

Congregation of Jesus (Loreto Sisters) English Province

England & Wales · Charity number 250607

Details

Other names	INSTITUTE OF THE BLESSED VIRGIN MARY COMMONLY CALLED THE SISTERS OF LORETO, LORETO
Status	Registered
Legal form	Trust
Registered	1967-01-12
Register	View on the Charity Commission register

Contact

Address Loreto Education Centre
Dunham Road
Altrincham
Cheshire
WA14 4GZ

Phone 01612270220

Email ANNEMCEVOY@IBVM.ORG.UK

Activities

Objects: THE OBJECT OF THE CHARITY IS TO APPLY THE CAPITAL OR INCOME OF THE CHARITY FOR SUCH CHARITABLE PURPOSES AS SHALL ADVANCE THE RELIGIOUS AND OTHER CHARITABLE WORK THE ENGLISH PROVINCE OF THE INSTITUTE AS THE TRUSTEES WITH THE APPROVAL OF THE PROVINCIAL SHALL FROM TIME TO TIME THINK FIT AND IF AT ANY TIME THE INSTITUTE SHALL CEASE TO EXIST OR SHALL CEASE TO CARRY ON RELIGIOUS OR OTHER CHARITABLE WORK IN SUCH PROVINCE THEN FOR SUCH OTHER LAWFUL CHARITABLE PURPOSES CONNECTED WITH THE ADVANCEMENT OF THE ROMAN CATHOLIC RELIGION AS THE TRUSTEES SHALL DETERMINE

Activities: Furtherance of Education Raising awareness of religious beliefs and provision of retreats Pastoral and Outreach Work Conduct of Overseas Missionary Work Caring for members of the Institute

Classification

- **How:** Provides Other Finance, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Religious Activities, Economic/community Development/employment, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- **Area of benefit:** NATIONAL
- Albania
- Philippines
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£1,007,586	£4,217,514	£10,120,754	36
2024-08-31	£1,317,098	£1,847,603	£13,384,682	35
2023-08-31	£2,350,855	£3,387,655	£17,869,508	70
2022-08-31	£2,141,977	£2,753,956	£18,899,754	61
2021-08-31	£1,916,484	£2,546,075	£19,835,326	70
2020-08-31	£2,130,933	£2,698,931	£19,785,881	70

Trustees

Name	Role	Appointed
Jennifer Bromham	Chair	2023-12-19
SISTER KATHRYN MARY KEIGHER		2012-03-05
SISTER UNA COOGAN		2015-12-18
Sister Ewa Irena Bem		2023-12-19
Sister Kathleen Hewitt		2023-12-19

Congregation of Jesus (Loreto Sisters) English Province

England & Wales - Charity number 250607

Accounts



**Congregation of Jesus (Loreto
Sisters) English Province (formerly
Institute of the Blessed Virgin Mary
Commonly Called
The Sisters of Loreto)**

Trustees' Report and Financial Statements

Year ended 31 August 2025

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

CONTENTS

	Page
Charity reference and administrative details	2
Trustees' annual report	3
Independent auditor's report to the Trustees	16
Statement of financial activities	19
Balance sheet	20
Statement of cash flows	21
Notes to the accounts	22

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

CHARITY REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2025

Registered charity name	Congregation of Jesus (Loreto Sisters) English Province (formerly Institute of the Blessed Virgin Mary Commonly Called The Sisters of Loreto)
Charity registration number	250607
Registered office	Loreto Education Centre Dunham Road Altrincham Cheshire WA14 4GZ
The Trustees	Miss Kathryn Keigher Miss Una Coogan Miss Jen Bromham Miss Kathleen Hewitt Miss Ewa Irena Bem
Province Leader	Miss Jen Bromham
Province Consultors	Miss Kathryn Keigher Miss Ewa Irena Bem
Province Treasurer	Miss Anne McEvoy
Auditor	MHA Chartered Accountants & Statutory Auditor 14 Mannin Way Lancaster Lancashire LA1 3SW
Investment managers	Rathbones Investment Management Limited Port of Liverpool Building Pier Head Liverpool L3 1NW Hedley & Co 13b Winckley Square Preston PR1 3JJ

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2025

The Trustees present their report and consolidated accounts for the year ending 31st August 2025. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Reference and administrative details

Reference and administrative details are shown on page 2 of these financial statements.

The trustees

The trustees who served the charity during the period were as follows:

Miss Kathryn Keigher
Miss Una Coogan
Miss Jen Bromham
Miss Kathleen Hewitt
Miss Ewa Irena Bem

Charitable Status

The Congregation of Jesus (Loreto Sisters) English Province (formerly The English Province of the Institute of the Blessed Virgin Mary commonly known as the Sisters of Loreto) is part of an International Roman Catholic Religious Congregation of women present in twenty-three countries.

The accounts accompanying this Report are the accounts of a Charitable Trust, registered with the Charity Commission under a Trust Deed dated 2nd March 1965 in which the assets of the English Province of the Institute in the United Kingdom are held. The registered Charity Number is 250607.

On 30 June 2025 one of the investment portfolios of the Institute of the Blessed Virgin Mary (Commonly Called The Sisters of Loreto) was donated to the Congregation of Jesus (Loreto Sisters) English Province (charity no 1202949), a charitable incorporated organisation. On 1 September 2025, all the remaining assets and undertakings were also donated. All subsequent charitable activity will be recorded in the new entity. Consequently, parts of this report refer to the continuing operations within that new entity.

Mission

The Province's Charitable Trust aims to advance the religious and other works carried out by Sisters of the Institute in collaboration with lay co-workers and to care for those Sisters throughout their lives within the Institute. These works meet the public benefit criteria necessary under the Charities Act 2011 and the Institute operates as a public benefit entity.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Mission (continued)

At our last General Congregation culminating in October 2022, after a process of discernment with our whole Institute, our new focus for mission was expressed in the pictorial representation below.



The reference to 'Becoming One' is an expression of our working towards Canonical Merger with the Congregation of Jesus (the original foundation by Mary Ward, of which we were a Branch at the year end). On 4th November 2025 the merger with the Congregation took place and the Charity's name changed to Congregation of Jesus (Loreto Sisters) English Province.

The works we undertake are reviewed on a continuous basis to assess their effectiveness in the achievement of our aims and the benefits we have provided to those sectors of the community we set out to help. In conducting this review, we have given due regard to the guidance contained in the Charity Commissioner's General Guidance on Public Benefit. A major review of our works is currently being carried out in the year ending August 2026.

The ministries carried out by the Loreto Sisters, both in the United Kingdom and overseas, in furtherance of our aims and the provision of public benefit fall into the following main areas:

1. Education
2. Pastoral/Outreach Work
3. Nurturing Religious Faith and Provision of Retreats
4. Overseas Activity
5. Governance, Structure and Management

We are conscious of the ageing profile of the Province and the effect on our capacity for active ministry and the financial implications which have affected our ministries during this past year and will affect our contingency plans for the future.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Mission (continued)

1. Education

The main areas of responsibility extend to three schools and a sixth form college in England.

- One Academy for girls - Comprehensive
- One Aided co-educational Comprehensive school
- One Academy for girls – Grammar
- One Sixth Form College supported by the Education Funding Authority

(With the exception of the co-educational comprehensive school, which is under the jurisdiction of the local diocese, the premises for these schools/college belong to the Province and are made available at no cost). Another school has recently come under our sponsorship following the shortage of sisters in another congregation.

The work of the Province in formal education is conducted through the Loreto Education Trust (LET), a charitable company limited by guarantee established in 2012. The Trust has embraced the need to involve lay trustees and lay officers in sustaining into the future the characteristic spirit of the Institute's college and schools. Nine of the 13 trustees are now lay and the Board has appointed a lay person as Education Officer to lead the Loreto English Education Network (LEEN Group) which is accountable to the Loreto Education Trust. One of the IBVM trustees acts as delegate for education. The Board has welcomed a new Trustee this year. Additionally, at least one Sister continues to serve on both the schools'/college's governing bodies and their various committees.

LET has established strong monitoring and support procedures that assure the Province Trustees that the education offered to our young people is in accordance with our objects. Because of the extensive training and development work that LET and LEEN have done with staff and governors over the last decade, the Loreto vision of education and the values that shape that vision are now fully embedded in each of our schools and the college. Our vision is that they will be educational communities where each person has the experience of being loved and valued, communities where students enjoy an enriching and liberating education that helps them to grow in the fullness of life and empowers them to be people of courage who are alive to the needs of humanity and the environment and committed to making a better world.

In the year under consideration LET has focused on supporting one of the associated schools which is vulnerable and has received a notice to improve from Ofsted. The Board has received regular updates, and the Head presented her report personally at the end of the year. A group of LET educationalists has met with the Province Leader and her Council to keep them abreast of developments. The merger will bring no changes to the organisation of LET or LEEN.

The schools and college engage in all relevant global concerns, events and fund-raising activities and have forged links with Loreto Schools across the world. Of specific importance at this time is our consciousness of the global climate, and the Institute, schools/college are continuing to put at the forefront the Mary Ward family 7yr Action Plan (2021-2028) in relation to our care for our common home and the living out of an "integral ecology" in response to the Pope's Laudato Si' encyclical.

2. Pastoral/Outreach Work

The Trustees continue to make it a priority to reach out to the poor and marginalised in our society. Some Sisters undertake this work in their retirement while two Sisters receive some financial remuneration. One Sister works as Vicar for Religious in a Catholic Diocese, along with work in Canon Law and Safeguarding in the Province and is the lead Religious for safeguarding in England and Wales.

Active retired Sisters continue to work as advocates in support of the voiceless to enable them to secure the help they are entitled to, in justice, from the state and other agencies. Several retired Sisters are involved in community-based programmes and support public institutions in the UK, including childcare and family support, community healthcare, general and mental health, and psychotherapy. One Sister operates as part of an interfaith chaplaincy team in hospital. Additionally, some Sisters work closely in supporting refugees, asylum seekers, migrants and victims of international trafficking.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Mission (continued)

This work involves meeting with, listening to, supporting and signposting clients to the appropriate staff or agencies best suited to address their needs. The work also involves some English teaching and helping with basic needs and providing translation services where needed.

