

**Southwark Diocesan Board  
of Education Incorporated**

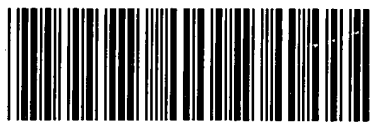
**Annual Report and Financial  
Statements**

31 December 2021

Company Limited by Guarantee  
Registration Number 00086641  
(England and Wales)

Charity Registration Number  
313001

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## Reference and administrative information Year to 31 December 2021

<b>Trustees</b>	<p>The Rt Revd Christopher Chessun (President) The Rt Revd Jonathan Clark (Chair) - retired Dec 2021 The Rt Revd Dr Rosemarie Mallett – appointed May 2021 The Revd Susan Lynn Billin - retired Dec 2021 Mr Martin Brecknell Mrs Elizabeth Broad Ms Julia Corby The Revd Canon Stephen Coulson Mrs Pam Davies - retired Dec 2021 Mr John Dewhurst - retired Dec 2021 Mrs Helen Dixon Mrs Virginia Eaton – retired Dec 2021 Mr Malcolm Edwards CBE The Revd Capt. Jeremy Garton – retired Dec 2021 Mrs Riana Gouws - retired Nov 2021 The Revd Annie Kurk Mr Robert Love MBE - retired Dec 2021 Miss Maria McBean The Revd Esther Moorey – retired Dec 2021 The Revd Dr Sharon Moughtin-Mumby - retired Dec 2021 Dr David Muir Mr Ekundayo Olomu The Revd Peter Organ - retired Dec 2021 Dr Nicholas Shepherd - retired Dec 2021 Mrs Penny Smith-Orr - retired Dec 2021 Dr Catharina Stibe Hickson The Revd Ariadne van den Hof Mrs Alison Venn - retired Dec 2021 The Revd Andrew Williams The Revd Erica Wooff</p>
<b>Senior leadership team</b>	<p>Mrs Roz Cordner (Director of Education) Mr Marcus Cooper (Assistant Director of Education)</p>
<b>Company secretary</b>	Mrs Roz Cordner
<b>Registered office</b>	<p>48 Union Street London SE1 1TD</p>
<b>Charity registration number</b>	313001
<b>Company registration number</b>	00086641

**Reference and administrative information Year to 31 December 2021**

**Auditor** Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

**Bankers** National Westminster Bank plc  
P.O. Box 3038  
57 Victoria Street  
London  
SW1H 0HN

**Solicitors** Winckworth Sherwood  
Minerva House  
5 Montague Close  
London  
SE1 9BB

## **Trustees' Report Year to 31 December 2021**

The Trustees (who are also the Directors of the charitable company for Companies Act purposes) have pleasure in presenting their Annual Report and the audited Financial Statements for the year ended 31 December 2021.

This report provides an opportunity for the Southwark Diocesan Board of Education (SDBE) to set out how its objectives, governance, strategy, activities and achievements all contribute to its overall mission and purpose, and the contribution the SDBE makes to the education of children and young people within the Diocese of Southwark.

The Trustees are proud of the achievements that have taken place in 2021 and would like to thank all the staff, volunteers, supporters, schools and governors who have made these possible.

The SDBE also provides information through a range of publications, briefings, the Diocesan website ([www.education.southwark.anglican.org](http://www.education.southwark.anglican.org)).

### **Vision, mission and aims**

#### ***Developing Church of England education***

The purpose and objects of the Southwark Diocesan Board of Education are set out in its two main constitutional documents:

- A. The Diocesan Board of Education Measure (1991); and
- B. The Memorandum and Articles of Association of the Southwark Diocesan Board of Education.

#### ***Our vision***

1. To enable the mission of God through the work of the Board;
2. To be a high-performing Diocesan Board promoting excellence in education both locally and nationally;
3. To develop and grow highly effective, inclusive Church of England schools rooted in Christian values;
4. To celebrate and share the richness, quality and successes of our schools and chaplaincies; and
5. To offer exemplary service to our schools and chaplaincies.

#### ***Key areas***

6. Church School Effectiveness;
7. Development of Chaplaincy in Schools, Colleges and Universities; and
8. Development and growth.

**Vision, mission and aims (continued)**

***Developing Church of England education (continued)***

***Church School effectiveness***

**Strong, effective, high performing schools;**

- 9. Strong effective governance;**
- 10. Excellent Christian leadership;**
- 11. Identify individual school need and support;**
- 12. High quality Religious Education and Collective Worship;**
- 13. Securing resources; and**
- 14. Living well together.**

***Development of chaplaincy in schools and colleges***

- 15. Structured programme of development;**
- 16. Looking for new opportunities and models;**
- 17. Links with Diocesan Clergy; and**
- 18. Clergy development.**

***Development and growth***

- 19. New provision and expansion;**
- 20. Develop sustainability response to falling pupil numbers.**
- 21. Embracing new systems and structures;**
- 22. Financial stability of the Board;**
- 23. Staff team development;**
- 24. Continual improvement of efficient and effective structures;**
- 25. Additional services to schools;**
- 26. Working well together; and**
- 27. Environmental stewardship.**



## **Trustees' Report Year to 31 December 2021**

### **Vision, mission and aims (continued)**

#### ***Developing Church of England education (continued)***

The SDBE provides support to the following:

28. 92 Primary schools; (one of which, St John's, Walworth, Southwark, closed on 31 August 2021).;
29. 14 Secondary schools – including 2 all-through schools;
30. 7 Higher and 5 Further Education institutions through its role in Chaplaincy.

The relationship with our beneficiaries and service users is one of partnership and collegiality. We work mainly with school leaders and governors to achieve our aims. Our main activities include:

31. Delivery of a comprehensive 'Partnership Agreement' with Church of England schools in the Diocese;
32. Analysis of the outcomes of school inspection (Office for Standards in Education (OFSTED) and Statutory Inspection of Anglican and Methodist Schools (SIAMS));
33. Headteacher and Senior leaders meetings and conferences;
34. Delivery of a comprehensive range of training programmes;
35. Regular school visits;
36. Meetings of the Board of Education and its Committees;
37. Pastoral support for headteachers;
38. Representation on Local Authority Overview and Scrutiny Committees;
39. Representation on Standing Advisory Councils for Religious Education (SACRES);
40. Administration of the Statutory Inspection of Anglican and Methodist Schools (SIAMS) across the Diocese up to 31 August 2021 – from 01 September 2021, liaise with the National programme for inspection via SIAMS; Contact – Dr Margaret James ;
41. Meetings of Officers and Advisers to determine work patterns;
42. Support for governing bodies in fulfilling their roles and responsibilities;
43. Support and development of chaplaincies across schools and Higher and Further Education institutions;
44. Liaising with Local Authorities and other providers; and
45. Church of England liaising with the Department for Education.

## **Trustees' Report Year to 31 December 2021**

### **Achievements and performance for 2021**

The past year was unusual due to changes in leadership and extended lock-down arrangements during the Covid-19 pandemic. Following the retirement of the long-serving Diocesan Director for Education in December 2020, interim leadership arrangements were put in place for the Spring term, with Co-directors sharing the role. This was reviewed in March 2021 with the roles revised, separating out the DDE and CEO duties. The structure will be revisited in Spring 2023. The capacity of the team was significantly tested with a series of extended staff absence. Three key members of staff were absent at the same time over the Summer term. Additional support was brokered with external parties to ensure the partnership agreement could be fulfilled.

The unexpected decision by governors to close St John's Walworth, Southwark in February 2021 had a significant impact across the work of the SDBE. As well as the focus on closure, the ripple effect of Covid added to an exit from inner city boroughs, with the realisation that birth rates and projected pupil numbers no longer matched up, meant a complete step change in the nature of our school based work. Sustainability and managing stretched budgets alongside falling rolls became the central focus. An immediate review of surplus pupil places was carried out and the reality that school organisation of the future will look different to that of the previous decade. Given the unknown challenges of managing empty school estates, the Board was pleased to set up a new Steering Committee to advise SDBE staff. This has been hugely beneficial allowing complex matters to be aired and reviewed from many different angles. Successful partnerships have been brokered since then with shared leadership models being explored as a first step when a leadership vacancy arises; these have been well supported and proved successful during the early stages, with three of these leading to longer term arrangements, securing school viability.

The Board was delighted when the final application for the new secondary school in Kingston was approved – and now await the planning process. The Board's joint Further Education and Higher Education committee was revived and an interim chaplaincy development officer was appointed at the end of the year, funded by SDBE in the short term to meet the need to respond to the new vision for FE/HE. We benefitted from a Public Sector Decarbonisation Scheme (PSDS) award with 60 schools taking the first steps towards becoming Carbon Net Zero. Plans to reduce our carbon footprint at Union Street are in place with £88,249 of funding via Public Sector Decarbonisation Fund being secured by our Buildings Officer.

Other highlights listed below demonstrate how the SDBE is fulfilling its aims. Key strategic areas identified for 2021 were:

- 46. Church school effectiveness;
- 47. Development of education chaplaincy;
- 48. Development of the Board of Education;
- 49. Evaluation of opportunities for development and growth.



## **Trustees' Report Year to 31 December 2021**

### **Achievements and performance for 2021 (continued)**

Growing and appointing the best leaders for our schools is key to our success and recruitment over the year, and lockdown has meant that the recruitment processes have been even more robust, often with a mix of remote tasks blended with face-to-face, final stage interviews and activities. Pastoral leadership has provided a much needed and valued service for our school leaders and school communities both during and in-between lockdowns. Board staff have continued to develop and produce quality advice and support materials for schools to meet the ever changing education landscape and adapted the offer to provide Zoom training for governors and staff which has been well received.

During 2021 the following Performance Indicators were reported to the Board: (NB Inspections were suspended between January and July. Ofsted resumed in September. SIAMS has not yet restarted.)

- 50. 95% of schools graded good or better by OFSTED against a national average of 85%
- 51. 100% of schools graded good or better by SIAMS
- 52. 69% of schools graded excellent by SIAMS
- 53. Four inadequate schools
- 54. Five new substantive Headteachers took up post over 5 schools during the year. In 5 schools there were interim leadership arrangements

The number of Diocesan Foundation Governor vacancies was 21.

Key activities and outcomes for the year:

- 55. Ofsted inspection resumed in September 2021.
- 56. There were 11 OFSTED inspections.
- 57. 27% of schools are graded outstanding against a national average of 19%.
- 58. Outcomes for SIAMS remain the same as no inspections have taken place since March 2020.
- 59. 100% of schools graded good or better for RE by SIAMS
- 60. 53% of schools graded excellent for RE by SIAMS
- 61. Public examinations were adapted again due to the pandemic; no performance data is available for the 20/21 cohorts across primary and secondary schools.

