	<u>11</u>	-	<u>11</u>	
Total Restricted Expenditure	<u>11</u>	<u>-</u>	<u>11</u>	<u>44</u>

3.2 Support Costs

	School leadership and governance support £000	School premises related support £000	Admissions & appeals service £000	2015 Total £000	2014 Total £000
Governance	15	2	1	18	16
Finance	33	36	1	70	69
Information Technology	34	6	2	42	44
Human Resources	38	7	2	47	58
Other overhead costs	21	4	2	27	35
Total	<u>141</u>	<u>55</u>	<u>8</u>	<u>204</u>	<u>222</u>

3.3 Governance costs

	2015 £000	2014 £000
Audit fees	6	6
Statutory costs and legal fees	10	8
Committee costs	2	2
	<u>18</u>	<u>16</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SCHOOL BUILDING IMPROVEMENTS AND REPAIRS

The Charity assists voluntary aided schools with school building projects and the provision of IT equipment. It acts 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. This is a significant activity of the Charity but is not reflected in the Statement of Financial Activities as the transactions are those of the school governors rather than the Charity. A summary of transactions during the year is set out below:

	2015 £000	2014 £000
Expenditure on school building improvements and IT equipment	10,098	8,559
Funded by:		
Department for Education (DfE)	3,580	4,599
Local Authorities (LAs)	5,377	2,885
School Governors and other	1,141	1,075
	<u>10,098</u>	<u>8,559</u>

Building improvements and repairs expenditure is accounted for based on invoice date, which denotes the legal or constructive obligation to pay. This excludes contractors' work in progress not invoiced prior to the year-end.

5. DIRECTORS' REMUNERATION

No remuneration has been paid to any director during the year for acting as a director or trustee. 8 Directors were reimbursed for travel, subsistence and incidental costs amounting to £2K.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. TANGIBLE FIXED ASSETS

Office Equipment	Computer equipment £000	Office equipment £000	Total £000
Cost at 1 January 2015	12	5	17
Additions	2	-	2
Cost at 31 December 2015	<u>14</u>	<u>5</u>	<u>19</u>
Depreciation at 1 January 2015	6	-	6
Charge for the year	3	1	4
Depreciation at 31 December 2015	<u>9</u>	<u>1</u>	<u>10</u>
Net book value at 1 January 2015	6	5	11
Net book value at 31 December 2015	<u>5</u>	<u>4</u>	<u>9</u>

7. INVESTMENTS

	Endowment Funds £000
Market value at 1 January 2015	203
Disposals	-
Unrealised gains in market value in year	<u>3</u>
Market value at 31 December 2014	<u>206</u>
Historical cost of investments	<u>20</u>

All of the invested funds are held within the UK in CBF Investment Fund shares. Unrealised gains in the year are included in the Statement of Financial Activities.

8. DEBTORS

	2015 £000	2014 £000
Due within one year:		
Debtors for school buildings work	340	1,393
Trade debtors	34	71
Prepayments and accrued income	<u>14</u>	<u>9</u>
	<u>388</u>	<u>1,473</u>

Debtors arising from school building work are mainly due from the DfE and Local Authorities, with a small amount from school governors.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. CASH AT BANK

	2015 £000	2014 £000
General deposit and current accounts	<u>1,440</u>	<u>2,176</u>

10. CREDITORS

	2015 £000	2014 £000
Due within one year:		
Funding for school building works received in advance	395	1,995
Trade creditors	81	71
Accruals and deferred income	114	106
Taxation and Social Security	95	9
	<u>685</u>	<u>2,181</u>
Due after more than one year:		
Loan from CSUST	100	500
	<u>100</u>	<u>500</u>

The loan from CSUST is interest-free with no fixed repayment date for cashflow purposes.

