



OXFORD DIOCESAN BOARD OF EDUCATION

Directors' Report and Financial Statements

for the year ended 31 December 2017

Company Registration Number 07071809 (England and Wales)
Charity Registration Number 1133586

REGISTERED & PRINCIPAL OFFICE:

CHURCH HOUSE OXFORD
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GLOSSARY OF TERMS

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

DIRECTORS' ANNUAL REPORT 2017

The directors, who are also trustees for the purposes of charity law, present their annual report, together with the audited financial statements, for the year ended 31 December 2017.

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 283 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 additionally takes opportunities to serve all schools in church led Multi Academy Trusts and specifically:

- Gives advice in relation to any proposed changes to the status, viability and future of all church schools;

OBJECTIVES AND ACTIVITIES (continued)

Activities (continued)

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

Public benefit

The directors have complied with section 4 of the 2011 Charities Act having due regard to guidance published by the Charity Commission. The directors are aware of the Charity Commission's requirement that the aims, objectives and activities of the charity should provide a clear public benefit. Through the achievement of these objectives set out above, the public benefits from the provision of inclusive church schools for over 58,000 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

Service Level Agreement

The current three-year Service Level Agreement (SLA) was launched in April 2016 to build on what had been achieved previously but also to simplify the offer to schools. Despite the far tougher financial position in which all schools now find themselves, continued development of this income is particularly important work, enabling us to serve our schools in the most effective way possible, at best value. We are delighted that, to date, 93% of our schools have still chosen to sign up. Encouragingly, the end of year forecast for the Core SLA has now exceeded its expected target. An Associate SLA for non-diocesan schools and MATs buying in additional services from the diocese is now established and developing. There are opportunities (and invitations) to grow this work further, particularly in respect of MAT 'packages' of support, but the team is now at optimum capacity.

ACHIEVEMENTS AND PERFORMANCE (continued)**Other income streams**

A number of other income streams have been successfully developed to increase the team's service provision to schools. In particular, the work on Headteacher Appraisals has continued to generate additional income and this figure has also now significantly exceeded both its initial target and the October re-forecast.

Team expansion

The Academies and Free Schools team is now embedded and providing effective support to schools. We are seeking to recruit a second surveyor due to the success of this new service and increased opportunities for income generation. The SLT has been restructured to help facilitate continued growth and success of ODST. The Board is conscious that the services they provide need to be carefully costed but positive impact has already been felt. Careful management of the advisory team has resulted in a highly qualified, professional team able to meet the Board's statutory commitments to schools and maintain their effectiveness, although the team's ability to take on more work is now limited by capacity.

Excellence in Governance (EiG) and Excellence in Schools (EiS)

Supporting governance has continued to be a strategic priority and Excellence in Governance (EiG), a two-year modular training programme, now in its third year, has successfully begun 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 individuals. In the year to December 2017, 425 governor training places have been taken up, similar to increased figures for the 2015/2016 academic year. This combined with that previous year means that over 1,000 governor training places have been accessed since the onset of the programme. Significant improvements in the administration and costing of all training courses EiG (for governors) and EiS (Excellence in Schools) for staff, has resulted in a far more effective system which is genuinely accountable.

Governance reviews

We are continuing to facilitate review of governance across the diocese. All governing bodies involved this last year 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. All of the team have now been trained to undertake the reviews.

Free schools

Working in partnership with the Vale Academy Trust, a successful Wave 12 bid was submitted to the DfE for a new Church of England designated All-through school in Grove, which will open around 2021.

The Assistant Director responsible for this area of work has been actively supporting several MAT routes to provide a vehicle for new Church of England schools.

PLANS FOR THE FUTURE

School Effectiveness

The advisory team is committed to maintaining high levels of support to schools to achieve maximum effectiveness. Although previously successful, with schools' overall grades in both Ofsted and SIAMS above national averages at the end of the year, new regulations and processes in both inspection frameworks mean this core work must have continued prioritisation and some more vulnerable schools will require additional support which in many cases, due to their vulnerability, schools cannot always pay for. Careful management will be required here and astute use of (now successful) systems identifying schools of concern, in order to deploy the team effectively and within reasonable cost margins.