**Achievements and performance for 2021 (continued)**

**Secondary End of Key Stages 4 and 5 assessment 2021:**

In summer 2021 a student's grade in each subject both at GCSE and A-Level was based on their teachers' assessment of the standard at which the student was performing. Teachers drew on a broad range of evidence of a student's work in making their final assessment. Schools and colleges undertook quality assurance of their teachers' assessments and provided reassurance to the exam boards. As a result of this no local or national assessment data has been published and DfE guidance clearly states that no individual school data should be scrutinised and that 2020 and 2021 GCSE and A-Level outcomes data is not to be used for accountability purposes by Diocesan Boards, Local Authorities, Regional Schools Commissioners (RSCs) or Ofsted.

- ◆ The forum for outstanding schools has continued.

62. 6 schools engaged in building development projects.

63. 6 schools completed the Bishop's Certificate in Church School Governance.

64. The Further Education framework was embedded.

65. The Board's property rental portfolio was expanded to achieve improved returns.

66. Additional arrangements to cover the maternity leave for the office manager were put in place.

67. Successful secondments were brokered to bring experienced, serving headteachers onto the adviser team who had led schools during the pandemic, strengthening our capacity to respond to school requirements.

**Primary End of Key Stage 2 Assessment 2021**

As a result of COVID-19 the national curriculum assessments did not take place in primary schools for the end of the academic year 2020/21. This means the following planned assessments between April 2021 and July 2021 were cancelled:

68. Early Years Foundation Stage Profile;

69. End of Key Stage 1 and Key Stage 2 assessments (including tests and teacher assessment);

70. Phonics screening check (PSC);

71. Year 4 multiplication tables check (MTC) until schools become 'Good';

72. Science sampling tests;

73. All statutory trialling.

**Achievements and performance for 2021 (continued)**

**Primary End of Key Stage 2 Assessment 2021 (continued)**

For this reason there is no primary national or local assessment data available. There will be no updates to performance data in Analyse School Performance (ASP), the Inspection Data Summary Report (IDSR) or the public-facing DfE Compare School Performance and other published data. OFSTED will continue to use the official end of Key Stage results for 2019.

Throughout the Covid-19 pandemic the Board continued to offer its full range of services to schools in line with our Partnership Agreement. A full staff complement was retained during this period.

**Future plans**

It should be noted that the points below are being continuously reviewed in the light of the worldwide Covid-19 pandemic, which began in early 2020 (and is still ongoing at the time of writing this report). Notwithstanding, the situation has improved considerably - Financial help was made available to companies and individuals in the UK by the Government and the majority of the population is now protected by vaccination. Throughout the pandemic it was possible to continue to provide the services of the Board of Education to our schools (with some limited exceptions, such as face-to-face training).

In order to continue to deliver a high quality service and to continue to achieve our aims, the following areas will be explored during 2022:

74. Review the implementation of the 2019-2022 Organisation Development Plan within the context of the pandemic;
75. To develop work streams that reflect the needs of our schools in the current climate – low pupil numbers, limited budget, challenging HR issues – as well as building expertise to deliver our key strands around Equality, Inclusion and Diversity (EID), Climate Justice and the anticipated arrival of the White Paper and its impact on the academy programme;
76. To monitor carefully the income from our property portfolio within the context of the current circumstances;
77. To revise the Growth and Sustainability plan so that it reflects the actual need for school places across the diocese following the turbulence of the past two years;
78. To consolidate our Partnership Offer to schools;
79. To further embed the Chaplaincy frameworks in the various institutions;
80. To continue to monitor the implementation of the SIAMS Evaluation Schedule;
81. To ensure that the Board prepares its scheme in order to implement the new Diocesan Measure;

## **Trustees' Report Year to 31 December 2021**

### **Future plans (continued)**

Adopt the proposed milestones for schools, as set out in the Church of England's Route map to Net Zero Carbon by 2030 consultation, October 2021.

### **Public benefit**

In preparing this report the Trustees have paid due regard to the Charity Commission guidance on public benefit in deciding what activities the charity should undertake.

Our principal beneficiaries and service users are the Church of England schools and the students and staff of the universities and colleges located within the Diocese of Southwark. In practice, the relationship with our beneficiaries and service users is one of partnership and collegiality. While our mission is directed towards the advancement and promotion of education for thousands of children and young people in the maintained education sector throughout the Diocese of Southwark, in real terms we achieve this through support of the management, staff and governors of our schools.

The specific needs and requirements of those who benefit from our services are identified in a number of ways, including:

- 82. Regular contact with Church School leaders and governors and in response to requests for advice and support provided through our Partnership Agreement for Church of England schools and academies;
- 83. Analysis of the outcomes of school inspection by the Office for Standards in Education Inspection (OFSTED) and through the Statutory Inspection of Anglican and Methodist Schools (SIAMS); and
- 84. Governor meetings, briefings and training; and
- 85. The Southwark Diocesan Board of Education Headteacher Association.

## **Trustees' Report Year to 31 December 2021**

### **Trustee membership**

#### **TRUSTEES:**

**Bishop of the Diocese (President)  
Chair (the Bishop's appointee)**

The Rt Revd Christopher Chessun  
The Rt Revd Jonathan Clark

**Members appointed by the Bishop**

Mr Martin Brecknell  
The Rt Revd Dr Rosemarie Mallett  
The Revd Canon Stephen Coulson

#### **CROYDON EPISCOPAL AREA**

##### **Croydon Archdeaconry**

Member of Diocesan Synod  
Clerk in Holy Orders  
Lay Member

Mr Ekundayo Olomu  
Revd Susan Lynn Billin  
Mrs Penny Smith-Orr

##### **Reigate Archdeaconry**

Member of Diocesan Synod  
Clerk in Holy Orders  
Lay Member

Dr Catharina Stibe Hickson  
Revd Capt. Jeremy Garton  
Mrs Virginia Eaton

#### **Trustee membership (continued)**

#### **KINGSTON EPISCOPAL AREA**

##### **Lambeth Archdeaconry**

Member of Diocesan Synod  
Clerk in Holy Orders  
Lay Member

Mrs Esther Moorey  
The Revd Erica Wooff  
Miss Maria McBean

##### **Wandsworth Archdeaconry**

Member of Diocesan Synod  
Clerk in Holy Orders  
Lay Member

Mr John Dewhurst  
The Revd Annie Kurk  
Mrs Pam Davies

#### **WOOLWICH EPISCOPAL AREA**

##### **Lewisham & Greenwich Archdeaconry**

Member of Diocesan Synod  
Clerk in Holy Orders  
Lay Member

Mr Robert Love MBE  
The Revd Ariadne van den Hof  
Dr Nicholas Shepherd

##### **Southwark Archdeaconry**

Member of Diocesan Synod  
Clerk in Holy Orders  
Lay Member

Vacancy  
The Revd Dr Sharon Moughtin-Mumby  
Mrs Alison Venn  
Ms Julia Corby

##### **Chair of the Southwark Diocesan Head**

##### **Teachers Association**

##### **The Heads of Whiteland's College**

Dr David Muir

##### **Chairs of Committees**

Policy & Strategy Committee  
Schools Committee  
Finance & Development Committee  
Further & Higher Education Committee

The Rt Revd Jonathan Clark  
The Rt Revd Dr Rosemarie Mallett  
Mr Malcolm Edwards CBE  
The Revd Andrew Williams

##### **Co-opted Members**

Mr Malcolm Edwards  
Mrs Helen Dixon  
The Revd Peter Organ  
Mrs Riana Gouws

##### **Members Elected from FE/HE Committee**

The Revd Andrew Williams

##### **Members Elected from Schools Committee**

Mrs Elizabeth Broad

## **Trustees' Report Year to 31 December 2021**

### **Audit Committee appointed by the Board**

Ms Sarah Ironmonger  
Revd Annie Kurk  
Revd Derek Holbird  
Mr Eugene O'Keeffe

### **Members and members' interests**

The members of the Board are directors under the Companies Act. Their names at the date of this report are included on page 1. No other member(s) served on the Board during the year. Attendance at Board Meetings was 67% (2020 – 63%).

The Board is a charitable company limited by guarantee and members may derive no benefit, income or capital interest in the Board's financial affairs other than reimbursement of out of pocket expenses.

Each Trustee, being a member of the Trust, has given a guarantee of £1, in accordance with the Articles of Association.

### **Structure, governance and management**

Governing document: Memorandum and Articles of Association of Southwark Diocesan Board of Education (2014).

The Board has a membership representing a wide range of experience and interest, including representatives from the Diocese of Southwark, the Southwark Diocesan Head Teachers' Association, Roehampton University and appointees from each of the Board's Committees as well as the Chairs of the Committees.

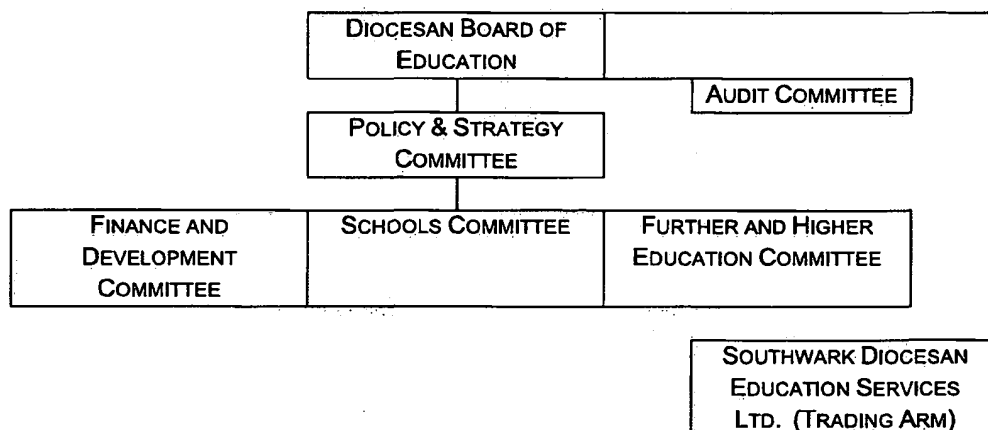
The Board's four principal Committees are: Policy and Strategy, Schools, Finance & Development and Further & Higher Education. The Schools Committee includes a significant representation of headteachers and foundation governors from Diocesan schools. The four Committees each include a designated officer of the Board. The Board also appoints an Audit Committee. Other working parties are established for specific projects.

The Board meets three times a year to monitor and review progress, consider new developments and set strategy. The Audit Committee meets up to three times each year and has a membership comprising independent members appointed by the Board. The Board and its Committees operate under specific terms of reference, which delegate certain functions of the Board to one of the four principal Committees. The minutes of all Committee meetings are considered by the full Board.

Day-to-day leadership and management of the SDBE are delegated to the Director and Assistant Directors. Strategic development and any urgent matters which cannot wait for consideration by the Board and Committees are referred to the Policy & Strategy

Committee. Members of the Policy & Strategy Committee are the Chairs of the Board and Committees, the Director and the Assistant Directors. The Policy & Strategy Committee meets up to six times a year between Board meetings and supports the strategic development and work programme of the Board and its Committees.

