



OXFORD DIOCESAN BOARD OF EDUCATION

Directors' Report and Financial Statements

for the year ended 31 December 2016

Company Registration Number 07071809

Charity Registration Number 1133586

REGISTERED & PRINCIPAL OFFICE:

CHURCH HOUSE OXFORD
LANGFORD LOCKS
KIDLINGTON
OXFORD
OX5 1GF

| TABLE OF CONTENTS | Page Number |
|-----------------------------------|--------------------|
| Directors' Annual Report | 2 |
| Independent Auditor's Report | 14 |
| Statement of Financial Activities | 16-17 |
| Income and Expenditure Account | 18 |
| Balance Sheet | 19 |
| Cash Flow Statement | 20 |
| Notes to the Financial Statements | 21 |

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 2016

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 2016.

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 285 schools and academies, educating 58,000 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. Through the achievement of these objectives set out above, the public benefits from the provision of inclusive church schools for over 50,000 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

The new **Service Level Agreement** (SLA) was launched in April 2016 to build on what has been achieved previously but also to simplify the offer to schools. Despite the tougher financial position in which many schools find themselves, facing this is a particularly important initiative, enabling us to serve our schools in the most effective way possible, at best value. We are delighted that 93% of our schools have chosen to sign up. An Associate SLA for non-diocesan schools and MATs that may want to buy in services from the diocese was also launched. Work done already on a Menu of Additional Services allowed us to test the market and promote a growing range of services with schools. We now have a small but growing number of schools that buy or are looking to buy services from ODBE as we are seen as a trusted and valued provider more widely.

Re-location

Working with Diocesan Board of Finance, the DBE successfully achieved the relocation to new premises in Kidlington in March 2016.

ACHIEVEMENTS AND PERFORMANCE (continued)

The new accommodation, in a large modern office development, offers much improved working conditions for all staff including excellent meeting room and café facilities. Crucially, it offers us the chance to remain in the same building as colleagues from our multi-academy trust, ODST, thus enabling close and effective working across the two organisations as well as between the ODBE and other areas of Diocesan work. Improved meeting/ conference facilities means we have been able to hold more meetings “in-house” without the expense of external hire.

Team expansion

ODBE has re-configured its staff and appointed to two new posts, creating a much expanded team supporting Academies and Free Schools. We have also recruited a surveyor and a new Premises Officer, giving additional capacity to school support in a range of ways. The Board is conscious that the services they provide need to be carefully costed but their positive impact has already been felt.

Excellence in Governance (EiG)

Supporting governance continued to be a strategic priority and Excellence in Governance (EiG), a two year modular training programme, was launched in 2015 to address this need. EiG offers a highly effective opportunity for governors of both limited and extensive experience to develop new understandings, learn about current trends and practices and share with like-minded souls. To date over 500 governor training places have been taken up, an increase of 500% from the 2015/2016 academic year.

Governance reviews

We have met the initial target of 6 governance reviews. All Governing Bodies involved have provided feedback that the process was supportive yet rigorous, that written reports were accurate with relevant recommendations that will support the school to achieve further success. The process is clear and the documentation used to support it robust. Six members of the team have now been trained to undertake the reviews. The future brings Governance Reviews being offered to any Oxford Diocese schools that require one, more advisers being given the opportunity to lead and offering the service to colleagues in other Dioceses.

Changes to land trusteeship

The Board worked with the Charity Commission to produce a draft scheme listing all the schools whose land trustees would like to change the trusteeship from local trustees to ODBE. After detailed follow-up work the final draft was submitted for consideration.

Free schools

Funding was secured for the new post of Assistant Director (Free schools & Academies) leading to a review and compilation of a Free Schools strategy. This confirmed the need to work with school based MATs to deliver new Secondary school provision and the decision to work with Oxford Diocesan Schools Trust on a batch bid for new primary provision. Working in partnership with the Vale Academy Trust a wave 12 bid was submitted to the DfE for a new CE designated Secondary school in Grove.

ACHIEVEMENTS AND PERFORMANCE (continued)

HR Service

A new HR service for schools was developed and marketed to schools. Partnerships were established with providers of related services and the Board can offer a new Payroll/HR Management System implemented alongside ODST, ODBE and ODBF. Feedback has been very positive for advice provided to schools on issues such as sickness, HT recruitment, performance management and complaints against staff.