Working with Multi-Academy Trusts

The Board is committed to continuing to support schools to explore, and increasingly deliver, their academy options. After a thorough review of need, a new diocesan MAT for schools in Buckinghamshire and Milton Keynes known as ODBST was established in October 2017 and it took in its first three schools by the end of the year. We are continuing to prioritise work with 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 currently now have **16 MATS** suitable for church schools following an increase of six since the beginning of 2017. This will need careful re-deployment of the team in order to support these MATs well and maintain our current reputation for collaboration and partnership.

Governance Priorities

Building on the success of the first two cohorts of EiG, the third cohort of 18 school governing bodies will have successfully completed the programme by the end of this academic year. Cohort 2 continues to support 26 schools, bringing the total number of schools accessing this training to 71 (25% of all schools). The future brings more Governance Reviews being offered to any Oxford diocesan school that requires one, more advisers being given the opportunity to lead and offering the potential selling of this service to colleagues in other dioceses, MATs and local authorities.

New School Opportunities

ODBE, under the Board's strategic plan, will support both ODST and ODBST to submit bids for new Church of England schools across the diocese. If successful, these schools would be scheduled to open between 2019 and 2022. We are also working with several other school-led MATs to submit bids for new Church of England 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. Whilst the national landscape for this is now more difficult with more available MATS to sponsor new free schools, the team continues to prioritise this work.

FINANCIAL REVIEW

General Funds

Overall total unrestricted income was £1,561K, with a deficit of £58K (3.7%) on general funds for the year.

A significant proportion of income came from grants: grant income from CSUST totalled £345K for the year (2016: £496K), and grant income from ODBF totalled £374K (2016: £369K), 22% and 24% of total unrestricted income respectively.

Income from charitable activities included school service agreement income of £316K (20%) (2016: £331K), training and consultancy income of £290K (19%) (2016: £150K), premises related income of £181K (12%) (2016 £119K) and admissions appeals income of £53K (3%) (2016 £54K).

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 Board 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 Board but is not reflected in the Statement of Financial Activities as the transactions are those of the school governors and the Board acts simply as an agent or facilitator. During the year, the total value of this work amounted to £5.4 million (2016: £4.1 million).

Restricted Trust Funds

One grant of £3K was made from the Thatcham and Newbury restricted trust funds in 2017 but no grants were made from the Hills Bequest Fund. The balance remaining on the income restricted funds at 31 December 2017 was £137K (2016 £122K).

Reserves Policy

At the end of 2017 the Board's unrestricted funds totalled £456K. The directors have set aside £112K of this in a separate designated fund to support future activities, and the remaining balance of £344K in general funds provides reserves cover and cashflow for current activities.

ODBE is supported by CSUST funds which amount to £7,088K capital and £1,699K reinvested income at 31 December 2017. DT(O)L is the sole trustee of this fund. Both capital and income are funds which can only be used for educational purposes (see CSUST section on page 9 for further details).

FINANCIAL REVIEW (continued)

Investment management

The charity has general, restricted and endowment funds. The endowment funds and restricted funds have the majority of their capital invested in the CBF Investment Fund.

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 2017 was 3.4% (2016: 3.1%). During the year the market value of investments increased by 8.28% (2016: increased by 9.99%).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Diocese of Oxford

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

Corporate status

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

Board and Committee structure

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

Finance Committee
Schools Effectiveness Committee
Development Committee
Human Resources Panel

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Appointment of directors

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

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

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

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

Directors' responsibilities

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period.

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

- select suitable accounting policies and apply them consistently;
- 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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.

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 2017 these funds had a total value of £8,787K (2016: £7,985K) of which £7,088K (2016: £6,565K) were endowment funds and £1,699K (2016: £1,420K) were 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 the 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related parties (continued)

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

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

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 nor ODBST, and ODST's and ODBST's primary accountability as multi academy trusts is to the Secretary of State, thus there is no requirement to consolidate these accounts with ODBE.