## Trustees' Report Year to 31 December 2021



### Structure, governance and management (continued)

Deanery Synod nominations to Episcopal Area Forums require nominees to identify relevant areas of interest and experience. Generally Members of the Board have experience as trustees of other charities. An induction and an information pack is provided for all members and ongoing training and development needs are met through an annual training and development event, written briefings and presentations at Board Meetings. A total of twelve Local Authorities are located within the Diocese and the SDBE is responsible for the appointment of a local representative to the committee responsible for the oversight of education services for children and young people. In addition the SDBE seeks to establish partnerships at a local, regional and national level and is actively engaged in education programmes and initiatives as they relate to church schools and education chaplaincy.

Each school has its own governing body and has deemed charitable status. The SDBE appoints a minority of governors to each school's governing body and as such does not consider them to be related parties. The task of supporting Christian education is an important and demanding one. Our thanks and appreciation are due to the SDBE staff team for their unstinting commitment and hard work on behalf of church schools and education chaplaincy in the Diocese of Southwark.

## Trustees' Report Year to 31 December 2021

The staffing structure and team for the reporting year comprised:

Director of Education	Mrs Roz Cordner
Assistant Director of Education	Mr Marcus Cooper
9 Educational Advisers (5.4 FTE)	Mr Marcus Cooper Mr Shaun Burns Miss Fiona Foreman (0.6 FTE) Dr Rachael Norman Riana Gouws (0.6 FTE) Josephine Copeland (0.4 FTE) Sara Sanbrook-Davies (0.4 FTE) Victoria Matthews (0.2 FTE) Hilary Grainger (0.2 FTE)
Chaplaincy Development Officer	Miss Fiona Foreman <i>Interim</i> (0.4 FTE)
Buildings and Capital Programmes Manager	Mr Paul Forrest Mrs Sally Chapman (0.6 FTE)
Human Resources Adviser	Mrs Julie Richardson (0.8 FTE)
Governance, Admissions and Development Adviser	Mr Leo Morrell
Financial Controller	Mr David Coyle
Office Manager	Miss Elisabeth Sparkes (from November 2020 – August 2021) Mrs Clare Rusbridge (from August 2021-Dec 2021)
2 Administrators	Miss Elisabeth Sparkes Mrs Anita Marijetic
Caretaker	Mr Gyorgy Szabo (0.2 FTE)

The SDBE is a statutory body and is also incorporated as a company limited by guarantee (1905) within the Diocese of Southwark. It receives an annual grant from the Diocese through the Diocesan Board of Finance to fund the work of delivering the Diocesan Measure in the Board's schools.

### Key management personnel

Together with the Trustees, the Director of Education, Director's Assistants, Financial Controller, Buildings and Capital Programmes Manager and Office Manager are considered key management personnel by virtue of the fact that they are in charge of controlling, running and operating the charity on a day-to-day basis. The pay for all staff is set by the Staffing Reference Group and by the Policy and Strategy Committee.



## **Trustees' Report Year to 31 December 2021**

### **Relationship with other charities and foundations**

The SDBE has the opportunity to nominate to the following educational charitable foundations, which support the provision and promotion of educational opportunity for children and young people through grants to organisations and individuals within the area of the Diocese of Southwark:

- 86. Greenwich Bluecoat Foundation;
- 87. Culham St Gabriel's Trust; and
- 88. St Mary Newington United Fund

The SDBE works closely with the Southwark Diocesan Board of Finance and the SDBE Multi-Academy Trust. Further details of the relationship with these parties are given in the notes to the accounts.

### **Risk and Internal Controls**

The Trustees have overall responsibility for ensuring the SDBE has effective systems of control and for maintaining appropriate accounting procedures and records that comply with legislative requirements and good practice. Our systems of internal control have been developed to provide reasonable assurance against material misstatement or loss and include:

- 89. Strategic development priorities and annual budget approved by the Trustees;
- 90. Regular monitoring of financial performance and service delivery;
- 91. Appropriate delegation of authority and segregation of duties;
- 92. Identification and management of risk; and
- 93. Adherence to Section 17 of the Charities Act 2011, and trustees' requirement to have regard to public benefit.
- 94. Potential school closures due to pupil demographics

The major risks to which the charity is exposed, as identified by the Trustees, are regularly reviewed and systems have been established to mitigate those risks. These are included in the risk register and have been subject to further review during the year. The Trustees have also developed a Major Incident Plan.

**Risk Management**

Church of England Primary and Secondary Schools throughout the Diocese of Southwark are responsible for more than 37,000 children and more than 1,000 staff.

A scoring system in the Board's risk register identifies the level of risk the Trustees have identified as significant in a variety of different areas, and included in the document is a system of controls which (as far as is possible) addresses the risks therein.

The Trustees consider it is appropriate to take some calculated risks with our charity's resources to make opportunities available to the pupils and staff whom we serve. The Board will not however, take any risks relating to the protection of young people and vulnerable adults. Full vetting procedures are always followed for all staff and volunteers and disciplinary action follows when breaches occur.

The Trustees will similarly not take any risks in relation to fraud and corruption. The charity is fortunate to hold assets in the form of property and investments, which generate revenue. While some risk has to be taken to achieve good returns, it would be inappropriate to risk the capital value of the assets. Therefore the risk of loss should be balanced against the expected return.

The key risks (as identified by the scoring system in the risk register) faced by the Board are:

- 95. Falling pupil rolls – potential school closures
- 96. Exposure to costs associated with redundant school buildings
- 97. Changes to educational landscape – more schools joining SDBE MAT reduces income to EPMS
- 98. Impact of increased building costs and building supplies resulting in depleted reserves
- 99. Staff absences reducing capacity to deliver core offer to schools as per partnership agreement
- 100. Extended empty property resulting in lost rent

Actions taken to mitigate against these key risks are addressed in the charity's risk register which is updated and reviewed by the board twice a year.

The Trustees have adopted measures to manage these (in addition to the other risks which the charity faces), and the risk register and policy are kept under regular review.

### Investment policy and performance

The Board of Trustees' investment powers fall under the Trustee Act 2000 and the Memorandum and Articles of Association in which paragraph 10 permits the Board of Trustees "to invest any monies possessed by the charity (or held in trust by it) in or upon such investments or securities as may from time to time be determined, but so that monies or property subject to the jurisdiction of the Charity Commissioners shall only be invested in such securities and with such sanction as may for the time being be prescribed by law.

Portfolio Performance (01/01/21 to 31/12/21)

<b>Low Risk Portfolio</b>	<b>+5.94% (2020: +3.86%)</b>
Comparative benchmark	+4.06% (2020: +1.37%)
<b>Low to Medium Risk Portfolio</b>	<b>+7.89% (2020: +9.42%)</b>
Comparative benchmark	+8.08% (2020: -0.16%)
<b>Medium to High Risk Portfolio</b>	<b>+15.59% (2020: +14.65%)</b>
Comparative benchmark	+13.62% (2020: +0.16%)

### Investment policy and performance (continued)

2021 was a positive year for the portfolios, as global economies continued their transition from a Covid backdrop, to one of recovery and reopening. Over the year, investor attention switched from a Covid centric outlook to one more heavily influenced by inflation, interest rates and central bank policy.

At the start of 2021, any removal of central banks' collective monetary support for financial markets was a very dim prospect. In fact, earlier in the year, to quote US Federal Reserve Chair Powell, the US central bank was 'not even thinking about thinking about' such a scenario. Fast forward to the end of 2021, and we saw central banks including the US Federal Reserve, the European Central Bank, and the Bank of England signal a more nuanced path ahead for monetary policy. During Q4, these central banks, to various degrees, moderated their support of financial markets through their Quantitative Easing (QE) programmes (where central banks have bought assets, largely government bonds, but also corporate debt, to support liquidity and risk appetite in broader financial markets). In November, the world's most important central bank, the US Federal Reserve, started tapering its QE programme, and in December it speeded the pace of this taper.

This collective monetary policy tilt has prompted markets to contemplate when we might see an interest rate 'lift-off'. Indeed, in the UK, the Bank of England has already moved, raising rates from a 0.1% record low, to 0.25% at its December meeting. However, removing emergency accommodation is one thing, but expecting a rapid sequence of following rate moves is quite another. In December, the US Federal Reserve signalled a much greater willingness to raise interest rates in 2022 should the economic picture require it, but that felt more about the US central bank keeping its options open around responding to inflation and economic growth, rather than a committed forecast. Indeed, Federal Reserve Chair Powell said in December that "we continue to expect inflation to decline to levels closer to our two per cent longer-run goal by the end of next year ... [but]

we're not going to act as though that's a certainty". In the case of the Bank of England, in December, the rate setting committee said that it "continues to judge that there are two-sided risks around the inflation outlook in the medium term". Meanwhile, the European Central Bank in December conceded that "monetary accommodation is still needed for inflation to stabilise at the two per cent inflation target over the medium-term." The key takeaway from all this is that it is the absolute level of interest rates which matters most. With interest rates in advanced economies currently close to zero at the end of the year, even with some rate hikes likely ahead, we still expected the overall level of interest rates to remain low against historical ranges throughout 2022.

With central banks easing back on the level of monetary policy support being provided, we also saw a similar picture emerge in the case in governments' spending plans around the world. The scale of discretionary fiscal support by developed economies globally was huge during the pandemic. Yet almost inevitably, it would not be possible to maintain this high level of support going forward. Instead, governments were thinking about how the huge spending over the last two years could be pared back. As a result, the idea of 'fiscal drag' – where governments will very likely introduce a tapering of spending in 2022 and beyond – could well become an important factor for markets. Taken together, the relative moderation in both monetary and fiscal policy potentially challenged the notion that the pandemic had delivered a structurally higher level of government and central bank support going forward in support of an enduring boost for markets. This shift in cadence, although moderate, may yet weigh on hopes for sustained, faster economic growth. Reflecting this risk, 2021 was a year for maintaining balance in portfolios between growth/defensive and value/cyclical investment styles.

### ***Financial review***

#### ***Finance and resources***

The SDBE is established as a statutory body to fulfil a range of duties and responsibilities. Total income of £9,233,771 (2020 – £17,278,524) was received during the year. During 2021, income included £1,600,000 (2020 – £8,825,000) of donated assets and £5,304,622 (2020 – £5,919,905) of Voluntary-Aided School Condition Allocation (VASCA) grant funding. Excluding these amounts, operational income for the year was derived from the following sources:

101. Schools (Service agreements and related income): £482,206 – 21% (2020: £475,586 – 19%)
102. Maintenance scheme subscriptions: £534,076 – 23% (2020: £554,470 – 22%)
103. Diocesan Grants: £333,460 – 14% (2020: £333,460 – 13%)
104. Lettings and Investments: £817,092 – 35% (2020: £951,637 – 37%)
105. Other income: £162,315 – 7% (2020: £218,466 – 9%)

To fund the discharge of its day to day outgoings in the delivery of The Diocesan Measure (as distinct from its work connected with building works at the schools), the charity depends on the grant received from the Diocese of Southwark, which amounted to a total grant of £333,460 (2020 – £333,460) for the year, comprising £333,460 (2020 – £333,460) core grant.