PLANS FOR THE FUTURE

Working with Multi-Academy Trusts

The Company is committed to continuing to support schools to explore their academy options. After a thorough review, it was agreed to establish a new Diocesan MAT for schools in Buckinghamshire and Milton Keynes to be known as ODST (Bucks). We are also intending to work with both school-led MATs which wish to develop into MATs suitable for church schools, and groups of schools including church schools which wish to create a MAT. We expect there to be at least two new MATS suitable for church schools in existence during 2017.

Governance Priorities

Building on the success of EiG, the first cohort of 25 school governing bodies will have successfully completed the programme by the end of this academic year. Cohort 2 is currently supporting 26 schools whilst cohort 3 is in the development stage for roll out in September 2017. The future brings Governance Reviews being offered to any Oxford Diocese school that requires one, more advisers being given the opportunity to lead and eventually offering the service to colleagues in other Dioceses.

New School Opportunities

ODBE will support both ODST and ODST (Bucks) to submit a batch bid for up to eight new primary schools across the diocese. If successful, these schools would be scheduled to open between 2018-21. It also intends to work with school-led MATs to submit bids for new CE free schools in areas where sufficient pupil demand can be demonstrated, and there is low likelihood of negative impact on the flourishing of existing schools.

FINANCIAL REVIEW

General Funds

Overall total incoming unrestricted resources were £1,520K, with a £26K (1.7%) general funds surplus for the year.

A significant proportion of income came from grants: grant income from CSUST totalled £496K for the year, and grant income from ODBF totalled £369K, 33% and 24% of total unrestricted incoming resources respectively.

FINANCIAL REVIEW (continued)

Incoming resources from charitable activities included school service agreement income £331K (22%), premises related income £119K (8%), admissions appeals income £54K (4%) and training and consultancy income £150K (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. 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 £4.1 million (2015: £10.1 million).

Restricted Trust Funds

No grants were made from the Hills Bequest and Thatcham and Newbury restricted trust funds in 2016. The balance remaining on the income restricted funds at 31 December 2016 is £123K (2015 £106K).

Reserves Policy

At the end of 2016 the charity's unrestricted funds total £514K. The directors have set aside £170K of this in a separate designated fund to support activities in 2017, and the remaining balance of £344K 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 £6,565,614 capital and £1,419,814 reinvested income at 31 December 2016. 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 9 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.

FINANCIAL REVIEW (continued)

Investment management (continued)

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 2016 was 3.1% (2015: 3.9%). During the year the market value of investments increased by 9.99% (2015: increased by 1.34%).

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). 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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).

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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related parties (continued)

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.

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 2016 these funds had a total value of £7,985,428 (2015: £7,526,078) of which £6,565,614 (2015: £6,026,766) were capital funds and £1,419,814 (2015: £1,499,312) 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Subsidiary Companies

At 31 December 2016 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.

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. If traded income does not grow sufficiently strongly to replace additional interim CSUST grant by the end of 2017 then there is a risk of an ongoing budget deficit which would require corrective action.

Mitigating strategies:

- Continue to develop new income streams, monitor the viability of current services and maximise income from the SLA
- Ensure effective delivery of services
- Consider the need for additional grant funding.

2. Increasing demand from schools to convert to academy status, following further reductions in LA capacity, may mean the likely demand for support outstrips the current personnel resource in ODBE and the number of suitable academy trusts to accommodate them.

Mitigating strategies:

- Additional capacity has been added to the ODBE team to support further academy development, including the new Diocesan MAT in Bucks.
- Keep under review the existing standalone academies and encourage their move into a MAT, if they are unable to form a MAT themselves.
- To establish a geographical spread of MATs suitable for church schools to give more choice when/if our schools chose to convert into an Academy (or are required to convert following an Ofsted inspection).
- Encourage secondary schools to become MATs, especially those designated with an Anglican religious character.
- Encourage clusters of schools to form MATs.

3. If the current four academy companies regarded as being sponsored by the Diocese were to encounter significant problems, including effective growth strategies, 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.
- Ensure that an effective “values framework” is established between the ODBE and its MATs.