One Sister continues her ministry in Albania. To carry out her ministry there she set up Mary Ward Loreto registered in Albania. Her work there includes help and support for trafficked people and raising awareness of the problem. 2025 has seen some extraordinary shifts in the culture and population. Due to a massive increase in tourism and a huge number of Albanians leaving the country to find a better life elsewhere, an invitation has been sent to Africa and Asia to send 90,000 people to fill the gaps in the job market. As a result, Mary Ward Loreto (MWL) is responding to the new crisis emerging as African and Asian trafficked people, in and outside of Albania, come to MWL for aid and support. In November 2025 this new reality has led to the opening of a MWL International Advice and Service Centre in Tirana coordinated by a newly appointed MWL lawyer. Albania is now a country of origin, destination and transit for trafficked victims. See www.marywardloreto.org for the newly published MWL External Evaluation Report.

One Sister continues working with Revive, a group supporting refugees and asylum seekers, teaching English each week to both new arrivals and those who have been in UK several years without access to English. Links in the neighbourhood have been strengthened through involvement of local church parishioners and friends. Several families have invited refugee children to play with their own children or make monthly contributions to special needs families.

One Sister continues to work within the Loreto Drawn Together (LDT) initiative. LDT offers a specialist psychoanalytic parent-infant psychotherapy (PIIP) intervention to parents and their babies who are struggling in their new relationship. This service provides in-person sessions in a Well-Being Centre and an online service for parents and their infants. During the year the service has further developed bereavement interventions for parents and their toddlers who have experienced baby loss. LDT has also developed its Art therapy interventions with emotionally upset under-fives. This work includes one-to-one sessions and pioneering art therapy sessions. In addition to their individual work, both the PIIP therapists and the Art Therapists offer parent support sessions for distressed parents. All the therapists engage with the wider network in the area, and they are strongly linked with the health visiting team and local GPs. The therapists' avail of appropriate CPD training and are full members of their respective professional bodies such as BPC; BPF; HCPC and BAAT. Where appropriate the service also offers Art Therapy for very emotionally distressed nursery children as they transition into Infant School.

Our Sisters' work is not just restricted to their chosen ministries. Throughout the year, the Members of the Institute give their time to assist the poor and marginalised wherever that need arises. Most of the Sisters receive no financial reward for the work they undertake, and which contributes to the overall achievement of the charity's objectives.

3. Nurturing of Religious beliefs and provision of Retreats

Loreto Spirituality Centre continues to adapt, as we strive to meet the needs of today's world. In November 2024 another Sister joined the team and In December it was decided not to renew the Manager's contract and the two Sisters now working on the team are the managers as well as running and participating in the programme. A wide variety of retreats, including individually guided and themed retreats and courses are offered on the programme. Monthly days of prayer are offered for the local community, and we also serve a wider group of people by offering online spiritual direction. Groups continue to use our premises for their own events. For example, several religious congregations held meetings during the year, as well as individuals and groups of people in caring ministries who are looking for a period of respite. Some groups continue to come annually. One such group is SPANNED (Supporting People with Additional Needs) a group from the Diocese of Nottingham, who come for a break with their carers.

A policy of not allowing financial hardship to prevent people from attending our events ensures that everyone can benefit from these events. Over the last year we have held a retreat for those on the 12-step programme and those who are bereaved. In the spirit of our option to serve those most in need we also welcomed a group of refugees and asylum seekers from the Charity "Stories of Hope and Home". We have also offered accommodation for a holiday for two refugee families during the summer months, all at a significantly reduced rate.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Mission (continued)

In addition, there are a limited number of rooms available for those wishing to avail of self-catering facilities.

A large equipped conference room is also available for daily events.

To ensure that nobody is excluded for financial reasons, a bursary has been set up to enable the unemployed and low-waged to come for retreats and courses.

In common with many religious congregations the Centre faces the dilemma of meeting ever rising costs with a declining income. This shortfall has had to be met from existing funds, but action is being taken to ensure that this utilisation of resources is conducted in a manner which protects the future financial security of the works and membership.

4. Overseas Activity

The Province globally has the aim to advance the religious and other charitable work in the Developing World. The work of the English Province in the Developing World is carried out mainly through the Teresa Ball International Solidarity Fund, registered charity no. 1080521 and Company no. 3914049, a charity under common control. The mission in Albania is part of the English Province mission.

5. Governance, Structure and Management

In terms of Canon Law, the Province is governed at an international level by the Institute Leader and her Council in Rome. They are elected every eight years at a meeting of representatives of all the Provinces and Regions of the Institute. This last General Congregation was held in 2022 and elected a new Institute Leadership Team. At every General Congregation the focus for the next eight years is mandated to Institute Leadership. The mandate we are currently working with has been shown earlier in this report.

In terms of civil law, the charity is governed by a Trust Deed dated 2 March 1965 and is registered with the Charity Commission. The Charity Commission number is 250607. There is also a new Scheme approved by the Charity Commission dated 28 July 2003, which amends the governing document to 'the work of the English Province' which in some cases extends outside the United Kingdom.

A new CIO, charity number 1202949, has been set up and in the year beginning September 2025 all the assets of the charity no. 250607 have been transferred through an executed deed of transfer, as explained in note 20. The governing document of both charities provides for ultimate decision making, including the appointment and retirement of trustees, at the sole discretion of the Province Leader.

One of the Sisters with knowledge and experience in this area acts as Province Treasure and there is also a Finance Assistant helping her. A finance and Properties Committee offers assistance to the Trustees and Leadership Team.

The pay and remuneration of the Institute's employees, including key management personnel, is reviewed annually by the Finance and Properties Committee which then makes its recommendations to the Trustees.

The names of the Trustees on 31 August 2025 are set out on the attached schedule of legal and administrative details.

The Trustees and Treasurer regularly attend seminars arranged by CoREW (Conference of Religious in England and Wales), the Association of Provincial Bursars and various professional bodies, including the Annual Catholic Conference, to keep abreast of current legislation and sector developments.

As the Institute's main ministry has traditionally been educational all five trustees are currently fully qualified teachers. Some have later trained in other disciplines including pastoral/psychotherapy/spiritual ministries.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Responsibilities of the trustees

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 Charity, and of the income and expenditure of the Charity, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charity's governing document, the Charities Act 2011, the Statement of Recommended Practice: Accounting and Reporting by Charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and UK Generally Accepted Accounting Practice.

Structure and Management Reporting

The Trustees are ultimately responsible for the policies, activities, and assets of the charity. During this year there were five Trustees. The Province structure is composed of a Province Leader and two Consultors. There is a Matron who takes responsibility for the care of the sick elderly sisters and the Province Leader and her Consultors keep in contact with the Sisters working around the country. The Leadership Team meets monthly for the care of the Province to review ministries and to discuss forward planning. The Province Treasurer reports monthly to this meeting on the current financial state of the Province and at other ad hoc intervals at the request of the Leadership Team to provide financial input to decision making.

The Trustees, of whom three make up the Leadership Team, meets with the Finance and Properties Committee. The purpose of this committee is to advise the Leadership Team on all matters relating to finance, land and buildings. When necessary, the Trustees seek advice and support from the charity's professional advisers including property consultants, investment managers, lawyers and accountants. The day-to-day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Institute and to senior staff.

The day-to-day responsibility for the schools lies with the Headteachers and governors, and members of the Institute are on all the governing bodies. The day-to-day management of both our Loreto Spirituality Centre and Loreto House is carried out by our one lay manager and two Sisters.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Working with other organisations

Through its members the charity works closely with other charities and organisations which include the following:

- Roman Catholic Dioceses
- Jesuit Spirituality Centres in Britain
- Local education authorities
- Educational establishments
- Other Religious Congregations
- Caritas Albania
- Mary Ward Loreto Albania UK
- Caritas England and Wales
- Salvation Army
- CSSA (Catholic Safeguarding Standards Agency)
- RLSS (Religious Life Safeguarding Service)
- Northwest Religious Orders Safeguarding Network Support Group
- National Health Service
- Fondacio Asia – Philippines
- Anawim Arts – Canada

Risk Assessment Statement

The Trustees manage risk by reference to both long established, documented procedures and systems of control and current Charity Commission guidance on best practice. The Trustees believe that all major risks have been identified and reviewed and that systems and procedures are in place to manage these risks. In carrying out their assessment the Trustees have identified five main areas where risks may occur:

- 1: Governance and Management
- 2: Operational
- 3: Financial
- 4: Reputation
- 5: Laws, regulations, external and environment

- 1: **Governance and management** look at the structure of the Province, and hence the charity, and the skills and training of its members and staff, and the good use of its resources.
- 2: **Operational** looks at the risks inherent in the charity's activities including the operation of its schools/college, and Loreto Spirituality Centre; Sisters/Staff engaging in various activities, the unsuitability of buildings, poor maintenance, shortcomings in the services provided, difficulties with staff, poor health and safety, lack of a disaster recovery policy etc. When acting in their capacity as school governors, the Trustees and Sisters are required to regularly attend training courses and seminars, particularly concerning safeguarding, but also risk assessment generally.
- 3: **Financial** risks include those arising as a result of poor budgetary control, poor accounting, inappropriate investment policies etc. Financial risk also extends to the security of the Institute's future income streams, in particular the receipt of pensions and salaries which currently account for 83% of Province Fund income. This aspect of risk is an important factor in the production of the Institute's strategic plan. The Institute manages its financial affairs by reference to an annual budget, performance against which is monitored by the trustees.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Risk Assessment Statement (continued)

- 4: **Reputational** looks at possible damage to the Institute's and/or charity's reputation. We take the issue of safeguarding extremely seriously.

In line with statutory requirements, the Trustees recognise the absolute necessity of ensuring the protection and safety of all those the charity serves. All Sisters who are in any kind of ministry in the United Kingdom obtain Disclosure and Barring Service clearance as do the staff at Loreto House. Our Safeguarding Lead keeps abreast of Institute and statutory policy and controls the DBS checks on Sisters and employees. The Safeguarding Lead also reports annually to the Leadership Team. Safeguarding is a topic on all Province and Leadership Meetings agendas.

After much delay, the CSSA (Catholic Safeguarding Standards Agency) issued their contract for members which we signed in March 2023. During the year the named Safeguarding Trustee and the Safeguarding Lead have given input to the Province, either in person or on Zoom, to explain the Audit process carried out by the CSSA. Three Sisters attended the RLSS AGM and various Sisters have done Safeguarding Training with the RLSS and through their own ministries and this is on-going. DBS Renewals have been kept up to date.

A case spoken of by a spiritual directee but not involving Loreto, was referred to the RLSS. An incident report was completed from information through our Loreto Drawn Together Team which was followed up by the Team, School and Social Care.

- 5: **Laws, regulations, external and environment** look at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment in the charity's establishments.