The charity's operational activities are represented by its unrestricted general fund. The operational expenditure of the charity exceeded its operational income, resulting in a deficit of £231,501 (2020 – Surplus of £107,488) before taking into account net gains on listed investments of £278,434 (2020 – net gains of £217,871) and transfers. Transfers in and out of the unrestricted general fund included a transfer in of £60,000 from the external periodic maintenance restricted fund representing the costs of administering the fund (2020 – £60,000), a transfer to the property fund representing additions to investment properties and tangible fixed assets of £nil (2020 – £28,823) and net other transfers out of the fund totalling £299,593 (2020 – net transfers out of the fund of £8,554). This gives, read together with realised and unrealised gains on the value of investments of £278,434 (2020 – gains of £271,871), a net decrease in the unrestricted (operational) funds of the charity for the year of £192,660 (2020 – net increase of £347,982).

Overall, there was a net decrease in total funds of £ 9,712,133 (2020 – net increase of £11,054,741), after also accounting for an decrease in restricted funds of £ 2,669,095 (2020 – increase of £1,941,812), an decrease in the property fund of £ 6,857,378 (2020 – increase of £8,800,379) and a increase of £7,000 in the value of endowment funds (2020 – increase of £35,432).

#### ***Southwark Diocesan Education Services Limited***

The charity operates a wholly owned subsidiary company, Southwark Diocesan Education Services Limited. This company carries out a number of the charity's activities including the provision of services for schools in the Diocese of Southwark and the provision of administrative services for the charity. Its turnover for the year was £608,660 (2020 – £580,552) and the company made an operating profit of £nil (2020 – £nil) after making a donation of £399,199 by Gift Aid to the parent charity (2020 – £367,953) in accordance with its articles of association.

#### ***Reserves policy***

The General Synod of the Church of England, at its meeting in November 1999, affirmed two principal roles for the Diocesan Boards of Education in their support of Church of England schools in their Diocese:

- 106. to provide an advisory service to schools; and
- 107. to maintain and improve school buildings.

The reserves policy of the Trustees has been determined in the light of these objectives. The reserves policy is monitored and reviewed annually.

Its main features are:

## **Trustees' Report Year to 31 December 2021**

- (a) To maintain a margin of working capital sufficient to enable all aspects of the charity's work to be conducted in an orderly and efficient way and additionally to deal with the management of the schools' building and maintenance programme where the timing of the cash flow from receipts and payments may require temporary bridging from internal resources of up to £500,000.
- (b) Current income and expenditure of the charity should be in balance and every effort will be made to maintain this, but a liquid reserve is necessary to provide for any unexpected but unavoidable items of expenditure which cannot be funded from current income. In this respect, it is important to realise that some of the charity's reserves are in the form of fixed assets which would take time to realise and which in any case provide income which is part of the monies used to fund the current work of the Board.

In addition to (a) and (b) above, the trustees consider it desirable that the charity retains additional liquidity (including cash and market investments) reserves to allow it to finance 'business as usual' operations for a temporary period of up to eighteen months due to an unforeseen shutdown of ordinary operations e.g. terrorist attack or health pandemic with an additional six months to take advantage of the opportunities afforded by changes in the educational system, to expand and strengthen Church of England education in the Diocese.

In accordance with Charity Commission guidance, the following are not considered as reserves for the above purposes: endowment funds; restricted funds; designated funds and income funds represented by fixed assets held for the charity's use. In order to meet the criteria in (a), (b) and (c) above, the Trustees consider that the minimum level of reserves required are equivalent to two times average annual operational expenditure, of which one year should be represented by cash held on interest bearing deposit.

The current free reserves of the charity are £3.4m (2020 – £3.6m). The charity's policy implies a minimum level of reserves of £3.9m (including £1.9m in cash) (2020 – £3.2m (including £1.6m in cash)). Cash reserves are defined as: unrestricted funds held on deposit with the Central Board of Finance, cash balances held by the Investment Managers, and operational balances in the Board's unrestricted bank accounts. The current level of reserves is below the target figure and the Trustees intend to set aside funds during the next three years to achieve the required level.

### **COVID-19 Pandemic**

Despite preparations for another difficult year, the Board was able to continue to maintain an almost full service to its schools during the pandemic. Planning for reduced income (mainly in investment returns) largely did not materialise, while capital growth has been substantially higher than in the previous year.

Rents were largely unaffected during the pandemic and have remained at the previous (pre-pandemic) levels.

**Statement of Trustees' responsibilities**

The Trustees (who are also directors of the Southwark Diocesan Board of Education Incorporated for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- 108. select suitable accounting policies and then apply them consistently;
- 109. observe the methods and principles in the Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102);
- 110. make judgements and estimates that are reasonable and prudent;
- 111. state whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 112. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustees' Report Year to 31 December 2021**

Each of the Trustees confirms that:

113. so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and

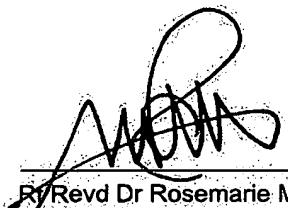
114. the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.

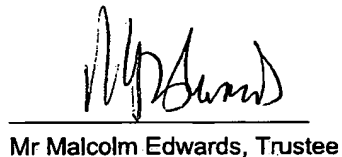
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United

Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board of Trustees:



Revd Dr Rosemarie Mallett, Trustee



Mr Malcolm Edwards, Trustee

Approved by the board on: 7 July 2022



**Independent auditor's report to the members of Southwark Diocesan Board of Education Incorporated**

**Opinion**

We have audited the financial statements of Southwark Diocesan Board of Education Incorporated (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows, and the notes to the financial statements, including the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and the charitable parent company's affairs as at 31 December 2021 and the group's 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 group 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

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 Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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;
- ◆ the financial statements are not in agreement with the accounting records or returns;
- ◆ 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 trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

**Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement, the trustees 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 trustees 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 trustees are responsible for assessing the group's and the parent 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 trustees either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the charitable parent company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation); and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**Auditor's responsibilities for the audit of the financial statements (continued)**

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

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

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- ◆ tested authorization controls on expenditure items, including staff expense claims, to check that all expenditure was approved in line with the group's and the parent charitable company's financial procedures;
- ◆ tested expenditure passing through the off-balance sheet conduit fund to check that it had been incurred in line with the funding agreement and had been appropriately authorized; and
- ◆ considered the controls and processes in place relating to the conduit fund, in particular those relating to the receipt and use of the new Voluntary-Aided Schools Capital Allocation funding stream.

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

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

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

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

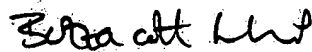
**Independent auditor's report 31 December 2021**

**Auditor's responsibilities for the audit of the financial statements (continued)**

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

**Use of our report**

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



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

16 September 2022

**Consolidated statement of financial activities incorporating an income and expenditure account**  
**Year to 31 December 2021**

		Unrestricted funds		Restricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
Notes	General funds £	Designated funds £					
<b>Income and endowments from:</b>							
Grants and donations	1	351,800	1,600,000	5,304,622	—	7,256,422	15,158,835
Charitable activities	2	71,395	—	534,076	—	605,471	620,651
Other trading activities	3	554,786	—	—	—	554,786	547,401
Investments	4	736,467	59,499	13,023	8,103	817,092	951,637
<b>Total income</b>		<b>1,714,448</b>	<b>1,659,499</b>	<b>5,851,721</b>	<b>8,103</b>	<b>9,233,771</b>	<b>17,278,524</b>
<b>Expenditure on:</b>							
Raising funds	5	511,353	—	—	—	511,353	345,940
Charitable activities	6	1,434,596	191,877	8,760,512	1,000	10,387,985	6,095,714
<b>Total expenditure</b>	7	<b>1,945,949</b>	<b>191,877</b>	<b>8,760,512</b>	<b>1,000</b>	<b>10,899,338</b>	<b>6,441,654</b>
<b>Net income (expenditure) before investment gains and losses</b>		<b>(231,501)</b>	<b>1,467,622</b>	<b>(2,908,791)</b>	<b>7,103</b>	<b>(1,665,567)</b>	<b>10,836,870</b>
Unrealised losses on investment properties	11b	—	(8,325,000)	—	—	(8,325,000)	—
Net gains on listed investments	11a	278,434	—	—	—	278,434	217,871
<b>Net income (expenditure) before transfers</b>		<b>46,933</b>	<b>(6,857,378)</b>	<b>(2,908,791)</b>	<b>7,103</b>	<b>(9,712,133)</b>	<b>11,054,741</b>
Transfers between funds	15	(239,593)	—	239,696	(103)	—	—
<b>Net movement in funds</b>	8	<b>(192,660)</b>	<b>(6,857,378)</b>	<b>(2,669,095)</b>	<b>7,000</b>	<b>(9,712,133)</b>	<b>11,054,741</b>
<b>Reconciliation of funds:</b>							
Funds brought forward at 1 January 2021		3,605,403	23,694,942	3,984,037	233,416	31,517,798	20,463,057
<b>Funds carried forward at 31 December 2021</b>	15	<b>3,412,743</b>	<b>16,837,564</b>	<b>1,314,942</b>	<b>240,416</b>	<b>21,805,665</b>	<b>31,517,798</b>

All of the group's activities derived from continuing operations during the above financial years.

All recognised gains and losses for the year are included in the above statements of financial activities.

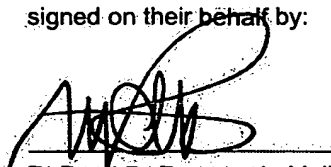
Comparative information by fund class for the year ended 31 December 2020 is given in note 20.

No summary income and expenditure account has been produced as the only difference to the statement of financial activities would be the omission of endowed income of £8,103 (2020 – £8,872); endowed expenditure of £1,000 (2020 – £11,830) and transfer of £103 (2020 – £32,474) to the restricted fund.