4. If small schools (in particular) 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. This would cause a reputational risk to the ODBE, create considerable disturbance in the community and would result in ODBE not being able to meet its core purpose of providing education 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

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 Dr S J Croft (from 6.7.16) | Ex Officio 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 8.2.16) | Synod elected for Berkshire Archdeaconry |
| 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 | Synod elected for Dorchester Archdeaconry |
| The Revd D W McFarland | Synod elected for Oxford Archdeaconry |
| Mrs K Winrow | Nominated by the Bishop of Oxford |
| Mr G S Anderson | Co-opted |
| Ms H Crolla (from 8.2.16) | Co-opted |
| Mr T Edwards-Grundy | Co-opted |
| Ms N Flower | Co-opted |
| Ms S A Jarvis (from 8.2.16) | Co-opted |
| Mr P R Norman | Co-opted |
| Mr K P Salter | Co-opted |
| The Revd C Shelley (from 8.2.16) | Co-opted |
| Directors who resigned during the year or whose term of office came to an end by the date of this report: | |
| The Right Reverend C Fletcher (to 5.7.16) | Ex Officio Acting Bishop of Oxford |

Senior staff and advisers

| | |
|---------------------------------------|------------------|
| Director of Education | Mrs Anne Davey |
| Deputy Director Schools Effectiveness | Mrs Fiona Craig |
| Deputy Director: Premises | Mr Gordon Joyner |

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

The financial statements are prepared in accordance with applicable accounting standards, the Companies Act 2006, and the Charities SORP 2015 (FRS102).

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.

Signed on behalf of the directors

The Right Revd Dr A T L Wilson
Chairman

10 May 2017

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 2016, which comprise the Statement of Financial Activities, the Balance Sheet, Cashflow Statement and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 8, 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 2016 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; 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 2016

| | | General | Desig- nated | Restricted | Endow- ment | 2016 | 2015 |
|--|------|---------------|-----------------|---------------|----------------|---------------|---------------|
| | Note | Funds £000 | Funds £000 | Funds £000 | Funds £000 | Total £000 | Total £000 |
| INCOME AND ENDOWMENTS FROM: | | | | | | | |
| Donations and Legacies: | | | | | | | |
| Grants from CSUST | 2.1 | 496 | - | - | - | 496 | 557 |
| Grants from ODBF | 2.1 | 369 | - | - | - | 369 | 304 |
| | | 865 | - | - | - | 865 | 861 |
| Charitable Activities: | | | | | | | |
| School premises related income | 2.3 | 119 | - | - | - | 119 | 93 |
| School service agreement | | 331 | - | - | - | 331 | 298 |
| Training & consultancy services to schools | | 150 | - | 21 | - | 171 | 155 |
| Admission appeals | | 54 | - | - | - | 54 | 62 |
| | | 654 | - | - | - | 675 | 608 |
| Investments | 2.2 | 1 | - | 8 | - | 9 | 9 |
| Total | | 1,520 | - | 29 | - | 1,549 | 1,478 |
| EXPENDITURE ON CHARITABLE ACTIVITIES: | | | | | | | |
| School leadership & governance support | 3.1 | 1,206 | - | 21 | - | 1,227 | 1,102 |
| School premises related support | 3.1 | 222 | - | 7 | - | 229 | 223 |
| Admissions & appeals service | 3.1 | 66 | - | - | - | 66 | 80 |
| Total | | 1,494 | - | 28 | - | 1,522 | 1,405 |
| Gains/ (losses) on investments | 9 | - | - | 9 | 23 | 32 | 3 |
| Net income/ (expenditure) | | 26 | - | 10 | 23 | 59 | 76 |
| Transfers between funds | | | | - | - | - | - |
| Net movement in funds | | 26 | - | 10 | 23 | 59 | 76 |
| Reconciliation of funds: | | | | | | | |
| Total funds brought forward | | 318 | 170 | 564 | 206 | 1,258 | 1,182 |
| Total funds carried forward | | 344 | 170 | 574 | 229 | 1,317 | 1,258 |

STATEMENT OF FINANCIAL ACTIVITIES (PRIOR YEAR)