The work of the Trustees in assessing and minimising exposure to risk is supported by the Province Treasurer and Finance Manager. They are members of the Association of Provincial Bursars, an association set up over thirty years ago for Bursars of Religious Congregations both Catholic and Anglican, and through this Association they keep up to date with current legislation and developments. Furthermore, they and many of the sisters attend courses in support of their ministry or Institute management. These courses are either run by the professional bodies of which they are members or other appropriate organisations.

The Institute is GDPR compliant and annually reviews its Cyber Security Policy.

In conducting their assessment, the Trustees necessarily gave due regard to the declining numbers of Province members and the rising average age of those who remain. The main sources of income to the Province are the pensions and salaries of the sisters and as they grow older this income is inevitably declining.

Additionally, the payroll costs currently being incurred will increase as more people are employed to undertake work now being carried out on a voluntary basis by the Sisters. The Trustees have ensured that procedures and controls are in place to protect the property and investment assets of the Institute so that financial resources are available into the future to meet additional funding requirements resulting from this ageing process.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Care for Members of the Institute

Those members of the Province who earn salaries or receive pensions covenant them to the charity and therefore have no independent means of support. Many also give their services free in their various ministries and continue to do so well beyond retirement age. Hence the work of the charity includes the upkeep of the members so that they will be able to continue in their service to the public.

Additionally, the charity must also care for the elderly members of the Province who are now themselves in need of care. These Sisters have no resources of their own and have devoted their whole lives to the educational, pastoral, social and other ministries of the Institute, which now has a moral and legal obligation to provide for their care. In common with many religious congregations in the United Kingdom, the age profile of the members of the Institute is increasing as existing members grow older and there are no new vocations. As the age profile increases so too does the need to provide increasingly expensive care for the Sisters, a cost which is borne almost exclusively by the charity since, as members of a religious community, we are not entitled to claim certain benefits from the state e.g. pension credit.

In the year September 2024 to August 2025 two Sisters have died.

There are 31 Sisters in the English Province, and they live and work in several locations across England, Scotland and Wales. One Sister works overseas.

The Province has established Powers of Attorney for all its Sisters to ensure that their wishes continue to be followed should they become incapacitated through ill health and unable to make decisions for themselves.

Over the next decade the Trustees expect the number requiring care to increase. Consequently, the Trustees are carefully considering the impact of this on the work of individual Sisters of the Province, the property requirements and the financial implications. The aims of the Trustees are as follows:

- To ensure that all Sisters receive the care that they require to provide them with a good quality of life. To review the charity's properties used as community houses and assess their suitability as homes for the frail elderly. Those identified as being unsuitable will need to be adapted or, if this is not possible, sold and replaced with more appropriate properties.
- To enable all members of the Province to continue with their ministries and live independently for as long as possible after their official retirement age.

We continue to provide care for our elderly and frail sisters in Loreto House under the direction of our experienced Matron and her dedicated team. Sisters receive around the clock care, tailored to their needs, aimed at enabling independence for as long as possible. Situated as it is, close to our Loreto Spirituality Centre, it enables our elderly sisters to connect with ministry which is central to the mission of the Institute.

Employees, Volunteers and Members of the Institute

The Trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and those Sisters of the Institute who are involved with its administration – without their contribution the charity would not be able to function as effectively or fully as it does. Their dedication, enthusiasm and active participation in our ministry is very much appreciated.

Grants, Donations and Support of Missionary Work and Ministry

Grants, donations and other payments in support of ministry are decided on by the Trustees in consultation with the members of the Institute as appropriate. While the Trustees give occasional support to United Kingdom based organisations and to individuals within the objects of the charity, the charity does not regard itself as a grant making entity and applications for grants and donations are not invited.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Fundraising Policy

The charity has undertaken some small-scale fundraising activities during the year. All fundraising activities have been undertaken in accordance with the applicable regulations. The charity does not work with commercial partners and has received no complaints in relation to its fundraising activities.

Investment Policy

The charity has a portfolio of investments with a market value of £803,343 (2024: £1,914,575) managed by a long-established stockbroker firm with much experience in investing funds for charitable organisations Hedley & Co. The firm operates within specific guidelines, which are set out and regularly reviewed by the Trustee appointed Investment Committee. The Investment Committee in turn reports twice annually to the trustees. There are no restrictions on the charity's power to invest.

As well as these investments a further £1,736 (2024: £998,027) is held on special deposits to be recalled when needed to meet our contingent liabilities and planned works.

The portfolio represents a long-term investment with the objective of generating a real return from capital together with a certain level of income.

The Charity requires the investment managers to have regard to its ethical screening policy when making investment decisions. In addition to specifically excluding some areas of investment (for example in any companies having significant profits from armaments, gambling or life determination) the policy also requires the managers to avoid investment in companies with continuing issues of exploitation of its workforce or deprivation of human rights, being activities contrary to Christian objectives. The screening process adopted by the Charity is an independent service provided by Ethical Screening Services Ltd but operated by Investec Wealth and Investment Limited.

The investment committee meets several times during the year to review the performance of the portfolio and the continued appropriateness of the charity's investment strategy. The investment managers attend these meetings to present a formal report on an ad hoc basis but at least annually.

The investment strategy is to achieve a balanced return from income and capital growth by reference to recognised charity sector benchmarks subject to a medium risk portfolio structure.

Achievements and Performance

Financial Review

Results for the year

During 2024/25 incoming resources amounted to £1,007,586 (2024: £1,317,098). Of this total, £254,702 (2024: £275,790) related to fee's receivable at the retreat centre and legacies received amounted to £nil (2024: £nil). Salaries and pensions of the sisters covenanted to the charity amounted to £655,094 (2024: £933,442). Investment income and interest received totalled £55,338 (2024: £60,783). This is a 9% decline in investment income (2024: 21%).

Resources expended totalled £4,217,514 (2024: £1,847,603) with £2,622,595 of this relating to the donation of certain assets and liabilities to the new CIO.

Expenditure on maintaining the members of the Province and supporting them in their pastoral work and ministry totalled £1,575,056 (2024: £1,834,509) representing a decrease of 9%. Of this, the running costs and maintenance of buildings were £537,356 (2024: £503,468) and carers' payroll and nursing costs were £570,792 (2024: £637,415). Expenditure on governance and the fees paid to the charity's investment managers amounted to £85,186 (2024: £115,817).

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Results for the year (continued)

Investment held up in 2024/25 resulting in a small loss of £54,000 (2024: £143,149 gain).

Fixed assets were revalued in 2023/24 resulting in a loss of £nil (2024: £4,097,470). This impairment reflected the charity's agreement to sell part of its land to a third party, with the land and associated property being impaired to the expected sale proceeds. The remaining property, which the charity plans to retain for its own use, has been impaired based on its revised insurance valuation. The Trustees believe this provides a fair representation of the value of the remaining site, in the absence of a formal valuation.

Net movement of funds for the year was an outflow of £3,263,928 (2024: £4,484,826).

Funds to carry out the works of the charity come from various sources:

SFA and YPLA in the Sixth Form College
LEA and DfE in the two aided schools
Donations from those who come to the retreat centre
Donations received specifically for the mission in Albania
The salaries and pensions of the members of the Institute
Income from investments

We are not a fundraising charity, although our mission in Albania seeks funds from individual donors based on generating awareness but does not undertake general advertising campaigns.

The Province has a commitment to make contributions to the schools and college, particularly regarding the maintenance of their chapels where other sources of funding are not available, and some of the funds on deposit are reserved for this purpose.

Functional property belonging to the Province has been included on the Balance Sheet at Trustees' valuation in 1996, which was achieved with help from professional advisers. The school's element of this valuation has since been revalued, and each year we consider whether any impairment provision is required.

Reserves Policy

The reader will see from the information given that the charity carries out a diverse range of activities and is responsible for the care and support of sisters whose average age is increasing and whose needs are changing. The trustees have examined the need for free reserves i.e., those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. For several years the charity has looked to its assets to make good shortfalls of income from expenditure by providing the necessary funding to maintain liquidity. The trustees consider that, given the nature of the charity's work, its commitments and the age profile of its members, this funding requirement will continue into the foreseeable future and therefore it is unlikely that uncommitted reserves will become available.

Financial Position

The balance sheet shows total reserves of £10,120,754 (2024: £13,384,682). Of this £9,910,122 (2024: £10,204,985) is represented by properties and other tangible fixed assets essential for the support and work of the sisters.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Financial Position (continued)

The Province has divided its unrestricted assets into two designated funds:

1. Province Fund - to support the Sisters in their work as they give their services voluntarily and to care for them when they are sick and aged. The value of this fund is £7,354,183 (2024: £10,547,923) of which £6,345,362 (2024: £7,445,304) represents tangible fixed assets. The net current assets of the fund are £1,008,821 (2024: £971,952). Shortfalls of income to meet short term operating requirements continue to be met from investment realisations.
2. Ministry Development Fund - to support our schools, establishments and other charitable donations made for the public benefit within the terms of our governing document. The value of this fund is £1,827,124 (2024: £1,931,284) of which £2,759,681 (2024: £2,759,681) represents tangible fixed assets. The net current assets of the fund are £932,557 in deficit (2024: £828,753 in deficit).

Future Plans

The trustees have resolved to modernise their structure by changing the form of their operating document from trust deed to one of Charitable Incorporated Organisation. The new Charity has been registered as indicated in the Charitable Status on page 3.

Whilst the Trustees do not anticipate any significant change to the (new) charity or its activities over the next two to five years they are constantly reviewing works of the Institute in the light of a changing world and its own ageing membership.

To that end the membership continues to review its ministry works for the next five years and how they will be achieved and provide public benefit. The Trustees opinion is that the Charity will continue to provide public benefit by continuing to meet the following objectives:

- To continue to be Trustees for two Loreto schools and a Loreto Sixth Form College;
- To continue the development of Loreto ethos at Loreto Chorlton and to continue the provision of Loreto Sisters as foundation governors;
- To continue to provide training for its school governors;
- To continue to support other schools;
- To continue to control Loreto Education Trust, a company limited by guarantee and established to manage the operations of the schools and college whilst at the same time continuing the ethos of Mary Ward into the future;
- To continue to develop new projects which deliver public benefit such as the Loreto Drawn Together Project;
- To continue with its pastoral/outreach work at several locations across the country;
- To continue the development of the Loreto Spirituality Centre in Llandudno;
- To maintain and increase awareness of the religious tenets of its founder, The Venerable Mary Ward;
- To continue to care for the Sisters and enable them to carry out their various ministries where they will continue to reach out to the poor and marginalised and the victims of trafficking;
- To meet the requirements of the various statutory bodies;
- To continue to employ high quality staff and to ensure they are given appropriate and relevant training;
- To support the work of the English Province in Albania;
- To monitor the needs of the sisters as they grow older and, if necessary, adapt the charity's plans in respect of property needs and the provision of care to elderly members;
- To continue to work with church and statutory bodies to ensure that professional standards in relation to safeguarding are maintained.