Subsidiary Companies

At 31 December 2017 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. Whilst significant improvements were made in 2017, if traded income does not continue to grow sufficiently strongly to replace the additional interim CSUST grant by the end of 2018 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.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

2. Increased demand from schools to convert to academy status, following further reductions in Local Authority 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 Buckinghamshire.
- Keep under review the existing standalone academies and encourage their move into a MAT, if they are unable to form a MAT themselves.
- Continue to establish a wider 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 sufficiently large clusters of schools to form MATs.
- Work with MATs from outside the diocesan boundaries which could effectively operate within the diocese.

3. If the current five academy companies regarded as being sponsored by the diocese were to encounter significant problems, including ineffective 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 governance in these Trusts, involving ODBE officers where appropriate.
- Ensure that the recently developed "values framework" is fully implemented 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 ODBE, create considerable disturbance in the community and would result in ODBE not being able to meet its core purpose of serving schools in affected communities.

Mitigating strategies:

- Work proactively to identify those schools most at risk and support them to develop strategies.
- Offer new training opportunities to governors on financial matters. Encourage schools to come together in federations, amalgamations and in academy trusts and consider alternative leadership models where appropriate.
- Brief the wider diocese and other relevant organisations on how they could support their local schools.

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	Ex Officio Bishop of Oxford
The Right Reverend Dr ATL Wilson (Chairman)	Nominated by the Bishop of Oxford
The Ven J French (from 16.5.17)	Nominated by the Bishop of Oxford
The Revd M A Harwood	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
Mrs P A Hudson (from 24.11.17)	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
Mr A Browne (from 09.03.18)	Co-opted
Ms H Crolla	Co-opted
Ms N Flower	Co-opted
Ms S A Jarvis	Co-opted
Mr P R Norman	Co-opted
Mr K P Salter	Co-opted

Directors who resigned during the year or whose term of office came to an end by the date of this report were as follows:

The Ven M C Gorick (to 16.5.17)	Nominated by the Bishop of Oxford
The Revd Canon A Daffern (to 21.6.17)	Synod elected for Dorchester Archdeaconry
The Revd Dr C Shelley (to 29.11.17)	Co-opted
Mr T Edwards-Grundy (to 12.12.17)	Co-opted

Senior staff and advisers

Acting Director of Education	Mrs Fiona Craig
Deputy Director	Mr Gordon Joyner

The Director of Education, Mrs Anne Davey, was on secondment to the Oxford Diocesan Schools Trust as at the date of this report.

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
Auditor	Buzzacott LLP, 130 Wood Street, London, EC2V 6DL
Solicitors	Winckworth Sherwood LLP, 16 Beaumont Street, Oxford OX1 2LZ
Investment advisers	CCLA Investment Management Limited 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 have been prepared in accordance with applicable United Kingdom accounting standards, the Companies Act 2006, and Accounting and Reporting by Charities: Statement of Recommended Practice effective from accounting periods commencing on or after 1 January 2015.

STATEMENT OF DISCLOSURE TO AUDITORS

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

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

Signed on behalf of the directors

The Right Revd Dr A T L Wilson
Chairman

09 May 2018

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

Opinion

We have audited the financial statements of Oxford Diocesan Board of Education (the 'charitable company') for the year ended 31 December 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the notes to the financial statements including the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

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 2017 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	General Funds £000	Restricted Funds £000	Endow- ment Funds £000	2017 Total £000	2016 Total £000
INCOME AND ENDOWMENTS FROM:						
Donations:						
Grants from CSUST	2.1	345	-	-	345	496
Grants from ODBF	2.1	374	-	-	374	369
		<u>719</u>	<u>-</u>	<u>-</u>	<u>719</u>	<u>865</u>
Charitable Activities:						
School premises related income	2.2	181	-	-	181	119
School service agreement		316	-	-	316	331
Training and consultancy services to schools		290	19	-	309	171
Admission appeals		53	-	-	53	54
		<u>840</u>	<u>19</u>	<u>-</u>	<u>859</u>	<u>675</u>
Investments	2.3	2	11	-	13	9
Total		<u>1,561</u>	<u>30</u>	<u>-</u>	<u>1,591</u>	<u>1,549</u>
EXPENDITURE ON: Charitable Activities						
School leadership and governance support	3.1	1,349	22	-	1,371	1,227
School premises related support	3.1	208	54	-	262	229
Admissions & appeals service	3.1	62	-	-	62	66
Total		<u>1,619</u>	<u>76</u>	<u>-</u>	<u>1,695</u>	<u>1,522</u>
Net (expenditure)/income before gains on investments		(58)	(46)	-	(104)	27
Gains on investments	9	-	7	21	28	32
Net (expenditure)/income and net movement in funds		(58)	(39)	21	(76)	59
Reconciliation of funds:						
Total funds brought forward		514	574	229	1,317	1,258
Total funds carried forward		456	535	250	1,241	1,317