FOR THE YEAR ENDED 31 DECEMBER 2015

| | | General | Desig- nated | Restricted | Endow- ment | 2015 | 2014 |
|--|------|---------------|-----------------|---------------|----------------|---------------|---------------|
| | Note | Funds £000 | Funds £000 | Funds £000 | Funds £000 | Total £000 | Total £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 |
| Gains/ (losses) on investments | 9 | - | - | - | 3 | 3 | 10 |
| Net income | | 65 | - | 8 | - | 76 | 227 |
| Transfers between funds | | (40) | 40 | - | - | - | - |
| 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 2016

| | Total 2016 £000 | Total 2015 £000 |
|--|-----------------------|-----------------------|
| Income | 1,549 | 1,478 |
| Expenditure | (1,522) | (1,405) |
| Operating surplus/(deficit) for the year | 27 | 73 |
| Net gains on investments | 9 | - |
| Net income for the year | <u>36</u> | <u>73</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 2016

Company number 07071809

| | Note | 2016 Total £000 | 2015 Total £000 |
|---|------|--------------------|--------------------|
| Fixed Assets | | | |
| Tangible assets | 8 | 10 | 9 |
| Investments | 9 | 313 | 206 |
| Total Fixed Assets | | 323 | 215 |
| Current Assets | | | |
| Debtors | 10 | 351 | 388 |
| Cash at bank | 11 | 1,936 | 1,440 |
| Total Current Assets | | 2,287 | 1,828 |
| Creditors | | | |
| Amounts falling due within one year | 12 | (1,193) | (685) |
| Net Current Assets | | 1,094 | 1,143 |
| Total Assets less Current Liabilities | | 1,417 | 1,358 |
| Creditors: Amounts falling due after more than one year | 12 | (100) | (100) |
| NET ASSETS | | 1,317 | 1,258 |
| THE FUNDS OF THE CHARITY: | | | |
| Endowment funds | 14 | 229 | 206 |
| Restricted funds | 15 | 574 | 564 |
| Designated funds | | 170 | 170 |
| General funds | | 344 | 318 |
| Total charity funds | | 1,317 | 1,258 |

The Cashflow Statement and the notes on pages 21 to 33 form part of these financial statements. Included in the above investments are unrealised gains amounting to £207K. See notes 14-15.

These Financial Statements were approved and authorised for issue by the directors on 10 May 2017 and signed on their behalf by:

The Right Revd Dr A T L Wilson
Chairman

The Revd M A Harwood
Director

CASH FLOW STATEMENT

For the year ended 31 December 2016

| | 2016 | | 2015 | |
|--|-------|-------------|-------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| Net cash inflow/(outflow) from operating activities | | 567 | | (343) |
| <i>Cash flows from investing activities:</i> | | | | |
| Dividends and interest from investments | 9 | | 9 | |
| Purchase of: | | | | |
| Fixed asset investments | (75) | | - | |
| Tangible fixed assets for the use of ODBE | (5) | | (2) | |
| | ----- | | ----- | |
| Net cash provided by/(used in) investing activities | | (71) | | 7 |
| <i>Cash flows from financing activities:</i> | | | | |
| Loans repaid by ODBE | - | | (400) | |
| | ----- | | ----- | |
| Net cash provided by/(used in) financing activities | | - | | (400) |
| | | ----- | | ----- |
| Change in cash and cash equivalents in the reporting period | | 496 | | (736) |
| Cash and cash equivalents at 1 January | | 1,440 | | 2,176 |
| | | ----- | | ----- |
| Cash and cash equivalents at 31 December | | 1,936 | | 1,440 |
| | | ===== | | ===== |
| Reconciliation of net movements in funds to net cash flow from operating activities | | | | |
| Net movement in funds for the year ended 31 December before gains/losses | | 27 | | 73 |
| Adjustments for: | | | | |
| Depreciation charges | | 4 | | 4 |
| Dividends and interest from investments | | (9) | | (9) |
| Decrease/(increase) in debtors (ex. loans) | | 37 | | 1,085 |
| Increase/(decrease) in creditors (ex. loans) | | 508 | | (1,496) |
| | | ----- | | ----- |
| Net cash provided by/(used in) operating activities | | 567 | | (343) |
| | | ----- | | ----- |

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The Oxford Diocesan Board of Education (ODBE) is a company limited by guarantee (No. 07071809) 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.

a) Basis of accounting and assessment of going concern

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 note(s) to these accounts. The financial statements have been prepared in accordance with the Companies Act 2016 and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS102)) issued on 16 July 2014.

The trustees consider that there are no material uncertainties about the company's ability to continue as a going concern.

b) Funds structure

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) Income

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

d) Expenditure

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (CONTINUED)

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) Creditors

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

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.