However to ensure that sufficient funds continue to be available to carry out the works of the Charity the Trustees will carry out a review of income and expenditure and make decisions accordingly.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Auditor

MHA previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP.

Approval

The Trustee's report was approved on 27th May 2026. and was signed on their behalf by:

Jen Bromham C.J.

Miss J Bromham
Trustee

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2025

Opinion

We have audited the financial statements of the Congregation of Jesus (Loreto Sisters) English Province (formerly the Institute of the Blessed Virgin Mary Commonly Called The Sisters of Loreto) (the 'Charity') for the year ended 31 August 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the notes to the financial statements. 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 Charity's affairs as at 31 August 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 auditors responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

As explained in note 20, the trustees intend to transfer the whole of the charitable trust into a 'Charitable Incorporated Organisation (CIO)'. In undertaking our going concern assessment, we have considered the application of the requirements of the accounting standard to the circumstances of the Charity. As an unincorporated Charity, this is not a separate legal entity and, as the intention is for the charitable activities to continue through the CIO, we have concluded that the trustees' use of the going concern basis in the preparation of the financial statements remains 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 Charity'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 other information comprises the information included in the trustee's annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 course of the audit or otherwise appears to be materially misstated.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Other information (continued)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the trustees' annual report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees are responsible for the preparation of financial statements which 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Auditors responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

- Enquiries with management, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to future performance of the Charity;

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

- Auditing the risk of management override of controls and subsequent testing, including through testing journal entries and other adjustments for appropriateness;
- Auditing the risk of fraud in income by way of transaction testing, testing income recognition in accordance with SORP, and testing for completeness of income around the year end.
- Reviewing board minutes.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's trustees 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 Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



MHA

Statutory Auditor

14 Mannin Way
Lancaster Business Park
Lancaster
Lancashire
LA1 3SW

28th May 2026

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

MHA is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2025

	Note	Restricted funds £	Unrestricted funds Ministry £	Province £	Total 2025 £	Total 2024 £
Income from:						
Donations and legacies	4	20,855	3,457	655,134	679,446	965,521
Investments	5	19,321	-	36,017	55,338	60,783
Charitable activities	6	-	254,702	-	254,702	275,790
Other	7	997	83	17,020	18,100	15,004
Total income		41,173	258,242	708,171	1,007,586	1,317,098
Expenditure on:						
Raising funds	8	3,969	-	15,894	19,863	13,094
Charitable activities	9	15,052	362,402	1,197,602	1,575,056	1,834,509
Donation to new CIO		-	-	2,622,595	2,622,595	-
Total expenditure		19,021	362,402	3,836,091	4,217,514	1,847,603
Net movement in funds		22,152	(104,160)	(3,127,920)	(3,209,928)	(530,505)
Net gains/(losses) on investments	10	57,820	-	(111,820)	(54,000)	143,149
Net gains/(losses) on tangible assets	12	-	-	-	-	(4,097,470)
Net income/(expenditure) before transfers		79,972	(104,160)	(3,239,740)	(3,263,928)	(4,484,826)
Transfer between funds		(46,000)	-	46,000	-	-
Net movement in funds		33,972	(104,160)	(3,193,740)	(3,263,928)	(4,484,826)
Reconciliation of funds:						
Total funds brought forward		905,475	1,931,284	10,547,923	13,384,682	17,869,508
Total funds carried forward		939,447	1,827,124	7,354,183	10,120,754	13,384,682

All income and expenditure derive from continuing activities.

All gains and losses recognised in each period are included above.

The notes on pages 22 to 42 form part of these financial statements.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

BALANCE SHEET

FOR THE YEAR ENDED 31 AUGUST 2025

	Note	Restricted funds £	Unrestricted funds Ministry £	Province £	Total 2025 £	Total 2024 £
Fixed assets						
Tangible assets	12	-	2,759,681	6,345,362	9,105,043	10,204,985
Investments	13	805,079	-	-	805,079	2,912,602
		<u>805,079</u>	<u>2,759,681</u>	<u>6,345,362</u>	<u>9,910,122</u>	<u>13,117,587</u>
Current assets						
Debtors	14	2,320	10,254	88,937	101,511	75,212
Cash at bank and in hand	15	36,523	139,712	48,461	224,696	273,768
		<u>38,843</u>	<u>149,966</u>	<u>137,398</u>	<u>326,207</u>	<u>348,980</u>
Creditors: amounts falling due within one year	16	(4,977)	(27,016)	(83,582)	(115,575)	(81,885)
Inter-fund debtors / (creditors)		<u>100,502</u>	<u>(1,055,507)</u>	<u>955,005</u>	<u>-</u>	<u>-</u>
Net current assets		<u>134,368</u>	<u>(932,557)</u>	<u>1,008,821</u>	<u>210,632</u>	<u>267,095</u>
Net assets		<u>939,447</u>	<u>1,827,124</u>	<u>7,354,183</u>	<u>10,120,754</u>	<u>13,384,682</u>
Funds:	18					
Restricted funds		939,447	-	-	939,447	905,475
Unrestricted funds:						
Designated - Ministry fund		-	1,827,124	-	1,827,124	1,931,284
Designated - Province fund		-	-	7,354,183	7,354,183	10,547,923
Total funds		<u>939,447</u>	<u>1,827,124</u>	<u>7,354,183</u>	<u>10,120,754</u>	<u>13,384,682</u>

These accounts were approved by the Trustees and authorised for issue on the 27th May 2026. and are signed on their behalf by:

Jen Bromham C.J.

.....
J Bromham - Trustee

K Hewitt

.....
K Hewitt - Trustee

The notes on pages 22 to 42 form part of these financial statements

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

STATEMENT OF CASH FLOWS

FOR THE YEAR END 31 AUGUST 2025

	Total 2025 £	Total 2024 £
Cash generated/(used) in operating activities	(1,896,103)	(1,067,056)
Cashflows from investing activities		
Payments to acquire tangible fixed assets	(29,584)	(19,706)
Receipts from sale of tangible fixed assets	1,574,267	1,655,570
Payments to acquire investments	(939,003)	(709,395)
Receipts from sale of investments	207,974	695,394
Investment income	37,086	37,754
Cash provided by/(used in) investing activities	850,740	1,659,617
Increase/(Decrease) in cash and cash equivalents in the year	(1,045,363)	592,561
Cash and cash equivalents brought forward	1,271,795	679,234
Cash and cash equivalents carried forward	226,432	1,271,795
Consisting of:		
Monies held for investment	1,736	998,027
Cash at bank and in hand	224,696	273,768
	226,432	1,271,795
Reconciliation of net movement in funds to net cashflow from operating activities		
Net (expenditure) for the year	(3,263,928)	(4,484,826)
Investment income received	(37,086)	(37,754)
Loss/(gain) on disposal of tangible fixed assets	(459,111)	(306,830)
Loss/(gain) on revaluation of tangible fixed assets	-	4,097,470
Loss/(gain) on investments	54,000	(143,149)
Depreciation	14,370	12,103
Decrease/(increase) in debtors	(26,299)	(22,014)
(Decrease)/increase in creditors	33,690	(182,056)
Donation of investments to new CIO	1,788,261	-
Net cash generated in operating activities	(1,896,103)	(1,067,056)

The notes on pages 22 to 42 form part of these financial statements

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

Basis of preparation

The Congregation of Jesus (Loreto Sisters) English Province (formerly the Institute of the Blessed Virgin Mary Commonly Called The Sisters of Loreto) is a charity registered in the United Kingdom. The address of the charity, the nature of its operations and its principal activities are all detailed in the Trustees' annual report of these financial statements.

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements have been prepared on a going concern basis under the historical cost convention as modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

As explained in note 20 'Charitable Incorporated Organisation conversion' to the financial statements the charity intend to transfer the whole of the charitable trust into a 'Charitable Incorporated Organisation (CIO)'. During the year certain assets and liabilities have already been donated. As an unincorporated charity, this is not a separate legal entity and, as the intention is for the charitable activities to continue through the CIO the accounts continue to be prepared on a going concern basis.

The Trustees do not consider there to be a material uncertainty at this time, and there is a reasonable expectation that the Charity has adequate resources to continue for the foreseeable future.

Incoming resources

All incoming resources, including income the retreat centre, are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution of the legacy being received.

Legacies received by members of the Institute are credited to the Patrimony Fund unless the legator indicated a specific bequest.

Investment income is included in the SOFA in the period in which it is receivable.

Covenanted salaries and pensions

Covenanted salaries and pensions are received under deeds of covenant from members of the Institute and are stated inclusive of income tax but net of any deductions for national insurance and occupational pension schemes' contributions.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies (continued)

Resources expended

Expenditure is included on an accruals basis and consists of all expenditure directly relating to the objects of the charity.

Investment management and governance costs include expenditure incurred in the management of the portfolio and for compliance with constitutional and statutory requirements.

Irrecoverable VAT is included with the category of expense to which it relates.

All expenditure is written off in the year in which it is incurred, including major property renovations, unless the expenditure is deemed to increase the charity's fund value.

Governance costs

Comprises audit fees, legal and professional fees and a contribution to payroll.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the exchange rate ruling at the balance sheet date, All differences are taken to the SOFA.

Tangible fixed assets

Land, buildings and fixtures: To date the charity has opted to adopt a policy of not revaluing its tangible fixed assets as permitted under the transitional provisions of FRS 15. On transition to SORP 2015 (FRS 102), similar transitional provisions were adopted to carry these amounts as deemed cost. The book value of the land and buildings was based on a Trustees' valuation made in 1996, based on insurance valuation at a discounted rate, plus cost of acquisitions since 1996.

Whilst this policy still holds true for the charity's community housing assets and property assets still actively managed in direct ministry by the sisters, it is no longer as valid in relation to the college and schools buildings now managed by the respective governors under the terms of supplemental agreements. The school buildings included in the 1996 valuations will now have been extensively renovated and modernised or demolished to create space for more up to date facilities. Any value attributed to buildings in 1996 is now of doubtful provenance. The most important factor for the charity is continued recognition that ownership of the land remains with the trust. It is expected that the schools will continue to occupy the land for some considerable time into the future and therefore any valuation would be little more than a guess. The trustees are therefore of the opinion that these properties should remain on the trust's Balance Sheet at a nominal value to avoid the need to speculate over value and to continue to demonstrate the trust's ownership.