11. ENDOWMENT FUNDS

	Balance at 1 January 2015 £000	Realised and unrealised gains £000	Balance as at 31 December 2015 £000
Hills Bequest for Schools	102	1	103
ODBE Thatcham & Newbury Charity	101	2	103
Total	<u>203</u>	<u>3</u>	<u>206</u>

Included in the funds at 31 December 2015 is £185,000 of unrealised gains. These funds are held in CBF Investment Fund shares.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. RESTRICTED FUNDS

INCOME FUNDS	Balance as at 1 January 2015 £000	Incoming resources including unrealised gains £000	Expended resources £000	Balance as at 31 December 2015 £000
Building Improvement Scheme	459	-	-	459
Hills Bequest for Schools	25	4	-	29
ODBE Thatcham & Newbury Charity	72	4	-	76
	<u>556</u>	<u>8</u>	<u>-</u>	<u>564</u>

13. PURPOSES OF FUNDS

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.

Building improvement scheme

The balance on this fund represents contributions from 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.

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 Shrivenham school.

Designated Funds

Trustees have set aside funds for continuation of activities in 2017. £70K was transferred from general funds in 2013, with a further £60K added in 2014 and £40K in 2015.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. RELATED PARTIES

ODBF is a related charity, which provides an annual grant to ODBE, £244K in 2015 (2014: £239K). In addition ODBF made a grant of £60K to ODBE to support engagement between schools and parishes. ODBF provides support services (HR, finance, ICT, premises, communications and administration) to ODBE with a total cost of £164K in 2015 (2014: £183K). The amount due to ODBF for support services and school buildings professional services was £67K at 31 December 2015 (2014: £55K).

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 2015 to finance cash flow. See note 10.

Oxford Diocesan Schools Trust (ODST) was formed in 2012 as a multi academy trust. Service charges from ODBE to ODST for project management and officer support during 2015 totalled £68K (2014:£106K). The amount due to ODBE was £22K at 31 December 2015 (2014 £26K). ODBE confirms the appointment of directors 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, and ODST's primary accountability as a Multi Academy Trust is to the Secretary of State, thus there is no requirement to consolidate ODST accounts with ODBE.

Transactions with subsidiary companies

998 shares of Oxford Diocesan Education Services Ltd (ODES) held by ODBF were gifted on incorporation to ODBE with nil value. There were no transactions with the subsidiary company in 2015 and no balance due at the end of the year.

15. STAFF COSTS

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

	2015		2014	
	Average headcount	Full time equivalent	Average headcount	Full time equivalent
Support for charitable activities	18.2	15.5	17.5	14.7
Support and finance	2.7	2.3	2	1.8
Total	20.9	17.8	19.5	16.5

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. STAFF COSTS (continued)

Staff costs during the year amounted to:

	2015	2014
	£'000	£'000
Wages and salaries	813	751
Pension contributions	160	144
Social security costs	76	67
Total	<u>1,049</u>	<u>962</u>

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

	2015	2014
£60,000 - £70,000	2	-
£70,000 - £80,000	-	1
£80,000 - £90,000	1	-

16. PENSION COSTS

Pension contributions were made in the year to three pension schemes: £70K for 4 staff to the final salary scheme operated by the Pensions Trust, £60K for 9 staff to the Teachers Pension Scheme and £30K for 9 staff to the Church Workers Pension Funds hybrid defined contribution scheme. Full disclosure of the final salary pension scheme is included in the accounts of Oxford Diocesan Board of Finance, the participating employer.

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.

18. POST BALANCE SHEET EVENTS

None.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

see overleaf

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed Assets and Investments £000	Cash at bank £000	Debtors £000	Liabilities £000	Total £000
ENDOWMENT FUNDS					
Hills Bequest for Schools	103	-	-	-	103
ODBE Thatcham & Newbury Charity	103	-	-	-	103
TOTAL ENDOWMENT FUNDS	206	-	-	-	206
RESTRICTED FUNDS					
Building Improvement Scheme	-	614	340	(495)	459
Hills Bequest for Schools	-	29	-	-	29
ODBE Thatcham & Newbury Charity	-	77	-	(1)	76
TOTAL RESTRICTED INCOME FUNDS	-	720	340	(496)	564
GENERAL FUNDS	9	550	48	(289)	318
DESIGNATED FUNDS	-	170	-	-	170
TOTAL NET ASSETS 31 December 2015	215	1,440	388	(785)	1,258