Creditors are recognised at their anticipated settlement amount.

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. The overall net gain or loss for the year revaluation is shown in 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 Pension Builder Scheme of the Church Workers Pension Fund. 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

| | 2016 £000 | 2015 £000 |
|---|--------------|--------------|
| Annual support grant from CSUST | 329 | 322 |
| Grant from CSUST for expansion of schools support | 155 | 200 |
| Other CSUST grants | 12 | 35 |
| Total grants from CSUST | <u>496</u> | <u>557</u> |
| Annual Diocesan grant | 249 | 244 |
| Diocesan grant for parish engagement | 60 | 60 |
| Diocesan grant for new schools development | 60 | - |
| Total Diocesan grants from ODBF | <u>369</u> | <u>304</u> |
| Total grants | <u>865</u> | <u>861</u> |

2.2. Investment Income

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

2.3 Income from Charitable Activities

| | | |
|--|------------|------------|
| School premises related income | 119 | 93 |
| Schools service agreement | 331 | 298 |
| Training and consultancy services to schools | 150 | 144 |
| Admissions appeals | 54 | 62 |
| Total Unrestricted Income from Charitable Activities | <u>654</u> | <u>597</u> |
| Training and consultancy income | 21 | 11 |
| Total Restricted Income from Charitable Activities | <u>21</u> | <u>11</u> |

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. ANALYSIS OF EXPENDITURE

3.1 Expenditure on charitable activities

| | 2016 Direct costs £000 | 2016 Support costs £000 | 2016 Total costs £000 | 2015 Total costs £000 |
|---|---------------------------------|----------------------------------|--------------------------------|--------------------------------|
| Schools leadership and governance support | 1,048 | 158 | 1,206 | 1,091 |
| School premises related support | 176 | 46 | 222 | 223 |
| Admissions and appeals service | 59 | 7 | 66 | 80 |
| Total Unrestricted Expenditure | 1,283 | 211 | 1,494 | 1,394 |
| | | | | |
| School leadership and governance support | 21 | - | 21 | 11 |
| School premises related support | 7 | - | 7 | - |
| Total Restricted Expenditure | 28 | - | 28 | 11 |

3.2 Support Costs

| | School leadership and governance support £000 | School premises related support £000 | Admissions & appeals service £000 | 2016 Total £000 | 2015 Total £000 |
|------------------------|--|--|--|-----------------------|-----------------------|
| Governance | 15 | 2 | 1 | 18 | 18 |
| Finance | 41 | 29 | 1 | 71 | 70 |
| Information Technology | 36 | 5 | 2 | 43 | 42 |
| Human Resources | 39 | 6 | 2 | 47 | 47 |
| Other overhead costs | 27 | 4 | 1 | 32 | 27 |
| Total | 158 | 46 | 7 | 211 | 204 |

3.3 Governance costs

| | 2016 £000 | 2015 £000 |
|--------------------------------|--------------|--------------|
| Audit fees | 6 | 6 |
| Statutory costs and legal fees | 9 | 10 |
| Committee costs | 3 | 2 |
| | 18 | 18 |

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:

| | 2016 £000 | 2015 £000 |
|--|--------------|---------------|
| Expenditure on school building improvements and IT equipment | 4,069 | 10,098 |
| Funded by: | | |
| Department for Education (DfE) | 3,173 | 3,580 |
| Local Authorities (LAs) | 384 | 5,377 |
| School Governors and other | 512 | 1,141 |
| | <u>4,069</u> | <u>10,098</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.

6. STAFF COSTS

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

| | 2016 | | 2015 | |
|-----------------------------------|----------------------|-------------------------|----------------------|-------------------------|
| | Average headcount | Full time equivalent | Average headcount | Full time equivalent |
| Support for charitable activities | 21.0 | 18.5 | 18.2 | 15.5 |
| Support and finance | 3.0 | 2.6 | 2.7 | 2.3 |
| Total | <u>24.0</u> | <u>21.1</u> | <u>20.9</u> | <u>17.8</u> |

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. STAFF COSTS (continued)

Staff costs during the year amounted to:

| | 2016 | 2015 |
|-----------------------|--------------|--------------|
| | £'000 | £'000 |
| Wages and salaries | 922 | 813 |
| Pension contributions | 157 | 160 |
| Social security costs | 96 | 76 |
| Total | <u>1,175</u> | <u>1,049</u> |

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

| | 2016 | 2015 |
|-------------------|------|------|
| £60,000 - £70,000 | 1 | 2 |
| £70,000 - £80,000 | - | - |
| £80,000 - £90,000 | 1 | 1 |

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of ODBE. During 2016 they were:

| | |
|---------------------------------------|------------------|
| Director of Education | Mrs Anne Davey |
| Deputy Director Schools Effectiveness | Mrs Fiona Craig |
| Deputy Director: Premises | Mr Gordon Joyner |

Remuneration and pensions for these 3 employees amounted to £249K.