No depreciation has been charged on the remaining land and buildings as the trustees consider that the amount involved would be immaterial after taking into account both the remaining useful life of the properties and their residual value.

In the prior year, the trustees considered the current market value of the properties and were of the opinion that an impairment write down was needed to bring these to their estimated fair value and an impairment loss of £4,097,470 was recognised in the Statement of Financial Activities (SOFA). This impairment reflected the charity's agreement to sell part of its land to a third party, with the land and associated property being impaired to the expected sale proceeds. The remaining property, which the charity plans to retain for its own use, was been impaired based on its revised insurance valuation.

The Trustees believe this provides a fair representation of the value of the remaining site, in the absence of a formal valuation and consider that no further impairment provision was required in the current year.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies (continued)

Motor vehicles: Depreciation is calculated at 20% on reducing balance.

Computer equipment: Computer equipment is not capitalised, as the trustees believe that values are not material when taking into account estimated useful economic lives.

Investments

Quoted investments are valued at their closing middle market price on the balance sheet date. Realised and unrealised gains (or losses) are reflected in the Statement of Financial Activities in the year in which they occur.

Cash and cash equivalents

Cash balances represent cash in hand and deposits held at banks and building societies.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable within one year are recorded at transaction price. Balances include funds due to and from two unrestricted designated funds from within the Charity which are separately identified in notes 14 and 16 to the financial statements.

Fund accounting

Unrestricted funds

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objects of the charity and which have not been designated for other reserves.

Designated funds

Where unrestricted funds have been earmarked for a particular project, they have been designated as a separate fund, but the designation has an administrative purpose only and does not legally restrict the trustees' discretion to apply the fund. The aim and use of each designated fund is set out in the notes to the accounts

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the accounts.

The accounts comprise:

Restricted funds:

- Patrimony fund
- Loreto College St Albans Appeal Fund
- Loreto Sisters Albania Fund
- Loreto Sisters Drawn Together Fund

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies (continued)

Ministry (unrestricted funds):

- Ministry Development Fund
- Loreto Retreat Centre

Province (unrestricted funds):

- Province Fund
- Houses

Pensions

Contributions for all staff are made to their personal pension schemes.

Taxation

HM Revenue & Customs considers the Congregation of Jesus (Loreto Sisters) English Province to be a charity and therefore they are entitled to exemption from tax afforded by Sections 478-489 of the Corporation Taxes Act 2010 to the extent that income is applied exclusively for charitable purposes.

Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies (continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Trade debtors and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

De-recognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies (continued)

De-recognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key assumptions, judgements, and estimates

Valuation of land and buildings

The Trustees make an annual assessment of the valuation of properties held within the Charity against their current book value and determine whether there are any signs of impairment which may indicate that the valuation is overstated. The Trustees have confirmed that there is no further impairment to the valuation of properties held at the balance sheet date.

There have been no other key assumptions concerning future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Staff costs and trustees' remuneration

Staff costs during the year were as follows:

	2025	2024
	£	£
Wages and salaries	704,599	779,352
Social security costs	55,895	63,927
Pension costs	15,272	17,175
	<hr/> 775,766 <hr/>	<hr/> 860,454 <hr/>

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Staff costs and trustees' remuneration (continued)

The average number of employees during the year was 44 (2024: 37). The number of employees earning over £60,000 per annum, excluding pension contributions but including redundancy settlements, was 0 (2024: 0).

No employee received remuneration of more than £60,000 during the current or prior year.

As members of the Province, the Trustees' living expenses during the year were borne by the Trust, but the Trustees received no remuneration or other benefits in connection with their duties as Trustees during the year.

The Finance Manager, Matron and Centre Manager are considered to be key management personnel. Their aggregate remuneration for the year was as follows:

	2025 £	2024 £
Aggregate remuneration of key management personnel	68,482	101,815

Pension contributions

The Charity makes contributions to employees defined contribution pension schemes, including the Aviva Pension Trust for Independent Schools, to which a total of £15,272 (2024: £17,175) was contributed in the year.

2 Auditor's remuneration

	2025 £	2024 £
Amounts payable to the auditor (including VAT) was as follows:		
Audit services	24,000	22,500
Other services	7,772	6,906
	31,772	29,406

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

3 Income from donations and legacies

Current year	Restricted funds £	Unrestricted funds Ministry £	Unrestricted funds Province £	Total 2025 £
Donations and gifts	20,855	3,457	40	24,352
Legacies	-	-	-	-
Covenanted salaries and pensions (see below)	-	-	655,094	655,094
	20,855	3,457	655,134	679,446
Prior year	Restricted funds £	Unrestricted funds Ministry £	Unrestricted funds Province £	Total 2024 £
Donations and gifts	15,872	6,097	10,110	32,079
Legacies	-	-	-	-
Covenanted salaries and pensions (see below)	-	-	933,442	933,442
	15,872	6,097	943,552	965,521

Covenanted salaries and pensions represent salaries and pensions of members, including those paid to the Trustees, of the charity payable to the charity under deeds of covenant or gift aid declarations.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

4 Income from investments

	2025 £	2024 £
UK fixed income		
British Government Bonds	339	4,220
Investment Companies	-	2,852
Other fixed interest	6,910	509
Europe fixed interest	2,435	-
Equities: UK	15,713	11,732
European	865	486
Global	3,282	2,711
Other: Emerging markets	4,968	3,496
Commercial property	1,245	1,142
Specialist	64	95
Alternatives	185	1,870
Other	1,080	8,641
	<u>37,086</u>	<u>37,754</u>
Monies held for investment in the UK		
National Savings	25	89
Monies held by stockbroker	6,050	9,242
Treasury Deposits	11,910	13,232
	<u>55,071</u>	<u>60,317</u>
Bank interest	267	466
	<u>55,338</u>	<u>60,783</u>
Represented by:	2025 £	2024 £
Restricted	19,321	19,261
Unrestricted - Ministry	-	9,073
Unrestricted - Province	36,017	32,449
	<u>55,338</u>	<u>60,783</u>

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

5 Income from charitable activities

	2025 £	2024 £
Unrestricted - Ministry		
School fees and retreat centre	254,702	275,790
	254,702	275,790

Income from charitable activities was entirely unrestricted in the current and prior year.

6 Other income

Current year	Restricted funds	Unrestricted funds	Unrestricted funds	Total 2025
	£	Ministry	Province	
	£	£	£	£
Other	997	83	17,020	18,100
	997	83	17,020	18,100
Prior year	Restricted funds	Unrestricted funds	Unrestricted funds	Total 2024
	£	Ministry	Province	
	£	£	£	£
Other	2,320	-	12,684	15,004
	2,320	-	12,684	15,004

7 Expenditure on raising funds

	2025 £	2024 £
Restricted	3,969	3,917
Unrestricted - Ministry	-	889
Unrestricted - Province	15,894	8,288
	19,863	13,094

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

8 Expenditure on charitable activities

Current year	Restricted	Unrestricted	Unrestricted	Total 2025 £
	funds £	funds Ministry £	funds Province £	
Salaries for the school and retreat centre	-	181,531	-	181,531
Running costs and maintenance of buildings	-	107,044	430,312	537,356
Depreciation of fixed assets	-	-	14,370	14,370
(Gains) / losses on sale of fixed assets	-	-	(459,111)	(459,111)
Community expenses	-	-	357,424	357,424
Nursing fees and medical care	-	958	569,834	570,792
Formation and ministry	-	47,478	33,997	81,475
Levy paid to the Generalate	-	-	-	-
Grants and expenditure on supported schools	5,603	25,000	-	30,603
Governance costs	-	-	41,323	41,323
Governance costs - audit	-	-	24,000	24,000
Support costs	9,449	391	185,453	195,293
	15,052	362,402	1,197,602	1,575,056

Prior year	Restricted	Unrestricted	Unrestricted	Total 2024 £
	funds £	funds Ministry £	funds Province £	
Salaries for the school and retreat centre	-	215,157	-	215,157
Running costs and maintenance of buildings	-	105,820	397,648	503,468
Depreciation of fixed assets	-	-	12,103	12,103
(Gains) / losses on sale of fixed assets	-	-	(306,830)	(306,830)
Community expenses	-	-	319,842	319,842
Nursing fees and medical care	-	-	637,415	637,415
Formation and ministry	12,445	27,599	98,772	138,816
Levy paid to the Generalate	-	3,189	-	3,189
Grants and expenditure on supported schools	6,354	-	-	6,354
Governance costs	-	3,900	76,323	80,223
Governance costs - audit	-	-	22,500	22,500
Support costs	-	12,699	189,573	202,272
	18,799	368,364	1,447,346	1,834,509

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

9 Net gain/(loss) on investments

	2025 £	2024 £
Restricted	57,820	95,052
Unrestricted - Ministry	-	(5,834)
Unrestricted - Province	(111,820)	53,931
	(54,000)	143,149

10 Analysis of movement in restricted funds

	Drawn together £	Albania £	Appeal funds £	Patrimony fund £	Total restricted funds £
Incoming resources					
Other income	-	-	547	450	997
Donations and legacies	19,275	-	1,580	-	20,855
Loreto College St Albans appeal	-	-	-	-	-
Investment income	-	-	-	19,321	19,321
Total incoming resources	19,275	-	2,127	19,771	41,173
Resources expended					
Raising funds	-	-	-	3,969	3,969
Charitable objects:					
Ministry	9,442	-	-	7	9,449
Expenditure on schools	-	-	5,603	-	5,603
Total resources expended	9,442	-	5,603	3,976	19,021
Net gains/(losses) on investments	-	-	-	57,820	57,820
Net incoming/(outgoing) resources before transfers	9,833	-	(3,476)	73,615	79,972
Transfer to unrestricted funds	-	-	-	(46,000)	(46,000)
Net movement in funds for the year	9,833	-	(3,476)	27,615	33,972
Total funds at 1 September 2024	11,485	6,500	5,879	881,611	905,475
Total funds at 31 August 2025	21,318	6,500	2,403	909,226	939,447