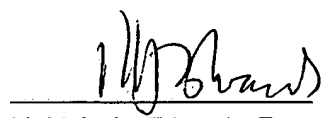
# Balance sheets 31 December 2021

	Notes	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
<b>Fixed assets</b>					
Tangible assets	10	1,428,383	1,428,077	1,620,885	1,619,955
Investments	11	22,202,852	22,202,852	28,709,537	28,709,538
		<u>23,631,235</u>	<u>23,630,929</u>	<u>30,330,422</u>	<u>30,329,493</u>
<b>Current assets</b>					
Debtors	13	147,619	69,108	194,257	143,300
Cash at bank and in hand		<u>1,381,555</u>	<u>1,333,344</u>	<u>6,311,226</u>	<u>6,264,119</u>
		<u>1,529,174</u>	<u>1,402,452</u>	<u>6,505,483</u>	<u>6,407,419</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(2,402,744)</u>	<u>(2,287,469)</u>	<u>(4,358,107)</u>	<u>(4,270,867)</u>
<b>Net current assets</b>		<u>(873,570)</u>	<u>(885,017)</u>	<u>2,147,376</u>	<u>2,136,552</u>
<b>Debtors: amounts receivable after more than one year</b>	13	150,000	150,000	150,000	150,000
<b>Creditors: amounts falling due after more than one year</b>	14	<u>(1,102,000)</u>	<u>(1,102,000)</u>	<u>(1,110,000)</u>	<u>(1,110,000)</u>
<b>Net assets</b>		<u>21,805,665</u>	<u>21,793,912</u>	<u>31,517,798</u>	<u>31,506,045</u>
<b>The funds of the charity</b>	15				
Unrestricted funds					
. General funds		3,412,743	3,400,991	3,605,403	3,593,650
. Designated funds		16,837,564	16,837,564	23,694,942	23,694,942
Restricted funds		1,314,942	1,314,942	3,984,037	3,984,037
Endowment funds		<u>240,416</u>	<u>240,416</u>	<u>233,416</u>	<u>233,416</u>
		<u>21,805,665</u>	<u>21,793,913</u>	<u>31,517,798</u>	<u>31,506,045</u>

The financial statements were approved and authorised for issue by the Trustees and were signed on their behalf by:



Rt Revd Dr Rosemarie Mallett, Trustee



Mr Malcolm Edwards, Trustee

Approved by the board on: 7 July 2022

Southwark Diocesan Board of Education Incorporated  
Company limited by guarantee  
Registration Number: 00086641 (England and Wales)

The notes on pages 31 to 54 form part of the financial statements.

# Consolidated statement of cash flows Year to 31 December 2021

	Notes	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
Net cash (used) provided in operating activities	A	(5,806,880)	5,098,363
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		817,092	951,637
Purchase of tangible fixed assets		—	(28,823)
Proceeds from the disposal of listed investments		751,049	840,022
Purchase of listed investments		(686,239)	(874,674)
<b>Net cash provided by investing activities</b>		<b>881,902</b>	<b>888,162</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(4,924,978)</b>	<b>5,986,525</b>
<b>Cash and cash equivalents at 1 January 2021</b>	B	<b>8,264,033</b>	<b>2,277,508</b>
<b>Cash and cash equivalents at 31 December 2021</b>	B	<b>3,339,055</b>	<b>8,264,033</b>

## Notes to the cash flow statement for the year to 31 December 2021:

### A Reconciliation of net movement in funds to net cash flows from operating activities

	2021 £	2020 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(9,712,133)</b>	<b>11,054,741</b>
<b>Adjustments for:</b>		
Depreciation charge	192,502	192,501
Donated assets	(1,600,000)	(8,825,000)
Gains on listed investments	(278,432)	(217,871)
Losses on investment properties	8,325,000	—
Dividends, interest and rents from investments	(817,092)	(951,637)
Amortisation of lease premium	(8,000)	(8,000)
(Decrease) increase in creditors	(1,955,363)	3,932,056
Decrease (increase) in debtors	46,638	(78,427)
<b>Net cash (used) provided in operating activities</b>	<b>(5,806,880)</b>	<b>5,098,363</b>

### B Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	6,311,226	(4,929,671)	<b>1,381,555</b>
Cash held by investment managers	1,952,807	4,693	<b>1,957,500</b>
	<b>8,264,033</b>	<b>(4,924,978)</b>	<b>3,339,055</b>



## **Principal accounting policies Year to 31 December 2021**

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

### **Basis of preparation**

These financial statements have been prepared for the year to 31 December 2021.

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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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 pound.

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

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

141. estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
142. determining the basis for allocating support costs across expenditure categories;
143. determining the basis of valuation for the charity's investment property portfolio;
144. the estimation of future income and expenditure for the purposes of assessing going concern.

### **Assessment of going concern**

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

## **Principal accounting policies Year to 31 December 2021**

### **Assessment of going concern (continued)**

The Board's market investments enjoyed slightly increased dividend income during the year, although not materially so. As in the previous year extensive financial modelling has been carried out to cover different scenarios. As the seriousness of the Covid 19 pandemic appears to have receded somewhat (due in large part to a successful vaccination campaign by the UK Government), the risk of rent defaults in Board owned properties would appear to have lessened. However, this particular risk has been replaced by the spectre of falling pupil demographics leading to potential school closures, of which the Board has already suffered two. In a worst case scenario, the Board may not be in operational surplus at the end of the coming year, however the Board has significant free reserves and also has access to an overdraft facility should it be required. The Trustees are therefore of the opinion that the charity has sufficient reserves to be able to meet its liabilities as they fall due.

The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 December 2021, the most significant areas that will affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment and property markets (please see the investment policy and the risk management sections of the Trustees' report for more information).

### **Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises grants, maintenance subscriptions, rental and investment income and the income from the charity's trading subsidiary. Income from other trading activities carried out by the trading subsidiary comprises, in the main, charges made for service agreement subscriptions, educational consultancy and other services provided to schools, and conduit project management fees.

Grants and donations are included as income from activities in furtherance of the charity's objectives where these amount to a contract for services, but as voluntary income where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Maintenance and service level subscriptions are recognised in the financial year to which the subscription relates and deferred if received in advance of that financial year.

Income derived from the letting of the charity's investment properties is recognised in the period to which the tenancy relates, when it is probable that the funds will be received.

## **Principal accounting policies Year to 31 December 2021**

Dividends are recognised when they have been earned and credited to the investment portfolio.

### **Income (continued)**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from educational consultancy services is accounted for on an accruals basis with the income being recognised when due contractually.

Conduit project management fees are recognised on the date of completion of the relevant project.

Other amounts derived from capital and maintenance project activities where the charity acts as an agent, administering projects funded principally by the Department for Education and Skills on behalf of the school governors are excluded from these financial statements, as they constitute conduit funds. Details of these funds are set out in note 16.

### **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

145. Expenditure on raising funds includes the direct costs and support costs associated with generating rental income, together with the fees paid to investment managers in connection with the management of the charity's listed investments.
146. Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs (including governance costs).

### **Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good

## Principal accounting policies Year to 31 December 2021

practice. Support costs and governance costs are apportioned using percentages based on the time spent on the activities by the employees of the charity.

### **Tangible fixed assets**

The charity's policy is to capitalise asset purchases over £1,000. Depreciation is provided on tangible fixed assets so as to write down the cost over the expected useful life.

The following depreciation rates are used:

Freehold properties and property improvements	–	2% straight line
Office equipment	–	25% straight line

### **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 price. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

The charity does not acquire put options, derivatives or other complex financial instruments.

Investment properties are included in the financial statements at the estimated current market value of the properties based on open market value. The valuation has been determined by the Trustees after consultation with professional property advisers.

During the year St John's CE school in Walworth closed. The Board is currently preparing to lease the empty site to generate income to support the activities of the charity. As a result the site has been brought into the accounts at market valuation as an investment property.

### **Former school sites**

In the course of administering a capital scheme under the Education Acts 1944 to 1973, the charity acts as Trustee to a number of former schools, whose former property may be sold or leased as part of the implementation of the scheme. These proceeds are generally "free monies" in the hands of the charity to use under the provisions of the Education Acts 1943, subject to the restrictions applying under Section 86 of the 1944 Act and Section 2 of the 1973 Act. The Trustees do not consider that it is practicable to place a value on such assets and, accordingly, they are not included in the financial statements.

### **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.

## **Principal accounting policies Year to 31 December 2021**

### **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. 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 would pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Subsidiary undertaking**

The charity owns the whole of the issued share capital of Southwark Diocesan Education Services Limited. The principal activity of the subsidiary undertaking is the provision of services for schools in Southwark Diocese and administrative services for its parent undertaking. The consolidated financial statements include the financial statements of SDBE and its subsidiary Southwark Diocesan Education Services Limited. In accordance with the current SORP, a separate statement of financial activities dealing with the results of SDBE has not been presented.

### **Funds**

The charity has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

#### ***Unrestricted funds***

Unrestricted funds arise from all the accumulated surpluses and deficits in the provision of general charitable activities.

#### ***Designated funds***

Designated funds are funds set aside out of general funds by the Trustees and designated for a particular purpose. The balance on the designated property fund represents the net book value of the fixed assets and the value of investment properties shown on the balance sheet at that date.

#### ***Restricted funds***

These are funds subject to specific conditions imposed by the donor or by the specific terms of a trust deed or other legal measure. Income and expenditure on restricted funds is taken directly to those funds in the statement of financial activities except to the extent that income is freely available to the charity.

## Principal accounting policies Year to 31 December 2021

### ***Endowment funds***

These are funds subject to the condition that they be held as permanent capital. Unexpended income is included in the relevant funds in accordance with the terms of the trust.

### ***Funds (continued)***

### ***Custodian trusts***

Trusts, where the charity acts merely as custodian Trustee with no control over the management or use of the funds, are not included in the statement of financial activities or balance sheet.

### ***Conduit Funds – capital projects***

The charity is responsible on behalf of school governors for the financial administration of capital projects funded by the Department for Education (DfE) and Local Authorities. The statutory legal agreement between the charity, the schools and the government department gives the charity ultimate control over the application of the Voluntary Aided Schools Capital Allowance grants to specific schools, therefore these are recognised as restricted income by the charity. Details of these funds are set out in note 16.

The agreement grants no decision making authority to the charity over the schools' funds, including Devolved Formula Capital grants and governors' funds, and therefore the charity acts as administrative agent in respect of these. Accordingly these funds represent conduit funding and are therefore excluded from the charity's financial statements.

### ***Pension contributions***

Contributions are made for full-time staff to the Church of England Church Workers' Pension Fund and to the Teachers' Pension Scheme. The pension costs charged by the schemes are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that the regular pension cost represents a substantially consistent percentage of the current and future payroll. Variations from regular cost are spread over the remaining service lives of the current employees in the schemes.

Both pension schemes constitute collective employer pension schemes under section 28 of FRS 102 and are therefore accounted for as if they were defined contribution schemes. Further details are set out in note 17.