7. PENSION COSTS

Pension contributions were made in the year to three pension schemes: £42K for 4 staff to the final salary scheme operated by the Pensions Trust, £68K for 9 staff to the Teachers Pension Scheme and £47K for 14 staff to the Church Workers Pension Funds Pension Builder scheme.

Staff defined benefit scheme

Full disclosure of the final salary pension scheme is included in the accounts of Oxford Diocesan Board of Finance, the participating employer. In addition to the monthly contributions, additional contributions were made towards clearing the pension fund deficit of the final salary scheme, amounting to £9K (2015:£27K). Further additional contributions are due from January to August 2017 totalling £6K.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. PENSION COSTS (continued)

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 schemes separately from those of the Employer and the other participating employers.

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

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. Bonuses may also be declared, 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 considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and 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 (2016:£47K, 2015:£30K). Employer contributions of 12.5% were made by ODBE in 2016 (2015:12.5%).

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2013. This revealed, on the ongoing assumptions used, a surplus of £0.5m. There is no requirement for deficit payments at the current time.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. PENSION COSTS (continued)

Pension Builder Scheme (continued)

Pension Builder 2014 will be valued in relation to the lump sum payable to members at normal pension age. There are no annual pension benefits. Pension Builder 2014 commenced in February 2014 so the first full valuation of that section will be carried out at the next CWPF valuation date, 31 December 2016.

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 the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million, giving a notional past service deficit of £14,900 million
- An employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- The assumed real rate of return is 3% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. PENSION COSTS (continued)

Teachers' Pension Scheme (continued)

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

A copy of the valuation report and supporting documentation is available on the Teachers' Pensions website.

Under the definitions set out in FRS102, the TPS is a multi-employer pension scheme. ODBE has accounted for its contributions to the scheme as if it were a defined contribution scheme.

8. TANGIBLE FIXED ASSETS

| Office Equipment | Computer equipment £000 | Office equipment £000 | Total £000 |
|------------------------------------|----------------------------|--------------------------|---------------|
| Cost at 1 January 2016 | 14 | 5 | 19 |
| Additions | 5 | - | 5 |
| Cost at 31 December 2016 | 19 | 5 | 24 |
| Depreciation at 1 January 2016 | 9 | 1 | 10 |
| Charge for the year | 2 | 2 | 4 |
| Depreciation at 31 December 2016 | 11 | 3 | 14 |
| Net book value at 1 January 2016 | 5 | 4 | 9 |
| Net book value at 31 December 2016 | 8 | 2 | 10 |

9. INVESTMENTS

| | Endowment Funds £000 | Restricted Funds £000 | Total £000 |
|--|-------------------------|--------------------------|---------------|
| Market value at 1 January 2016 | 206 | - | 206 |
| Additions | - | 75 | 75 |
| Disposals | - | - | - |
| Unrealised gains in market value in year | 23 | 9 | 32 |
| Market value at 31 December 2016 | 229 | 84 | 313 |
| Historical cost of investments | 20 | 75 | 95 |

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. DEBTORS

| | 2016 £000 | 2015 £000 |
|-----------------------------------|--------------|--------------|
| Due within one year: | | |
| Debtors for school buildings work | 229 | 340 |
| Trade debtors | 98 | 34 |
| Prepayments and accrued income | 24 | 14 |
| | <u>351</u> | <u>388</u> |

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

11. CASH AT BANK

| | 2016 £000 | 2015 £000 |
|--------------------------------------|--------------|--------------|
| General deposit and current accounts | <u>1,936</u> | <u>1,440</u> |