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

11 Fixed assets

	Land and buildings inc fixtures £	Motor vehicles £	Total £
Cost or deemed cost			
Balance at 1 September 2024	14,258,861	136,225	14,395,086
Additions	-	29,584	29,584
Disposals	(1,109,891)	(43,493)	(1,153,384)
Balance at 31 August 2025	13,148,970	122,316	13,271,286
Depreciation and impairment			
Balance at 1 September 2024	4,097,470	92,631	4,190,101
Charge for the year	-	14,370	14,370
Eliminated on disposals	-	(38,228)	(38,228)
Balance at 31 August 2025	4,097,470	68,773	4,166,243
Net book value			
At 31 August 2025	9,051,500	53,543	9,105,043
At 1 September 2024	10,161,391	43,594	10,204,985

As outlined in the accounting policies, the charity has chosen not to revalue its tangible fixed assets, in line with the transitional provisions of FRS 15. However, each year, the charity assesses whether an impairment provision is necessary. The remaining property, which the charity plans to retain for its own use, has been impaired based on its revised insurance valuation. The Trustees believe this provides a fair representation of the value of the remaining site, in the absence of a formal valuation.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

12 Investments

	2025		2024	
	Cost	Market value	Cost	Market value
	£	£	£	£
UK fixed income				
British Government Bonds	-	-	171,568	169,277
Investment Companies	-	-	68,298	65,185
Other fixed interest	54,250	51,920	44,079	41,647
Europe fixed interest	-	-	39,285	40,116
Equities: UK	239,986	253,059	424,654	456,688
European	105,335	126,869	257,604	294,091
Global	107,657	166,004	378,659	486,326
Other: Emerging markets	101,056	104,671	135,830	141,585
Commercial property	-	-	67,273	57,085
Specialist	40,679	42,965	40,679	35,148
Alternatives	48,180	57,855	118,627	127,427
	697,143	803,343	1,746,556	1,914,575
Monies held for investment in UK:				
National Savings	-	-	2,492	2,492
Monies held by stockbroker	1,736	1,736	288,906	288,906
Treasury deposits	-	-	706,629	706,629
	698,879	805,079	2,744,583	2,912,602

	Market value 1 September 2024 £	Additions £	Disposals £	Investment gains and losses £	Transfer to new CIO £	Market value 31 August 2025 £
Quoted investments	1,914,575	939,003	(207,974)	(54,000)	(1,788,261)	803,343

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

13 Current assets

	2025 £	2024 £
Debtors		
Prepayments and accrued income	61,657	66,382
Income tax recoverable	2,320	2,320
Other debtors	992,539	879,741
	<hr/>	<hr/>
Gross debtors	1,056,516	948,443
Less inter-fund debtor	(955,005)	(873,231)
	<hr/>	<hr/>
Total debtors (net of inter-fund debtor)	101,511	75,212

14 Cash at bank and in hand

	2025 £	2024 £
Cash at bank and in hand		
Interest bearing accounts	220,219	268,693
Cash balances	4,477	5,075
	<hr/>	<hr/>
	224,696	273,768

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

15 Liabilities

	2025	2024
	£	£
Amounts falling due within one year		
Creditors	165,315	145,498
Deferred income	47,812	24,353
Payroll	-	18,611
Accruals	857,453	766,654
	<hr/>	<hr/>
Gross liabilities	1,070,580	955,116
Less inter-fund creditor	(955,005)	(873,231)
	<hr/>	<hr/>
Total creditors (net of inter-fund creditor)	115,575	81,885
	<hr/>	<hr/>
Deferred income		
Balance at 1 September 2024	24,353	24,132
Amounts deferred in the year	47,812	24,353
Amounts released to incoming resources in the year	(24,353)	(24,132)
	<hr/>	<hr/>
Balance at 31 August 2025	47,812	24,353
	<hr/>	<hr/>

16 Borrowings and contingencies

During the year ended 31 August 2003, the trustees donated funds to Loreto College, Manchester in order for the College to invest in capital expenditure. These funds were generated by the disposal of a portion of land at the College which was subject to covenants by Manchester City Council. The Council allowed the disposal of the land to take place in exchange for a covenant on the remaining land, such that, should the College land and buildings be disposed of within 40 years from the date of sale of the surplus land, Manchester City Council would be entitled to receive £1,050,000 from the proceeds of sale.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

17 Movement in funds

Current year

	Balance 1 September 2024 £	Change in investment valuation £	Fund transfers £	Activity in year £	Donation to new CIO £	Balance 31 August 2025 £
--	-------------------------------------	---	------------------------	--------------------------	-----------------------------	-----------------------------------

Restricted funds

Patrimony	881,579	57,820	(46,000)	15,795	-	909,194
Ministry - Appeal funds	5,911	-	-	(3,476)	-	2,435
Ministry - Drawn Together	11,485	-	-	9,833	-	21,318
Ministry - Albania	6,500	-	-	-	-	6,500
	905,475	57,820	(46,000)	22,152	-	939,447

Designated funds

Ministry

Functional property	2,759,681	-	-	-	-	2,759,681
Other Ministry funds:						
Investments	356	-	-	(356)	-	-
General	(828,753)	-	-	(103,804)	-	(932,557)
	1,931,284	-	-	(104,160)	-	1,827,124

Province

Functional property	8,748,743	-	-	(2,456,924)	-	6,291,819
Transport	37,698	-	-	15,845	-	53,543
Other Province funds:						
Investments	1,190,039	(111,820)	-	35,992	(1,573,322)	(459,111)
General	571,443	-	46,000	1,899,762	(1,049,273)	1,467,932
	10,547,923	(111,820)	46,000	(505,325)	(2,622,595)	7,354,183

Total funds	13,384,682	(54,000)	-	(587,333)	(2,622,595)	10,120,754
-------------	-------------------	-----------------	----------	------------------	--------------------	-------------------

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

18 Movement in funds (continued)

	Balance 1 September 2024 £	Change in investment valuation £	Fund transfers	Activity in year £	Donation to new CIO £	Balance 31 August 2025 £
Restricted	905,475	57,820	(46,000)	22,152	-	939,447
Ministry	1,931,284	-	-	(104,160)	-	1,827,124
Province	10,547,923	(111,820)	46,000	(505,325)	(2,622,595)	7,354,183
Total funds	13,384,682	(54,000)	-	(587,333)	(2,622,595)	10,120,754

Restricted funds

- **Patrimony**

This fund comprises the dowers made by individual sisters and any legacies received by sisters during their lifetime. When a sister dies, the dower/legacy is released to the Province Fund.

- **Loreto College St Albans Appeal Fund**

Income consists of donations received to assist in funding the on-going development of the school site. The fund is used to fund the trustees' contribution to small building works.

- **Loreto Sisters Drawn Together Fund**

This fund supports the work of the English Province at Harpenden Children's Centre.

- **Loreto Sisters Albania Fund**

This fund supports the work of the English Province in Albania.

Designated unrestricted funds

- **Ministry**

To support the works of the members in their ministries.

- **Province**

To support the sisters and to care for them when they are sick and aged.

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

18 Movement in funds (continued)

Prior year

	Balance 1 September 2023 £	Change in investment valuation £	Change in fixed asset valuation	Fund transfers £	Activity in year £	Balance 31 August 2024 £
Restricted funds						
Patrimony	771,215	95,052	-	-	15,312	881,579
Ministry - Appeal funds	7,328	-	-	-	(1,417)	5,911
Ministry - Drawn Together	17,143	-	-	-	(5,658)	11,485
Ministry - Albania	-	-	-	-	6,500	6,500
	795,686	95,052	-	-	14,737	905,475
Designated funds						
Ministry						
Functional property	6,857,151	-	(4,097,470)	-	-	2,759,681
Other Ministry funds:						
Investments	356	-	-	-	-	356
General	(744,626)	(5,834)	-	-	(78,293)	(828,753)
	6,112,881	(5,834)	(4,097,470)	-	(78,293)	1,931,284
Province						
Functional property	8,748,743	-	-	-	-	8,748,743
Transport	37,698	-	-	-	-	37,698
Other Province funds:						
Investments	1,136,108	53,931	-	-	-	1,190,039
General	1,038,392	-	-	-	(466,949)	571,443
	10,960,941	53,931	-	-	(466,949)	10,547,923
Total funds	17,869,508	143,149	(4,097,470)	-	(530,505)	13,384,682

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

18 Movement in funds (continued)

	Balance 1 September 2023 £	Change in investment valuation £	Change in fixed asset valuation £	Fund transfers £	Activity in year £	Balance 31 August 2024 £
Restricted	795,686	95,052	-	-	14,737	905,475
Ministry	6,112,881	(5,834)	(4,097,470)	-	(78,293)	1,931,284
Province	10,960,941	53,931	-	-	(466,949)	10,547,923
Total funds	17,869,508	143,149	(4,097,470)	-	(530,505)	13,384,682

18 Analysis of net assets between funds

Current year	Restricted	Unrestricted	Unrestricted	Total 2025 £
	funds £	funds Ministry £	funds Province £	
Fixed assets	805,079	2,759,681	6,345,362	9,910,122
Current assets	38,843	149,966	137,398	326,207
Creditors: amounts falling due within one year	(4,977)	(27,016)	(83,582)	(115,575)
	838,945	2,882,631	6,399,178	10,120,754
Inter-fund debtor / (creditor)	100,502	(1,055,507)	955,005	-
	939,447	1,827,124	7,354,183	10,120,754

CONGREGATION OF JESUS (LORETO SISTERS) ENGLISH PROVINCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

19 Analysis of net assets between funds (continued)

Prior year	Restricted funds £	Unrestricted funds Ministry £	Unrestricted funds Province £	Total 2024 £
Fixed assets	781,579	2,760,037	9,575,971	13,117,587
Current assets	21,901	73,675	253,404	348,980
Creditors: amounts falling due within one year	(4,505)	(29,196)	(48,184)	(81,885)
	798,975	2,804,516	9,781,191	13,384,682
Inter-fund debtor / (creditor)	106,500	(873,232)	766,732	-
	905,475	1,931,284	10,547,923	13,384,682

19 Charitable Incorporated Organisation conversion

The Trustees have authorised the transfer of the whole of the charitable trust (the aims and objectives in the trust document, the charitable trust assets, liabilities and operations) into a 'Charitable Incorporated Organisation (CIO)'. Certain assets and liabilities were donated in the year, and the remaining donation was completed on 1 September 2025.

20 Related parties

As noted in the trustees' report, Loreto Education Trust is an associated charity. Loreto Education Trust provides services to Loreto Preparatory School (Altrincham). During the year payments of £25,000 (2024: £nil) were made to the Trust.