## Notes to the financial statements Year to 31 December 2021

### 1 Grants and donations

	Unrestricted funds		Restricted funds	Endowment funds	2021
	General funds	Designated funds			
	£	£	£	£	£
Diocesan grant	333,460	—	—	—	333,460
Donated assets – Croydon St Andrews (note 11b)	—	1,600,000	—	—	1,600,000
VASCA Grants	—	—	5,304,622	—	5,304,622
Capital funds - Croydon St Andrews	—	—	—	—	—
Other grants	18,340	—	—	—	18,340
<b>2021 Total funds</b>	<b>351,800</b>	<b>1,600,000</b>	<b>5,304,622</b>	<b>—</b>	<b>7,256,422</b>

	Unrestricted funds		Restricted funds	Endowment funds	2020
	General funds	Designated funds			
	£	£	£	£	£
Diocesan grant	333,460	—	—	—	333,460
Donated assets – Croydon St Andrews (note 11b)	—	8,825,000	—	—	8,825,000
VASCA Grants	—	—	5,919,905	—	5,919,905
Capital funds - Croydon St Andrews	—	—	63,130	—	63,130
Other grants	17,340	—	—	—	17,340
<b>2020 Total funds</b>	<b>350,800</b>	<b>8,825,000</b>	<b>5,983,035</b>	<b>—</b>	<b>15,158,835</b>

The Charity assists voluntary aided schools with school building projects. It historically acted as the agent of school governors in helping to arrange funding through the DfE and Local Authorities and in paying professional fees and building costs on behalf of school governors. The VASCA (Voluntary-Aided Schools Condition Allocation) system was introduced in April 2020 and superseded the LCVAP (Locally Coordinated Voluntary-Aided Programme). The change in funding gives the charity ultimate control over the application of the VASCA grants to specific schools. Historically, the LCVAP was not reflected in the Statement of Financial Activities as the Charity had no control over the funds. The transactions were those of the schools and controlled and approved by the governors rather than the Charity, which acted as agent. Since the use of the VASCA grant funding is at the discretion of the Board it is now included in the SOFA along with the related expenditure. The unspent balance at the end of the year is committed to projects or returned to the DfE if not committed within two years of the grant date.

### 2 Charitable activities

	Unrestricted funds		Restricted funds	Endowment funds	2021
	General funds	Designated funds			
	£	£	£	£	£
Maintenance subscriptions	—	—	534,076	—	534,076
Other educational income	—	—	—	—	—
Advisory and consultancy fees	61,867	—	—	—	61,867
Bishop's certificate in church school governance	2,400	—	—	—	2,400
Other sundry income	7,128	—	—	—	7,128
<b>2021 Total funds</b>	<b>71,395</b>	<b>—</b>	<b>534,076</b>	<b>—</b>	<b>605,471</b>

Notes to the financial statements Year to 31 December 2021

**2 Charitable activities (continued)**

	Unrestricted funds		Restricted funds	Endowment funds	2020
	General funds	Designated funds			
	£	£	£	£	£
Maintenance subscriptions	—	—	554,470	—	554,470
Other educational income	—	—	—	—	—
Advisory and consultancy fees	53,331	—	—	—	53,331
Bishop's certificate in church school governance	3,840	—	—	—	3,840
Other sundry income	9,010	—	—	—	9,010
<b>2020 Total funds</b>	<b>66,181</b>	<b>—</b>	<b>554,470</b>	<b>—</b>	<b>620,651</b>

**3 Other trading activities**

	Unrestricted funds		Restricted funds	Endowment funds	2021
	General funds	Designated funds			
	£	£	£	£	£
Service Agreement Subscriptions	482,206	—	—	—	482,206
Management fees	—	—	—	—	—
Capital projects	4,817	—	—	—	4,817
Maintenance projects	15,286	—	—	—	15,286
Training events	—	—	—	—	—
Additional advisor support	21,650	—	—	—	21,650
Sundry trading income	30,827	—	—	—	30,827
<b>2021 Total funds</b>	<b>554,786</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>554,786</b>

	Unrestricted funds		Restricted funds	Endowment funds	2020
	General funds	Designated funds			
	£	£	£	£	£
Service Agreement Subscriptions	475,586	—	—	—	475,586
Management fees	—	—	—	—	—
Capital projects	—	—	—	—	—
Maintenance projects	18,325	—	—	—	18,325
Training events	3,768	—	—	—	3,768
Additional advisor support	13,150	—	—	—	13,150
Sundry trading income	36,572	—	—	—	36,572
<b>2020 Total funds</b>	<b>547,401</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>547,401</b>



Notes to the financial statements Year to 31 December 2021

4 Income from investments

	Unrestricted funds				2021 £
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	
Listed and unlisted investments	60,390	—	13,023	8,103	81,516
Rental and lettings income	676,077	59,499	—	—	735,576
<b>2021 Total funds</b>	<b>736,467</b>	<b>59,499</b>	<b>13,023</b>	<b>8,103</b>	<b>817,092</b>

	Unrestricted funds				2020 £
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	
Listed and unlisted investments	60,578	—	4,168	8,872	73,618
Rental and lettings income	668,019	210,000	—	—	878,019
<b>2020 Total funds</b>	<b>728,597</b>	<b>210,000</b>	<b>4,168</b>	<b>8,872</b>	<b>951,637</b>

5 Expenditure on raising funds

	Unrestricted funds				2021 £
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	
Lettings expenses	483,486	—	—	—	483,486
Investment management fees	24,475	—	—	—	24,475
Bank charges	3,392	—	—	—	3,392
<b>2021 Total funds</b>	<b>511,353</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>511,353</b>

	Unrestricted funds				2020 £
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	
Lettings expenses	186,058	70,943	63,130	—	320,131
Investment management fees	22,327	—	—	—	22,327
Bank charges	3,482	—	—	—	3,482
<b>2020 Total funds</b>	<b>211,867</b>	<b>70,943</b>	<b>63,130</b>	<b>—</b>	<b>345,940</b>

6 Expenditure on charitable activities

	Unrestricted funds				2021 £
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	
School maintenance expenditure	—	—	951,592	—	951,592
VASCA grant expenditure	—	—	7,672,182	—	7,672,182
Advice and guidance	861,825	115,269	—	—	977,094
Training and development	288,888	38,639	136,738	1,000	465,265
Project management	283,883	37,969	—	—	321,852
<b>2021 Total funds</b>	<b>1,434,596</b>	<b>191,877</b>	<b>8,760,512</b>	<b>1,000</b>	<b>10,387,985</b>

Notes to the financial statements Year to 31 December 2021

**6 Expenditure on charitable activities (continued)**

	Unrestricted funds		Restricted funds £	Endowment funds £	2020 £
	General funds £	Designated funds £			
School maintenance expenditure	—	—	413,257	—	413,257
VASCA grant expenditure	—	—	4,100,409	—	4,100,409
Advice and guidance	895,314	125,471	—	—	1,020,785
Training and development	307,833	43,140	4,093	11,830	366,896
Project management	170,477	23,890	—	—	194,367
<b>2020 Total funds</b>	<b>1,373,624</b>	<b>192,501</b>	<b>4,517,759</b>	<b>11,830</b>	<b>6,095,714</b>

**7 Analysis of total expenditure**

	Direct costs £	Other directly allocated costs £	Support costs £	2021 £
Raising funds (note 5)	511,106	247	—	511,353
Charitable activities (note 6)				
· School maintenance expenditure	951,592	—	—	951,592
· Advice and guidance	418,691	418,772	139,631	977,094
· Training and development	152,935	277,113	35,216	465,265
· Project management	51,763	7,810,124	132,147	7,994,034
	<b>2,086,087</b>	<b>8,506,256</b>	<b>306,994</b>	<b>10,899,338</b>

	Direct costs £	Other directly allocated costs £	Support costs £	2020 £
Raising funds (note 5)	345,675	265	—	345,940
Charitable activities (note 6)				
· School maintenance expenditure	413,257	—	—	413,257
· Advice and guidance	514,326	361,634	144,825	1,020,785
· Training and development	193,210	128,433	45,253	366,896
· Project management	50,006	4,169,267	75,503	4,294,776
	<b>1,516,474</b>	<b>4,659,599</b>	<b>265,581</b>	<b>6,441,654</b>

Support costs are analysed as follows:

	Expenditure on charitable activities			Total 2021 £
	Advice and guidance £	Training and development £	Project management £	
Finance and HR	72,011	3,695	48,045	123,751
Administration	34,409	20,388	73,162	127,959
Governance	33,211	11,133	10,940	55,284
<b>2021 Total funds</b>	<b>139,631</b>	<b>35,216</b>	<b>132,147</b>	<b>306,994</b>

**Notes to the financial statements Year to 31 December 2021**

**7 Analysis of total expenditure (continued)**

	Expenditure on charitable activities			Total 2020 £
	Advice and guidance £	Training and development £	Project management £	
Finance and HR	67,749	3,588	46,640	117,977
Administration	46,786	31,251	23,096	101,133
Governance	30,290	10,414	5,767	46,471
<b>2020 Total funds</b>	<b>144,825</b>	<b>45,253</b>	<b>75,503</b>	<b>265,581</b>

All costs allocations are made on the basis of estimated time spent by staff.

**8 Net movement in funds**

Net movement in funds is stated after charging:

	2021 £	2020 £
Staff costs (note 9)	1,132,803	1,085,576
Depreciation (note 10)	192,501	192,501
Auditor's remuneration (including VAT)		
. Audit work	25,790	22,220
. Other services	6,860	3,860
. Prior year	1,110	2,760
Bank charges and interest on bank loans and overdrafts	3,392	3,482

**9 Employee and key management personnel remuneration**

**(a) Staff costs**

	2021 £	2020 £
Wages and salaries	669,437	739,141
Social security costs	74,045	83,783
Pension costs	186,830	192,489
	<b>930,312</b>	<b>1,015,413</b>
Consultancy costs	202,491	70,163
	<b>1,132,803</b>	<b>1,085,576</b>

**(b) Staff numbers**

The number of employees during the year, calculated on an average headcount basis, was 16 (2020 – 15).

**9 Employee and key management personnel remuneration (continued)**

**(c) Higher paid staff**

The number of employees whose emoluments fell within the following bands was:

	2021 number	2020 number
£60,000 - £70,000	1	0
£70,001 - £80,000	2	1
£80,001 - £90,000	0	2
£90,001 - £100,000	1	0
£100,001 - £110,000	0	1

All of the above higher paid employees participated in the Teachers' Pension Scheme. Aggregate employer pension contributions for the above employees during the year amounted to £82,112 (2020 – £82,351). Details of the Teachers' Pension Scheme are given in note 17.

**(d) Key management personnel**

Key management personnel comprise the Trustees together with the Director of Education, Assistant Director of Education, Financial Controller, Building and Capital Programmes Manager and the Office Managers.

The aggregate remuneration and benefits received by key management personnel during the year was as follows:

	2021 £	2020 £
Remuneration, including employer's National Insurance contributions	400,507	445,497
Pension contributions	101,878	107,380
	<b>502,385</b>	<b>552,877</b>

The above figures do not include the value of staff time rechargeable to SDBE Multi-Academy Trust (note 18). None of the Trustees received any remuneration or reimbursed expenses in respect of their services during the year (2020 – none). The significant increase in 2020 reflects the increased responsibilities taken on by the Director's Assistants, as well as the increase in the rate of employer contributions to the Teachers' Pension Scheme.