The Statement of Financial Activities (SOFA) includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. The prior year comparative SOFA for 2016 is shown in note 20 on page 36. The notes on pages 21 to 36 form part of these financial statements.

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Total 2017 £000	Total 2016 £000
Income	1,591	1,549
Expenditure	(1,695)	(1,522)
Operating (deficit)/surplus for the year	(104)	27
Net gains on investments	7	9
Net (expenditure)/income for the year	(97)	36

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 2017

Company number 07071809 (England and Wales)

	Note	2017 Total £000	2016 Total £000
Fixed Assets			
Tangible assets	8	10	10
Investments	9	341	313
Total Fixed Assets		<u>351</u>	<u>323</u>
Current Assets			
Debtors	10	306	351
Cash at bank	11	1,543	1,936
Total Current Assets		<u>1,849</u>	<u>2,287</u>
Creditors			
Amounts falling due within one year	12	(859)	(1,193)
Net Current Assets		<u>990</u>	<u>1,094</u>
Total Assets less Current Liabilities		1,341	1,417
Creditors: Amounts falling due after more than one year	12	(100)	(100)
NET ASSETS		<u><u>1,241</u></u>	<u><u>1,317</u></u>
THE FUNDS OF THE CHARITY:			
Endowment funds	14	250	229
Restricted funds	15	535	574
Designated funds	16	112	170
General funds		344	344
Total charity funds		<u><u>1,241</u></u>	<u><u>1,317</u></u>

The notes on pages 21 to 36 form part of these financial statements. Included in the above investments are unrealised gains amounting to £237K. See notes 14 to 15 to the financial statements.

These financial statements were approved and authorised for issue by the directors on 09 May 2018 and signed on their behalf by:

The Right Revd Dr A T L Wilson
Chairman

The Revd M A Harwood
Director

STATEMENT OF CASHFLOWS
for the year ended 31 December 2017

	2017		2016	
	£'000	£'000	£'000	£'000
Net cash (used in)/provided by operating activities		(402)		567
Cash flows from investing activities:				
Dividends and interest received from investments	13		9	
Purchase of:				
Fixed asset investments	-		(75)	
Tangible fixed assets	(4)		(5)	
Net cash provided by/(used in) investing activities		<u>9</u>		<u>(71)</u>
Change in cash and cash equivalents in the reporting period		<u>(393)</u>		<u>496</u>
Cash and cash equivalents at 1 January		1,936		1,440
Cash and cash equivalents at 31 December		<u>1,543</u>		<u>1,936</u>
Reconciliation of net movements in funds to net cash flow (used in)/provided by operating activities				
Net movement in funds for the year		(76)		59
Adjustments for:				
Depreciation charges		4		4
Gains on investments		(28)		(32)
Dividends and interest receivable from investments		(13)		(9)
Decrease in debtors (ex. loans)		45		37
(Decrease) /increase in creditors (ex. loans)		(334)		508
Net cash (used in)/provided by operating activities		<u>(402)</u>		<u>567</u>
Analysis of cash and cash equivalents				
Cash at bank		<u>1,543</u>		<u>1,936</u>

NOTES TO THE FINANCIAL STATEMENTS

1. Principal Accounting Policies

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

Basis of accounting

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

Basis of preparation

These financial statements have been prepared for the year to 31 December 2017 with comparative information provided for the year to 31 December 2016.

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest thousand.

Critical accounting estimates and areas of judgement

Preparation of the financial statements may require the directors and management to make significant judgements and estimates. There are no critical accounting estimates or areas where judgement has been applied in these financial statements.