The charity provided the land and buildings for the use of Loreto College (St Albans) and Loreto Grammar School (Altrincham) under supplementary agreements, rent free, throughout the year and previous year.

21 Capital commitments

Capital commitments amounted to £nil (2024: £nil).

22 Post balance sheet events

As described in note 20, subsequent to the balance sheet date but prior to the approval of these financial statements, the Trustees approved the transfer of the Charity's activities, assets and liabilities to a newly established Charitable Incorporated Organisation (CIO).

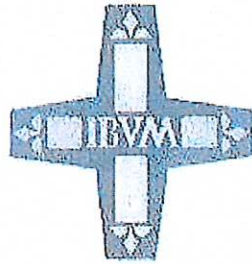
This constitutes a non-adjusting post balance sheet event. Following this transfer, the operations of the Charity will cease and the Charity is expected to be removed from the register of charities.

Congregation of Jesus (Loreto Sisters) English Province

England & Wales - Charity number 250607

Accounts

Registered Charity No. 250607



**Institute of the Blessed Virgin Mary
Commonly called
The Sisters of Loreto**

Trustees' Report and Financial Statements

**For The Year Ended
31 August 2024**

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

CONTENTS

	Page
Charity reference and administrative details	2
Trustees' annual report	3
Independent auditor's report to the Trustees	17
Statement of financial activities	20
Balance sheet	21
Statement of cash flows	22
Notes to the accounts	23

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

**CHARITY REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2024**

Registered charity name	Institute of the Blessed Virgin Mary Commonly Called The Sisters of Loreto
Charity registration number	250607
Registered office	Loreto Education Centre Dunham Road Altrincham Cheshire WA14 4GZ
The Trustees	Miss Kathryn Keigher Miss Uno Coogan Miss Jen Bromham Miss Kathleen Hewitt Miss Ewa Irena Bem
Province Leader	Miss Jen Bromham
Province Consultors	Miss Kathryn Keigher Miss Ewa Irena Bem
Province Treasurer	Miss Bernadette Turtle
Finance Manager	Miss Anne McEvoy
Auditor	MHA Chartered Accountants & Statutory Auditor 14 Mannin Way Lancaster Lancashire LA1 3SW
Investment managers	Investec Wealth and Investment Limited 2 nd Floor, 3 Hardman Street Spinningfields Manchester M3 3HF Hedley & Co 13b Winckley Square Preston PR1 3JJ

INSTITUTE OF THE BLESSED VIRGIN MARY COMMONLY CALLED THE SISTERS OF LORETO

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2024

The trustees present their report and financial statements for the year ended 31 August 2024. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Reference and administrative details

Reference and administrative details are shown on page 2 of these financial statements.

The trustees

The trustees who served the charity during the period were as follows:

Miss Josette Zammit-Mangion (retired 19th December 2023)
Miss Kathryn Keigher
Miss Bernadette Boland (retired 19th December 2023)
Miss Uno Coogan
Miss Kathleen Myers (retired 19th December 2023)
Miss Jen Bromham (appointed 19th December 2023)
Miss Kathleen Hewitt (appointed 19th December 2023)
Miss Ewa Irena Bem (appointed 19th December 2023)

Charitable Status

The English Province of the Institute of the Blessed Virgin Mary commonly known as the Sisters of Loreto is part of an International Roman Catholic Religious Congregation of women present in twenty-three countries.

The accounts accompanying this Report are the accounts of a Charitable Trust, registered with the Charity Commission under a Trust Deed dated 2nd March 1965 in which the assets of the English Province of the Institute in the United Kingdom are held. The registered Charity Number is 250607.

Mission

The Institute's Charitable Trust aims to advance the religious and other works carried out by Sisters of the Institute in collaboration with lay co-workers and to care for those Sisters throughout their lives within the Institute. These works meet the public benefit criteria necessary under the Charities Act 2011 and the Institute operates as a public benefit entity.

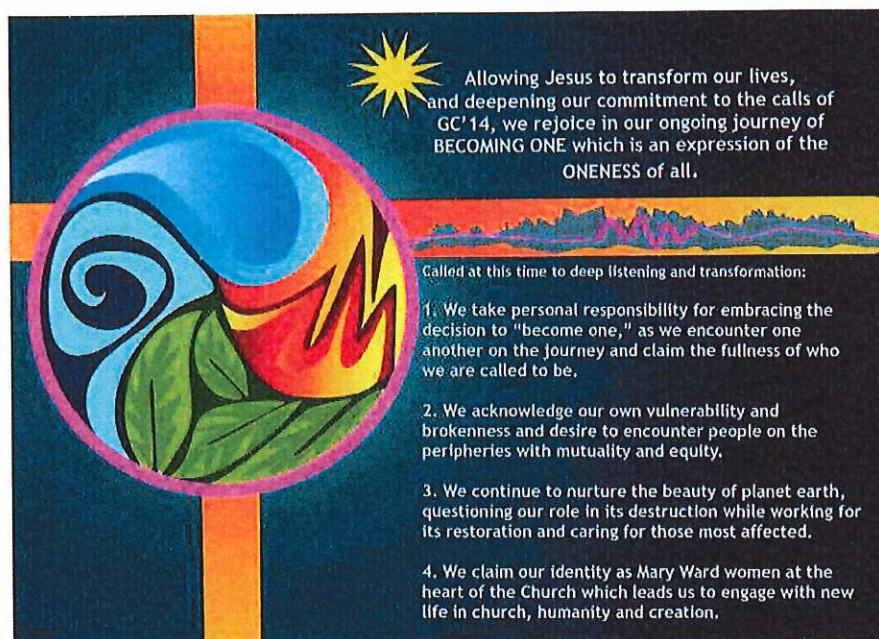
**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Mission (continued)

At our last General Congregation culminating in October 2022, after a process of discernment with our whole Institute, our new focus for mission was expressed in the pictorial representation below.



The reference to 'Becoming One' is an expression of our working towards Canonical Fusion with the Congregation of Jesus (the original foundation by Mary Ward, of which we are currently a Branch).

The works we undertake are reviewed on a continuous basis to assess their effectiveness in the achievement of our aims and the benefits we have provided to those sectors of the community we set out to help. In conducting this review, we have given due regard to the guidance contained in the Charity Commissioner's General Guidance on Public Benefit.

The ministries carried out by the Sisters of the Institute, both in the United Kingdom and overseas, in furtherance of our aims and the provision of public benefit fall into the following main areas:

1. Education
2. Pastoral/Outreach Work
3. Nurturing Religious Faith and Provision of Retreats
4. Overseas Activity
5. Governance, Structure and Management

We are conscious of the ageing profile of the Province and the effect on our capacity for active ministry and the financial implications which have affected our ministries during this past year and will affect our contingency plans for the future.

INSTITUTE OF THE BLESSED VIRGIN MARY COMMONLY CALLED THE SISTERS OF LORETO

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Mission (continued)

1. Education

The main areas of responsibility extend to three schools and a sixth form college in England.

- One Academy for girls - Comprehensive
- One Aided co-educational Comprehensive school
- One Academy for girls – Grammar
- One Sixth Form College supported by the Education Funding Authority

(With the exception of the co-educational comprehensive school, which is under the jurisdiction of the local diocese, the premises for these schools/college belong to the Institute and are made available at no cost).

The Preparatory school closed in July 2023 but some closing expenses are included in these accounts.

The work of the Institute in formal education is conducted through the Loreto Education Trust (LET), a charitable company limited by guarantee established in 2012. The Trust has embraced the need to involve lay trustees and lay officers in sustaining into the future the characteristic spirit of the Institute's college and schools. Nine of the 13 trustees are now lay and the Board has appointed a lay person as Education Officer to lead the Loreto English Education Network (LEEN Group) which is accountable to the Loreto Education Trust. One of the IBVM trustees acts as delegate for education. Additionally, at least one Sister continues to serve on both the schools'/college's governing bodies and their various committees.

LET has established strong monitoring and support procedures that assure the Institute Trustees that the education offered to our young people is in accordance with our objects. Because of the extensive training and development work that LET and LEEN have done with staff and governors over the last decade, the Loreto vision of education and the values that shape that vision are now fully embedded in each of our schools and the college. Our vision is that they will be educational communities where each person has the experience of being loved and valued, communities where students enjoy an enriching and liberating education that helps them to grow in the fullness of life and empowers them to be people of courage who are alive to the needs of humanity and the environment and committed to making a better world.

In the current year LET has focused on responding to the Ofsted and Diocesan Inspections of our schools and college. All but one were Outstanding. The Trust used its Quality and Accountability Process (agreed some years ago with the Heads and Governing Bodies of all establishments) to set up a Strategic Monitoring Group for one of its schools. This has led to deeper reflection on essential information required from schools to assist the Board. As well as this, last year's focus regarding a commitment to funding of three development programmes over two years and the funding of the Loreto Education Officer for three years initially, with a review after two is still in progress.

The schools and college engage in all relevant global concerns, events and fund-raising activities and have forged links with Loreto Schools across the world. Of specific importance at this time is our consciousness of the global climate, and the Institute, schools/college are continuing to put at the forefront the Mary Ward family 7yr Action Plan (2021-2028) in relation to our care for our common home and the living out of an "integral ecology" in response to the Pope's Laudato Si' encyclical.

At a time when we are yet again surrounded by the horrors of war, cruelty and despicable inhumanity our students are aware more than ever of the need for a just and peaceful world. They continue to put Laudato Si' and Sustainability at the centre of their JPIC work. We continue to focus on the directives of our JPIC Office in Rome and our UN Office in New York. In our Loreto communities in the UK, the Sisters who are no longer able to work actively to promote peace and justice continue to do so through their interest and prayer.

INSTITUTE OF THE BLESSED VIRGIN MARY COMMONLY CALLED THE SISTERS OF LORETO

TRUSTEES' ANNUAL REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Mission (continued)

2. Pastoral/Outreach Work

The Trustees continue to make it a priority to reach out to the poor and marginalised in our society. Some Sisters undertake this work in their retirement while two Sisters receive some financial remuneration. One Sister works as Vicar for Religious in a Catholic Diocese, along with work in Canon Law and Safeguarding in the Province and is the lead Religious for safeguarding.