**Notes to the financial statements Year to 31 December 2021**

**10 Tangible fixed assets**

	Freehold land and buildings £	Property improve- ments £	Charity total £	Group office and computer equipment £	Group total £
<b>Cost</b>					
At 1 January 2021	2,864,050	95,834	2,959,884	22,481	2,982,365
Additions	—	—	—	—	—
At 31 December 2021	2,864,050	95,834	2,959,884	22,481	2,982,365
<b>Depreciation</b>					
At 1 January 2021	1,336,558	3,372	1,339,930	21,551	1,361,481
Charge for the year	191,301	576	191,877	624	192,501
At 31 December 2021	1,527,859	3,948	1,531,807	22,175	1,553,982
<b>Net book value</b>					
At 31 December 2021	1,336,191	91,886	1,428,077	306	1,428,383
At 31 December 2020	1,527,492	92,462	1,619,954	930	1,620,884

**11 Investments**

	2021 £	2020 £
<b>Group and charity</b>		
Listed investments (a)	5,992,852	5,774,537
Investment properties (b)	16,210,000	22,935,000
	<b>22,202,852</b>	<b>28,709,537</b>

In addition to the above investments, the charity also holds a £1 investment in the called-up share capital of its wholly-owned trading subsidiary, Southwark Diocesan Education Services Limited (note 12). The large fall in value of the investment properties is attributable to a re-valuation of the site at Croydon St Andrews. Other properties carrying values were not affected by the valuation

**(a) Listed investments**

	2021 £	2020 £
<b>Group and charity</b>		
Market value at 1 January 2021	3,821,730	3,569,207
Additions	686,239	874,674
Disposals (proceeds: £751,049, realised gains: £35,241)	(715,808)	(822,166)
Movement in cash	—	—
Unrealised gains on revaluation	243,191	200,015
Market value at 31 December 2021	<b>4,035,352</b>	<b>3,821,730</b>
Cash held by investment managers	<b>1,957,500</b>	<b>1,952,807</b>
	<b>5,992,852</b>	<b>5,774,537</b>
Cost of listed investments at 31 December 2021	<b>4,981,208</b>	<b>4,943,505</b>

All listed investments were dealt in on a recognised stock exchange and comprised UK equities and UK managed funds.

## 11 Investments (continued)

### (b) Investment properties

Group and charity	Charity and Group freehold properties	
	2021 £	2020 £
Valuation at 1 January 2021	22,935,000	14,110,000
Additions	1,600,000	8,825,000
Revaluation in the year	(8,325,000)	—
Valuation at 31 December 2021	16,210,000	22,935,000
Historic cost at 31 December 2021	4,298,161	4,298,161

Additions to investment properties include £1,600,000 in relation to the donation of a former school building (St John's CE Primary School London) (2020: £8,825,000 St Andrew's Church of England School Croydon), which is being held to generate rental income to support the work of the charity.

On the basis that the charity's investment properties have continued to generate rental yields which are materially comparable to those earned prior to the pandemic, the trustees do not consider that there has been any material impairment to the fair value of these properties since the previous valuation.

## 12 Investment in subsidiary undertaking

The charity owns 100% of the issued ordinary share capital of a subsidiary undertaking, Southwark Diocesan Education Services Limited (amounting to £1), which is registered in England and supplies administrative services to the charity and to Schools in the Diocese. The company began trading on 1 April 1996 and its results for the period and assets and liabilities have been consolidated into the charity's financial statements. Total income for the year was £608,660 (2020 – £580,552), gross profit was £565,947 (2020 – £535,701) and total administrative expenditure was £166,748 (2020 – £167,748). The net profit after taxation was £nil (2020 – £nil) after recognising gift aided donations payable to the parent charity under the conditions of its Memorandum and Articles of Association of £399,199 (2020 – £367,953).

## 13 Debtors

Amounts falling due within one year:

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Other debtors	91,286	51,559	148,068	132,947
Prepayments and accrued income	56,333	17,549	46,189	10,353
	147,619	69,108	194,257	143,300

Amounts falling due in more than one year:

	Group and Charity 2021 £	Group and Charity 2020 £
Amounts due from SDBE Multi-Academy Trust	150,000	150,000

## Notes to the financial statements Year to 31 December 2021

### 13 Debtors (continued)

Amounts receivable represent funds invested in the SDBE Multi-Academy Trust to fund its early development. Whilst there is an understanding between SDBE and the Trust that these funds are to be repaid, there is no obligation for this to take place within the next 12 months.

### 14 Creditors

Amounts falling due within one year:

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Trade creditors	1,279,551	1,290,492	2,950,619	2,934,820
Other creditors	372,554	363,717	282,783	281,252
Conduit creditor	—	—	25,000	25,000
Accruals and deferred income	742,639	614,459	1,091,705	965,287
Amounts due to group undertakings	—	10,801	—	56,508
Deferred lease premium (see below)	8,000	8,000	8,000	8,000
	<b>2,402,744</b>	<b>2,287,469</b>	<b>4,358,107</b>	<b>4,270,867</b>

Amounts falling due in more than one year:

	Group and Charity 2021 £	Group and Charity 2020 £
Amounts payable to Southwark Diocesan Board of Finance	150,000	150,000
Deferred Highshore lease premium	952,000	960,000
	<b>1,102,000</b>	<b>1,110,000</b>

Amounts payable to Southwark Diocesan Board of Finance represent the drawdown on a loan made available to SDBE to fund the early development of SDBE Multi-Academy Trust. There is no requirement for any or all of the balance to be repaid in the next 12 months and therefore the full amount has been presented as falling due in more than one year.

The deferred Highshore lease premium represents the remaining balance on a premium of £1,000,000 received by the charity during the year ended 31 December 2017 in respect of a 125 year lease of the Highshore School site to the Mayor and Burgess of the London Borough of Southwark. The premium is being released to the Statement of Financial Activities over the life of the lease. As such, £8,000 is included under accruals and deferred income falling due within one year, with the remainder falling due in more than one year.

The movements on deferred income are analysed as follows:

	2021 £	2020 £
Brought forward as at 1 January 2021	1,087,417	1,123,334
Released in the year	(127,417)	(155,334)
New deferrals in the year	128,179	119,417
Carried forward as at 31 December 2021	<b>1,088,179</b>	<b>1,087,417</b>

## Notes to the financial statements Year to 31 December 2021

### 14 Creditors (continued)

The deferred income balance represents:

147. Service income relating to periods after 31 December 2021 of £128,179 (2020 –£119,417); and

148. Deferred lease premium income relating to the Highshore lease, split between £8,000 included in creditors falling due within less than one year (2020 – £8,000) and £952,000 included in creditors falling due in more than one year (2020 – £960,000).

At the previous year end, the remaining £30,000 of deferred income related to a receipt from the London Borough of Lewisham to assist the development of a new free school. This amount (less £1,620 agreed administration costs incurred) has been returned to the Department for Work and Pensions, as the project never went ahead.

### 15 Analysis of group funds

#### *Analysis of group net assets between funds*

	General funds £	Designated property fund £	Restricted funds £	Endowment funds £	2021 Total funds £
Tangible fixed assets	—	1,428,383	—	—	1,428,383
Listed investments	4,751,893	—	1,063,748	177,211	5,992,852
Investment properties	—	15,210,000	—	1,000,000	16,210,000
Net current (liabilities) assets	(1,339,150)	199,181	251,194	15,205	(873,570)
Non-current assets	—	—	150,000	—	150,000
Non-current liabilities	—	—	(150,000)	(952,000)	(1,102,000)
	<b>3,412,743</b>	<b>16,837,564</b>	<b>1,314,942</b>	<b>240,416</b>	<b>21,805,665</b>

	General funds £	Designated property fund £	Restricted funds £	Endowment funds £	2020 Total funds £
Tangible fixed assets	—	1,620,885	—	—	1,620,885
Listed investments	4,531,344	—	1,041,777	201,416	5,774,537
Investment properties	—	21,935,000	—	1,000,000	22,935,000
Net current (liabilities) assets	(925,941)	139,057	2,942,260	(8,000)	2,147,376
Non-current assets	—	—	150,000	—	150,000
Non-current liabilities	—	—	(150,000)	(960,000)	(1,110,000)
	<b>3,605,403</b>	<b>23,694,942</b>	<b>3,984,037</b>	<b>233,416</b>	<b>31,517,798</b>



## 15 Analysis of group funds (continued)

### Reconciliation of funds

	Balance at 1 January 2021 £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	Balance at 31 December 2021 £
<b>Endowment funds</b>	<b>233,416</b>	<b>8,103</b>	<b>(1,000)</b>	<b>—</b>	<b>(103)</b>	<b>240,416</b>
<b>Restricted funds</b>						
External maintenance scheme	177,819	534,077	(951,592)	—	239,696	—
VASCA capital funds	1,819,496	5,304,620	(7,672,182)	—	—	(548,066)
Other restricted funds	1,986,722	13,024	(136,738)	—	—	1,863,008
	<u>3,984,037</u>	<u>5,851,721</u>	<u>(8,760,512)</u>	<u>—</u>	<u>239,696</u>	<u>1,314,942</u>
<b>Designated funds</b>						
Property fund	23,555,885	1,600,000	—	(8,325,000)	—	15,830,885
Croydon St Andrews Fund	139,057	59,499	(191,877)	—	—	6,679
	<u>23,694,942</u>	<u>1,659,499</u>	<u>(191,877)</u>	<u>(8,325,000)</u>	<u>—</u>	<u>16,837,564</u>
<b>General funds (including trading funds of £11,755)</b>	<b>3,605,403</b>	<b>1,714,448</b>	<b>(1,945,949)</b>	<b>278,434</b>	<b>(239,593)</b>	<b>3,412,743</b>
<b>Total unrestricted funds</b>	<b>27,300,345</b>	<b>3,373,947</b>	<b>(2,137,826)</b>	<b>(8,046,566)</b>	<b>(239,593)</b>	<b>20,250,307</b>
	<u>31,517,798</u>	<u>9,233,771</u>	<u>(10,899,338)</u>	<u>(8,046,566)</u>	<u>—</u>	<u>21,805,665</u>

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	Balance at 31 December 2020 £
<b>Endowment funds</b>	<b>268,848</b>	<b>8,872</b>	<b>(11,830)</b>	<b>—</b>	<b>(32,474)</b>	<b>233,416</b>
<b>Restricted funds</b>						
External maintenance scheme	96,606	554,470	(413,257)	—	(60,000)	177,819
Diocesan grants	10,000	—	—	—	(10,000)	—
Croydon St Andrews Capital Funds	—	63,130	(63,130)	—	—	—
VASCA capital funds	—	5,919,905	(4,100,409)	—	—	1,819,496
Other restricted funds	1,935,619	4,168	(4,093)	—	51,028	1,986,722
	<u>2,042,225</u>	<u>6,541,673</u>	<u>(4,580,889)</u>	<u>—</u>	<u>(18,972)</u>	<u>3,984,037</u>
<b>Designated funds</b>						
Property fund	14,894,563	8,825,000	(192,501)	—	28,823	23,555,885
Croydon St Andrews Fund	—	210,000	(70,943)	—	—	139,057
	<u>14,894,563</u>	<u>9,035,000</u>	<u>(263,444)</u>	<u>—</u>	<u>28,823</u>	<u>23,694,942</u>
<b>General funds (including trading funds of £11,755)</b>	<b>3,257,421</b>	<b>1,692,979</b>	<b>(1,585,491)</b>	<b>217,871</b>	<b>22,623</b>	<b>3,605,403</b>
<b>Total unrestricted funds</b>	<b>18,151,984</b>	<b>10,727,979</b>	<b>(1,848,935)</b>	<b>217,871</b>	<b>51,446</b>	<b>27,300,345</b>
	<u>20,463,057</u>	<u>17,278,524</u>	<u>(6,441,654)</u>	<u>217,871</u>	<u>—</u>	<u>31,517,798</u>

## 15 Analysis of group funds (continued)

**Endowment funds** represent a fund held under a Section 86 order and a fund set aside under a charity order to develop Church of England education.