Going concern

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The directors have made this assessment in respect to a period of one year from the date of approval of these financial statements. The directors have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The directors are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. This is because the charity has sufficient monetary assets, including short term cash deposits, which could be readily realised to meet liabilities should there be an unexpected curtailment of income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Principal accounting policies (continued)

Income

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

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

Expenditure

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

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

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

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

Investments

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

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

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

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Principal accounting policies (continued)

Cash at bank and in hand

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

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

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.

Tangible Fixed Assets

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

Fund structure

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

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

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

Financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Principal accounting policies (continued)

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.

2. ANALYSIS OF INCOME

2.1 Income from donations

	2017 £000	2016 £000
Annual support grant from CSUST	336	329
Grant from CSUST for expansion of schools support	-	155
Other CSUST grants	9	12
Total grants from CSUST	<u>345</u>	<u>496</u>
Annual Diocesan grant	254	249
Diocesan grant for parish engagement	60	60
Diocesan grant for new schools development	60	60
Total Diocesan grants from ODBF	<u>374</u>	<u>369</u>
Total grants	<u>719</u>	<u>865</u>

2.2 Income from Charitable Activities

School premises related income	181	119
Schools service agreements	316	331
Training and consultancy services to schools	290	150
Admissions appeals	53	54
Total Unrestricted Income from Charitable Activities	<u>840</u>	<u>654</u>
Training and consultancy income	19	21
Total Restricted Income from Charitable Activities	<u>19</u>	<u>21</u>

2.3 Income from Investments

Interest receivable - unrestricted	2	1
Dividends receivable - restricted	11	8
	<u>13</u>	<u>9</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. ANALYSIS OF EXPENDITURE

3.1 Expenditure on charitable activities

	2017 Direct costs	2017 Support costs (note 3.2)	2017 Total costs	2016 Total costs
	£000	£000	£000	£000
Schools leadership and governance support	1,186	163	1,349	1,206
School premises related support	161	47	208	222
Admissions and appeals service	55	7	62	66
Total Unrestricted Expenditure	1,402	217	1,619	1,494
School leadership and governance support	22	-	22	21
School premises related support	54	-	54	7
Total Restricted Expenditure	76	-	76	28

3.2 Support Costs

	School leadership and governance support	School premises related support	Admissions & appeals service	2017 Total	2016 Total
	£000	£000	£000	£000	£000
Governance (note 3.3)	16	2	1	19	18
Finance	43	29	1	73	71
Information Technology	29	4	1	34	43
Human Resources	33	5	2	40	47
Other overhead costs	42	7	2	51	32
Total	163	47	7	217	211

3.3 Governance costs

	2017 £000	2016 £000
Audit fees	5	6
Statutory costs and legal fees	11	9
Committee costs	3	3
	19	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 which acts as agent or facilitator. A summary of transactions during the year is set out below:

	2017 £000	2016 £000
Expenditure on school building improvements and IT equipment	5,449	4,069
Funded by:		
Department for Education (DfE)	3,513	3,173
Local Authorities (LAs)	1,605	384
School Governors and other	331	512
	<u>5,449</u>	<u>4,069</u>

5. DIRECTORS' REMUNERATION

No remuneration has been paid to any director during the year for acting as a director or trustee (2016: none). 11 directors were reimbursed for travel, subsistence and incidental costs amounting to £3K (2016: 8 directors were reimbursed £2K).

6. STAFF COSTS

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

	2017		2016	
	Average headcount	Full time equivalent	Average headcount	Full time equivalent
Support for charitable activities	21.0	18.8	21.0	18.5
Support and finance	3.0	2.6	3.0	2.6
Total	<u>24.0</u>	<u>21.4</u>	<u>24.0</u>	<u>21.1</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. STAFF COSTS (continued)

Staff costs during the year amounted to:

	2017	2016
	£'000	£'000
Wages and salaries	1,039	922
Pension contributions	163	157
Social security costs	113	96
Total	1,315	1,175

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

	2017	2016
£60,000 - £70,000	-	1
£70,000 - £80,000	1	-
£80,000 - £90,000	1	1

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key management personnel are deemed to be those having authority and responsibility for planning, directing and controlling the activities of ODBE. In addition to the directors of the company, key management personnel during 2017 comprised:

Director of Education	Mrs Anne Davey (on secondment to ODST in 2017)
Acting Director of Education	Mrs Fiona Craig
Deputy Director	Mr Gordon Joyner

No remuneration was paid to any company director during the year (2016: £nil) for acting as a director or a member of key management personnel. The aggregate remuneration, including employer's National Insurance contributions and pensions for these 3 employees amounted to £297K (2016: £273K).