12. CREDITORS

| | 2016 £000 | 2015 £000 |
|---|--------------|--------------|
| Due within one year: | | |
| Funding for school building works received in advance | 937 | 395 |
| Trade creditors | 32 | 81 |
| Accruals and deferred income (note 13) | 134 | 114 |
| Taxation and Social Security | 90 | 95 |
| | <u>1,193</u> | <u>685</u> |
| Due after more than one year: | | |
| Loan from CSUST | 100 | 100 |
| | <u>100</u> | <u>100</u> |

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

13. DEFERRED INCOME

| | 2016 £000 | 2015 £000 |
|---|--------------|--------------|
| Balance at 1 January | 99 | 88 |
| Amounts added in current year | 122 | 99 |
| Amounts released to income from prior years | (95) | (88) |
| Balance at 31 December | <u>126</u> | <u>99</u> |

Deferred income relates to income received in advance for the period January to March 2017 for the school Service Level Agreement, DFC administration charges and appeals income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. ENDOWMENT FUNDS

| | Balance at 1 January 2016 £000 | Realised and unrealised gains £000 | Balance as at 31 December 2016 £000 |
|---------------------------------|---|--|---|
| Hills Bequest for Schools | 103 | 11 | 114 |
| ODBE Thatcham & Newbury Charity | 103 | 12 | 115 |
| Total | 206 | 23 | 229 |

Included in the funds at 31 December 2016 is £198,000 of unrealised gains. These funds are held in CBF Investment Fund shares.

15. RESTRICTED FUNDS

| INCOME FUNDS | Balance as at 1 January 2016 £000 | Incoming resources including unrealised gains £000 | Expended resources £000 | Balance as at 31 December 2016 £000 |
|---------------------------------|---|---|-------------------------------|--|
| Building Improvement Scheme | 459 | - | (7) | 452 |
| Hills Bequest for Schools | 29 | 3 | - | 32 |
| ODBE Thatcham & Newbury Charity | 76 | 14 | - | 90 |
| | 564 | 17 | (7) | 574 |

Included in the funds at 31 December 2016 is £9,000 of unrealised gains. These funds are held in CBF Investment Fund shares.

16. 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. PURPOSES OF FUNDS (continued)

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.

17. RELATED PARTIES

ODBF is a related charity, which provides an annual grant to ODBE, £249K in 2016 (2015: £244K). In addition ODBF made a grant of £60K to ODBE to support engagement between schools and parishes (2015: £60K), and a grant of £60K to support the development of new schools. ODBF provides support services (HR, finance, ICT, premises, communications and administration) to ODBE with a total cost of £160K in 2016 (2015: £164K). The amount due to ODBF was £7K at 31 December 2016 (2015: £43K).

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 2016 to finance cash flow, see note 12. CSUST made grants of £496K in 2016 to support the work of ODBE (2015: £557K), see note 2.1.

Oxford Diocesan Schools Trust (ODST) was formed in 2012 as a multi academy trust. Service charges from ODBE to ODST for project management, officer and premises support during 2016 totalled £71K (2015:£68K). The amount due to ODBE was £54K at 31 December 2016 (2015 £22K). 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 2016 and no balance due at the end of the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. 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.

19. POST BALANCE SHEET EVENTS

None.

20. 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 | 114 | - | - | - | 114 |
| ODBE Thatcham & Newbury Charity | 115 | - | - | - | 115 |
| TOTAL ENDOWMENT FUNDS | 229 | - | - | - | 229 |
| RESTRICTED FUNDS | | | | | |
| Building Improvement Scheme | - | 1,260 | 229 | (1,037) | 452 |
| Hills Bequest for Schools | - | 32 | - | - | 32 |
| ODBE Thatcham & Newbury Charity | 84 | 7 | - | (1) | 90 |
| TOTAL RESTRICTED INCOME FUNDS | 84 | 1,299 | 229 | (1,038) | 574 |
| GENERAL FUNDS | 10 | 467 | 122 | (255) | 344 |
| DESIGNATED FUNDS | - | 170 | - | - | 170 |
| TOTAL NET ASSETS 31 December 2016 | 323 | 1,936 | 351 | (1,293) | 1,317 |

21. TRANSITION TO FRS102

This is the first year ODBE has presented its results under FRS102 and SORP2015. The last financial statements were prepared under the FRSSSE SORP for the year ending 31 December 2015. The date of transition to FRS102 was 1 January 2015. The change in accounting policies has not required restatement of opening balances or prior year comparatives.