The **External Periodic Maintenance Scheme** is a scheme developed by the charity on a voluntary subscription basis to ensure that all the schools in the Diocese can maintain the external fabric and structural elements of their buildings. The fund balance carried forward represents the accumulation of income over expenditure which is available to meet the Governors' 10% liability for ongoing schemes of maintenance works.

The **Diocesan grant restricted fund** relates to funding provided by the Diocese of Southwark to fund a specific post and chaplaincy support.

The **Croydon St Andrew's capital funds** represent receipts of capital funding from a closed school, which have been applied to improvement works at that school to keep the property compliant and insured.

**Other restricted funds** represent assets arising from the disposal of redundant school buildings to be deployed by the Southwark Diocesan Board of Education under Section 554 of the Education Act 1996. Such funds can be deployed (directly and indirectly) for the development of existing schools or the provision of new schools within the Diocese of Southwark. Such Schools are to follow the tenets of the Church of England.

The **designated property fund** represents the net book value of the fixed assets and investment properties at the balance sheet date.

The **designated Croydon St Andrew's fund** represents income received from the rental of the St Andrew's school building which the charity intends to apply towards further refurbishment work at the school.

**VASCA fund** - The school building projects fund represents the income received from the VASCA grant from the Department for Education and the associated commitment on the fund. The funds are restricted to capital and maintenance projects at the schools. The deficit balance at the end of the year represents a timing difference between future receipt of funds and current plans. The Trustees are confident that there is a realistic expectation that these commitments can be met as the source of the funding is Central Government, and the funds at the time of writing already notified for the following year far exceed the deficit. VASCA funds must be committed to projects or returned to the DfE if not committed within two years of the grant date.

## 16 Conduit funds – capital projects

	2021 £	2020 £
Income	8,739,901	132,355
Expenditure	(8,739,901)	(132,355)

The income figure represents funds receivable from Salix Finance Ltd, Devolved Formula Capital from schools and Governor and Local Authority Contributions to building projects, while the expenditure figure represents supplier and contractor costs incurred and committed during the year. Unspent committed costs are realised in the forthcoming financial year and represent timing differences in acquiring the funds with their related expenditure. The main reasons for the increase in 2021 are; the inclusion of public sector funding from Salix Finance Ltd (6.7m) for decarbonisation work in schools which commenced in June 2021, along with the associated increased commitment on governors and other funds (2m), which supplement the publicly funded decarbonisation projects. These are recognised as income and expenditure as discussed in note 1 and the accounting policies.

The Conduit Fund exists to channel funds sourced from the public sector into capital and maintenance projects in schools; it posts no profit and all its funds are committed. As at 31 December 2021 the combined total assets of the fund (including accrued income) amounted to £7.2m. The combined liabilities were identical. Additionally, as at 31 December 2021 the charity owed £nil to the conduit fund (2020 – £25,000). Separately, amounts held on behalf of schools as part of the Devolved Formula Capital Scheme (which are ultimately destined for the conduit fund) were £2.49m at 31 December 2021 (2020 – £2.83m). These funds represent agency cash balances in the charity, and are not included in the charity's fund balances.

## 17 Pension and similar obligations

The Group's employees belong to two principal pension schemes, the Teachers' Pension Scheme (TPS) and the Church of England Church Workers Pension Fund (CWPF), which are of the defined benefit type, the assets of the schemes being held in separate Trustee administered funds. Both the TPS and CWPF fund assets are not apportioned to individual employing bodies in the fund and therefore both constitute collective defined benefit pension schemes under Financial Reporting Standard 102: Section 28 – Employee Benefits. The total pension cost was £186,830 (2020 – £192,489). There were no creditors falling due within one year at either 31 December 2021 or 31 December 2020.

### *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 teachers and lecturers who are or have previously been employed at eligible institutions. Teachers and lecturers have the option to opt out of the TPS following enrolment.

## 17 Pension and similar obligations (continued)

### *Teachers' Pension Scheme* (continued)

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out the information available on the scheme below.

### *Valuation of the Teachers' Pension Scheme*

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- ♦ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- ♦ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- ♦ the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.
- ♦ The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £80,343 (2020 – £103,971).

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

**17 Pension and similar obligations (continued)**

**Church of England Church Workers Pension Fund (continued)**

**Valuation of the Church of England Church Workers Pension Fund**

Southwark Diocesan Board of Education (DBS) participates in the Defined Benefits Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

CWPF has two sections:

1. The Defined Benefits Scheme

2. The Pension Builder Scheme, which has two subsections;

- (a) a deferred annuity section known as Pension Builder Classic, and,
- (b) a cash balance section known as Pension Builder 2014.

**Defined Benefits Scheme**

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

For funding purposes, DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2021: £106,519 2020: £93,418)

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

**17 Pension and similar obligations (continued)**

**Church of England Church Workers Pension Fund (continued)**

**Defined Benefits Scheme (continued)**

A valuation of DBS is carried out once every three years. The most recently finalised was carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in DBS was £11.3m

The next actuarial valuation is due at 31 December 2022.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 45% of pensionable salary and expenses of £5,400 per year.

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

**18 Related party transactions**

The Southwark Diocesan Board of Education is a company limited by guarantee. The results and balance sheet of Southwark Diocesan Education Services Limited (SDES) are consolidated into these financial statements. The Southwark Diocesan Board of Education has taken advantage of the exemptions in FRS 102 and has not reported transactions between it and SDES.

During the year ended 31 December 2021, the group received grant funding amounting to £333,460 (2020 – £333,460) in respect of the Diocesan Measure and lettings income of £19,200 (2020 – £12,375) from the Southwark Diocesan Board of Finance and South London Church Fund, which is a related party as a result of sharing a number of Trustees with the charity. At the year end, the charity owed £150,000 (2020 – £150,000) to the Diocesan Board of Finance in respect of a loan used partly to fund the early development of SDBE Multi-Academy Trust (note 14).

During the year ended 31 December 2021, the group received income of £11,154 (2020 – £10,830), including VAT, from Bacons College in respect of the provision of a service level agreement. £150 was owing at 31 December 2021 (2020 – £150). Bacon's College is a related party as a result of sharing a number of Trustees with the charity.

During the year ended 31 December 2021, the group received income of £143,812 (2020 – £140,237) including VAT from the SDBE Multi-Academy Trust in respect of the provision of a service level agreement and additional advisory and consultancy work. As at 31 December 2021, £25,640 remained to be received (2020 – £25,283). SDBE Multi-Academy Trust is a related party by virtue of the fact that it shares a number of trustees with the charity

## **Notes to the financial statements Year to 31 December 2021**

### **18 Related party transactions (continued)**

In 2017 the charity advanced £150,000 to the SDBE Multi-Academy Trust in order to fund its early development. At the year end, £150,000 (2020 – £150,000) was receivable in respect of this balance. Whilst there is an understanding between SDBE and the Multi-Academy Trust that these funds are to be repaid, there is no obligation for this to take place within the next 12 months, therefore this amount is presented as a debtor falling due in more than one year (note 13).

### **19 Funds held as agent**

During the year, the charity acted as an agent, with interest receivable £82 (2020 – £668) being paid into accounts held on behalf of various Schools under the aegis of the Diocese of Southwark. No amounts were paid over to these schools in either year. At the year end, balances of £158,162 were held in designated bank accounts separate from the charity and trading subsidiary's designated bank accounts (2020 – £158,080). As the Trustees have no responsibility for the application of these funds, the income and bank balances have been excluded from the financial statements.

### **20 Members**

The company is limited by guarantee and the liability of the members is limited to an amount not exceeding £1.

**Notes to the financial statements Year to 31 December 2021**

**21 Consolidated statement of financial activities – Year to 31 December 2020**

	Notes	Unrestricted funds		Restricted funds	Endowment funds	Total 2020	Total 2019
		General funds	Designated funds				
		£	£	£	£	£	£
<b>Income and endowments from:</b>							
Grants and donations	1	350,800	8,825,000	5,983,035	—	15,158,835	754,901
Charitable activities	2	66,181	—	554,470	—	620,651	642,746
Other trading activities	3	547,401	—	—	—	547,401	591,668
Investments	4	728,597	210,000	4,168	8,872	951,637	785,438
<b>Total income</b>		<b>1,692,979</b>	<b>9,035,000</b>	<b>6,541,673</b>	<b>8,872</b>	<b>17,278,524</b>	<b>2,774,753</b>
<b>Expenditure on:</b>							
Raising funds	5	211,867	70,943	63,130	—	345,940	192,353
Charitable activities	6	1,373,624	192,501	4,517,759	11,830	6,095,714	2,252,724
<b>Total expenditure</b>	7	<b>1,585,491</b>	<b>263,444</b>	<b>4,580,889</b>	<b>11,830</b>	<b>6,441,654</b>	<b>2,445,077</b>
<b>Net income (expenditure) before investment gains</b>		<b>107,488</b>	<b>8,771,556</b>	<b>1,960,784</b>	<b>(2,958)</b>	<b>10,836,870</b>	<b>329,676</b>
Unrealised losses on investment properties	11b	—	—	—	—	—	(71,785)
<b>Net gains on listed investments</b>	11a	<b>217,871</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>217,871</b>	<b>349,854</b>
<b>Net income (expenditure) before transfers</b>		<b>325,359</b>	<b>8,771,556</b>	<b>1,960,784</b>	<b>(2,958)</b>	<b>11,054,741</b>	<b>607,745</b>
Transfers between funds	15	22,623	28,823	(18,972)	(32,474)	—	—
<b>Net movement in funds</b>	8	<b>347,982</b>	<b>8,800,379</b>	<b>1,941,812</b>	<b>(35,432)</b>	<b>11,054,741</b>	<b>607,745</b>
<b>Reconciliation of funds:</b>							
Funds brought forward at 1 January 2020		3,257,421	14,894,563	2,042,225	268,848	20,463,057	19,855,312
<b>Funds carried forward at 31 December 2020</b>	15	<b>3,605,403</b>	<b>23,694,942</b>	<b>3,984,037</b>	<b>233,416</b>	<b>31,517,798</b>	<b>20,463,057</b>