The charity has insurance to protect it from any loss arising from the neglect or defaults of its directors and to indemnify the directors against the consequences of any neglect or default on their part. The insurance is provided as part of the charity's general insurance and as such there is no separate premium payable (2016 - none). The cover provided is up to £100,000 (2016 - £100,000).

7. PENSION COSTS

Pension contributions were made in the year to three pension schemes: £31K for two staff to the final salary scheme operated by the Pensions Trust (2016: £42K), £70K for eight staff to the Teachers' Pension Scheme (2016: £68K) and £62K for 13 staff to the Church Workers Pension Funds Pension Builder scheme (2016: £47K).

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. PENSION COSTS (continued)

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 amounting to £6K (2016: £9K) were made towards clearing the pension fund deficit of the final salary scheme.

Church Workers Pension Fund (CWPF)

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

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

Pension Builder Scheme

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

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. PENSION COSTS (continued)

Pension Builder Scheme (continued)

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 (2017: £62K, 2016: £47K). Employer contributions of 12.5% were made by ODBE in 2017 (2016: 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.

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 CWPV valuation date, 31 December 2017.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. PENSION COSTS (continued)

Teachers' Pension Scheme (continued)

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%.

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

	Computer equipment £000	Office equipment £000	Total £000
Cost at 1 January 2017	19	5	24
Additions	4	-	4
Cost at 31 December 2017	23	5	28
Depreciation at 1 January 2017	11	3	14
Charge for the year	3	1	4
Depreciation at 31 December 2017	14	4	18
Net book values at 31 December 2017	9	1	10
Net book values at 31 December 2016	8	2	10

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. INVESTMENTS

	Endowment Funds £000	Restricted Funds £000	Total £000
Market value at 1 January 2017	229	84	313
Unrealised gains in market value in year	21	7	28
Market value at 31 December 2017	250	91	341
Historical cost of investments	20	75	95

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

10. DEBTORS

	2017 £000	2016 £000
Amounts due within one year:		
Debtors for school buildings work	163	229
Other debtors	132	98
Prepayments and accrued income	11	24
	<u>306</u>	<u>351</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

	2017 £000	2016 £000
General deposit and current accounts	<u>1,543</u>	<u>1,936</u>

12. CREDITORS

	2017 £000	2016 £000
Amounts falling due within one year:		
Funding for school building works received in advance	526	937
Expense creditors	52	32
Accruals and deferred income (note 13)	147	134
Taxation and Social Security	134	90
	<u>859</u>	<u>1,193</u>
Amounts falling due after more than one year:		
Loan from CSUST	100	100
	<u>100</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. CREDITORS (continued)

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

13. DEFERRED INCOME

	2017	2016
	£000	£000
Balance at 1 January	126	99
Amounts added in current year	140	122
Amounts released to income from prior years	(126)	(95)
Balance at 31 December	<u>140</u>	<u>126</u>

Deferred income relates to income received in advance for the period January to March 2018 for the school Service Level Agreement, DFC administration charges and appeals income.

14. ENDOWMENT FUNDS

	Balance at 1 January 2017	Realised and unrealised gains	Balance as at 31 December 2017
	£000	£000	£000
Hills Bequest for Schools	114	11	125
ODBE Thatcham & Newbury Educational Charity	<u>115</u>	<u>10</u>	<u>125</u>
Total	<u>229</u>	<u>21</u>	<u>250</u>

Included in the funds at 31 December 2017 is £220K of unrealised investment gains. These funds are held in CBF Investment Fund shares.

ODBE - Thatcham & Newbury Educational Charity

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

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. RESTRICTED FUNDS

	Balance as at 1 January 2017 £000	Income including unrealised gains £000	Expenditure £000	Balance as at 31 December 2017 £000
Building Improvement Scheme	452	-	(54)	398
Hills Bequest for Schools	32	4	-	36
ODBE Thatcham & Newbury Charity	90	14	(3)	101
Other	-	19	(19)	-
	<u>574</u>	<u>37</u>	<u>(76)</u>	<u>535</u>

Included in the funds at 31 December 2017 is £17K of unrealised investment gains. These funds are held in CBF Investment Fund shares.

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.

16. DESIGNATED FUNDS

The directors set aside funds £170,000 for continuation of activities in 2017 onwards, after the end of the additional CSUST grant. £58K of the fund was used in 2017 to support the general fund deficit, leaving a balance of £112K.

17. RELATED PARTIES

ODBF is a related charity, which provides an annual grant to ODBE, £254K in 2017 (2016: £249K). In addition, ODBF made a grant of £60K to ODBE to support engagement between schools and parishes (2016: £60K), and a grant of £60K to support the development of new schools (2016: £60K), see note 2.1. ODBF provides support services (HR, finance, ICT, premises, communications and administration) to ODBE with a total cost of £158K in 2017 (2016: £160K). The amount due to ODBF was nil at 31 December 2017 (2016: £7K).

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 2017 to finance cash flow, (2016: £100K) see note 12. CSUST made grants of £345K in 2017 to support the work of ODBE (2016: £496K), see note 2.1.

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RELATED PARTIES (continued)

Oxford Diocesan Schools Trust (ODST) was formed in 2012 as a multi academy trust. Service charges from ODBE to ODST for project management, buildings consultancy, schools advisory, officer and premises support during 2017 totaled £182K (2016: £71K). In addition, the Director of Education was seconded to ODST during 2017 and ODST reimbursed ODBF £46K for pay costs. The amount due to ODBE was £38K at 31 December 2017 (2016 £54K).

Oxford Diocesan Bucks Schools Trust (ODBST) was formed in 2017 as a multi academy trust. Service charges from ODBE to ODBST for project management, schools advisory and officer support during 2017 totaled £88K. The amount due to ODBE was nil at 31 December 2017.

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 nor ODBST, and ODST's and ODBST's primary accountability as multi academy trusts is to the Secretary of State, thus there is no requirement to consolidate these accounts with ODBE.

Transactions with subsidiary companies

998 shares of Oxford Diocesan Education Services Limited (ODES) held by ODBF were gifted on incorporation to ODBE with nil value. There were no transactions with the subsidiary company in 2017 (2016: none) and no balance due at the end of the year (2016: £nil).

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.

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	125	-	-	-	125
ODBE Thatcham & Newbury Charity	125	-	-	-	125
TOTAL ENDOWMENT FUNDS	250	-	-	-	250
RESTRICTED FUNDS					
Building Improvement Scheme	-	861	163	(626)	398
Hills Bequest for Schools	-	36	-	-	36
ODBE Thatcham & Newbury Charity	91	11	-	(1)	101
TOTAL RESTRICTED INCOME FUNDS	91	908	163	(627)	535
GENERAL FUNDS	10	523	143	(332)	344
DESIGNATED FUNDS	-	112	-	-	112
TOTAL NET ASSETS 31 December 2017	351	1,543	306	(959)	1,241

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Prior Year Comparatives

**STATEMENT OF FINANCIAL ACTIVITIES
 FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2016 Total £000	2015 Total £000
INCOME AND ENDOWMENTS FROM:						
Donations:						
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	2.2	119	-	-	119	93
School service agreement		331	-	-	331	298
Training and consultancy services to schools		150	21	-	171	155
Admission appeals		54	-	-	54	62
		654	21	-	675	608
Investments	2.3	1	8	-	9	9
Total		1,520	29	-	1,549	1,478
EXPENDITURE ON: Charitable Activities						
School leadership and governance support	3.1	1,206	21	-	1,227	1,102
School premises related support	3.1	222	7	-	229	223
Admissions and appeals service	3.1	66	-	-	66	80
Total		1,494	28	-	1,522	1,405
Net income before gains on investments		26	1	-	27	73
Gains on investments	9	-	9	23	32	3
Net income and net movement in funds		26	10	23	59	76
Reconciliation of funds:						
Total funds brought forward		488	564	206	1,258	1,182
Total funds carried forward		514	574	229	1,317	1,258