Active retired Sisters continue to work as advocates in support of the voiceless to enable them to secure the help they are entitled to, in justice, from the state and other agencies. Several retired Sisters are involved in community-based programmes and support public institutions in the UK, including childcare and family support, community healthcare, general and mental health, and psychotherapy. One Sister operates as part of an interfaith chaplaincy team in hospital. Additionally, some Sisters work closely in supporting refugees, asylum seekers, migrants and victims of international trafficking. This work involves meeting with, listening to, supporting and signposting clients to the appropriate staff or agencies best suited to address their needs. The work also involves some English teaching and helping with basic needs and providing translation services where needed.

One Sister is in ministry in Albania through Mary Ward Loreto (registered in Albania) which aims to transform the lives of victims, potential victims and survivors of human trafficking. The core mission of Mary Ward Loreto is the eradication of human trafficking from Albania, with a specific emphasis on thwarting cases bound for the UK. MWL operates as a non-profit organization, dedicated to combatting this grave issue through a comprehensive three-fold approach encompassing **advocacy, prevention, and support for PV/VoTs** (Potential Victims/Victims of Trafficking).

One Sister has recently returned from ministry in the **Philippines (Institute of Formation Fondacio Asia)** - where a holistic Program in addition to academic formation, introduced students to the areas of both human and spiritual development. Catholic Social Teaching became a living reality when the students experienced living with families, as they engaged in projects amongst the poor and indigenous communities in collaboration with Youth Commissions. Other opportunities exposed them to organizations supporting the homeless and families living in poverty.

As a member of the Formation Team, this Sister was responsible for introducing the young people to the Old and New Testament; offering them experiences using different methods of prayer; enabling them to lead prayer and prepare for the weekly Community Mass. As coordinator of the Pastoral Track, she drew on the insights of 'The Joy of the Gospel' by Pope Francis for evangelization, faith and catechesis.

One Sister continues working with Revive, a group supporting refugees and asylum seekers, teaching English each week to both new arrivals and those who have been in UK several years without access to English. Links in the neighbourhood have been strengthened through involvement of local church parishioners and friends. Several families have invited refugee children to play with their own children or make monthly contributions to special needs families.

A few retired Sisters contribute to parish life as Extraordinary Ministers of the Eucharist, Readers, Catechists, and through their support of parishioners and parish initiatives. At an international level Sisters engage with interest groups especially in the field of music, art and writing. They have a particular focus on highlighting current issues and exploring the spiritual embodied in art. Work is on-going to raise awareness of Mary Ward and the work of the Institute. Many Sisters have established links with the Mary Ward family across the world, and information and visits to significant sites are facilitated.

INSTITUTE OF THE BLESSED VIRGIN MARY COMMONLY CALLED THE SISTERS OF LORETO

TRUSTEES' ANNUAL REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Mission (continued)

One Sister continues to work within the Loreto Drawn Together (LDT) initiative. LDT offers a specialist psychoanalytic parent-infant psychotherapy (PIIP) intervention to parents and their babies who are struggling in their new relationship. This service provides in-person sessions in a Well-Being Centre and an online service for parents and their infants. During the year the service has further developed bereavement interventions for parents and their toddlers who have experienced baby loss. Art therapy interventions have been developed for emotionally upset under-fives. In addition to their individual work, both the PIIP therapists and the Art Therapists offer parent support sessions for distressed parents. All the therapists engage with the wider network in the area and they are strongly linked with the health visiting team and local GP's. The therapists avail of appropriate CPD training and are full members of their respective professional bodies.

Our Sisters' work is not just restricted to their chosen ministries. Throughout the year, the Members of the Institute give their time to assist the poor and marginalised wherever that need arises. Many of the Sisters receive no financial reward for the work they undertake and which contributes to the overall achievement of the charity's objectives.

3. Nurturing of Religious beliefs and provision of Retreats

Loreto Spirituality Centre continues to adapt, as we strive to meet the needs of today's world. A Manager is employed to see to the day to day running of the Centre and to line manage the staff. Two Sisters work full time in the Centre, and provide a programme of retreats and courses to meet the spiritual needs of our times. One other Sister, who lives elsewhere, is also involved and comes to the Centre on a regular basis to work on our retreats.

The events on the programme include silent individually guided retreats, varying in length from a weekend to 30 days, preached retreats and themed retreats. Our Holy Week gathering is specifically aimed at young people and families. The Theology Summer School is also a popular event on the Centre Calendar, as is 'Space to Grieve' which offers support to those recently bereaved.

The Sisters on the spirituality team also meet regularly with those who ask for on-going spiritual direction, either in person or on zoom, making it possible to reach out beyond geographical boundaries.

The Centre also offers hospitality to groups who wish to run their own events some of whom are spirituality based and others of a more general nature. For example several religious congregations held meetings during the year, as well as individuals and groups of people in caring ministries who are looking for a period of respite. Some groups continue to come annually. One such group is SPANNED (Supporting People with Additional Needs) a group from the Diocese of Nottingham, who come for a break with their carers.

In addition, there are a limited number of rooms available for those wishing to avail of self-catering facilities.

A large equipped conference room is also available for daily events.

To ensure that nobody is excluded for financial reasons, a bursary has been set up to enable the unemployed and low-waged to come for retreats and courses.

In common with many religious congregations the Centre faces the dilemma of meeting ever rising costs with a declining income. This shortfall has had to be met from existing funds, but action is being taken to ensure that this utilisation of resources is conducted in a manner which protects the future financial security of the works and membership.

INSTITUTE OF THE BLESSED VIRGIN MARY COMMONLY CALLED THE SISTERS OF LORETO

TRUSTEES' ANNUAL REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Mission (continued)

4. Overseas Activity

The Institute globally has the aim to advance the religious and other charitable work in the Developing World. The work of the English Province in the Developing World is carried out mainly through the Teresa Ball International Solidarity Fund, registered charity no. 1080521 and Company no. 3914049, a charity under common control. The mission in Albania is part of the English Province mission.

5. Governance, Structure and Management

In terms of **Canon Law**, the Institute is governed at an international level by the Institute Leader and her Council in Rome. They are elected every eight years at a meeting of representatives of all the Provinces and Regions of the Institute. This last General Congregation was held in 2022 and elected a new Institute Leadership Team. At every General Congregation the focus for the next eight years is mandated to Institute Leadership. The mandate we are currently working with has been shown earlier in this report.

In terms of **civil law**, the charity is governed by a Trust Deed dated 2 March 1965 and is registered with the Charity Commission. The Charity Commission number is 250607. There is also a new Scheme approved by the Charity Commission dated 28 July 2003, which amends the governing document to 'the work of the English Province' which in some cases extends outside the United Kingdom.

A new CIO, charity number 1202949, has been set up and within the financial year to 31 August 2025 all the assets and liabilities of the charity no. 250607 are expected to be transferred to the new CIO. A deed of transfer has been drawn up for this to happen. The governing document of both charities provide for ultimate decision making, including the appointment and retirement of trustees, at the sole discretion of the Province Leader.

The lay finance manager retired during the year and the position is now occupied by one of the Sisters. A finance and Properties Committee offers assistance to the Trustees and Leadership Team.

The pay and remuneration of the Institute's employees, including key management personnel, is reviewed annually by the Finance and Properties Committee which then makes its recommendations to the Trustees.

The names of the Trustees on 31 August 2024 are set out on the attached schedule of legal and administrative details.

The Trustees, Treasurer and Finance Manager regularly attend seminars arranged by CoREW (Conference of Religious in England and Wales), The Association of Provincial Bursars and various professional bodies, including the Annual Catholic Conference, to keep abreast of current legislation and sector developments.

As the Institute's main ministry has traditionally been educational all five trustees are currently fully qualified teachers. Some have later trained in other disciplines including pastoral/psychotherapy/spiritual ministries.

INSTITUTE OF THE BLESSED VIRGIN MARY COMMONLY CALLED THE SISTERS OF LORETO

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Responsibilities of the trustees

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 Charity, and of the income and expenditure of the Charity, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charity's governing document, the Charities Act 2011, the Statement of Recommended Practice: Accounting and Reporting by Charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and UK Generally Accepted Accounting Practice.

Structure and Management Reporting

The Trustees are ultimately responsible for the policies, activities, and assets of the charity. During this year there were five Trustees. The Province structure is composed of a Province Leader and two Consultors. There is a Matron who takes responsibility for the care of the sick elderly sisters and the Province Leader and her Consultors keep in contact with the Sisters working around the country. The Leadership Team meets monthly for the care of the Province to review ministries and to discuss forward planning. The finance manager reports monthly to this meeting on the current financial state of the Province and at other ad hoc intervals at the request of the Leadership Team to provide financial input to decision making.

The Trustees, of whom three make up the Leadership Team, meets with the Finance and Properties Committee. The purpose of this committee is to advise the Leadership Team on all matters relating to finance, land and buildings. When necessary, the Trustees seek advice and support from the charity's professional advisers including property consultants, investment managers, lawyers and accountants. The day-to-day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Institute and to senior staff.

The day-to-day responsibility for the schools lies with the Headteachers and governors, and members of the Institute are on all the governing bodies. The day-to-day management of both our Loreto Spirituality Centre and Loreto House is carried out by our two lay managers.

INSTITUTE OF THE BLESSED VIRGIN MARY COMMONLY CALLED THE SISTERS OF LORETO

TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Working with other organisations

Through its members the charity works closely with other charities and organisations which include the following:

- Roman Catholic Dioceses
- Jesuit Spirituality Centres in Britain
- Local education authorities
- Educational establishments
- Other Religious Congregations
- Caritas Albania
- Mary Ward Loreto Albania UK
- Caritas England and Wales
- Salvation Army
- CSSA (Catholic Safeguarding Standards Agency)
- RLSS (Religious Life Safeguarding Service)
- Northwest Religious Orders Safeguarding Network Support Group
- National Health Service
- Fondacio Asia – Philippines
- Anawim Arts – Canada

Risk Assessment Statement

The Trustees manage risk by reference to both long established, documented procedures and systems of control and current Charity Commission guidance on best practice. The Trustees believe that all major risks have been identified and reviewed and that systems and procedures are in place to manage these risks. In carrying out their assessment the Trustees have identified five main areas where risks may occur:

- 1: Governance and Management
- 2: Operational
- 3: Financial
- 4: Reputation
- 5: Laws, regulations, external and environment

- 1: **Governance and management** look at the structure of the Institute, and hence the charity, and the skills and training of its members and staff, and the good use of its resources.
- 2: **Operational** looks at the risks inherent in the charity's activities including the operation of its schools/college, and Loreto Spirituality Centre; Sisters/Staff engaging in various activities, the unsuitability of buildings, poor maintenance, shortcomings in the services provided, difficulties with staff, poor health and safety, lack of a disaster recovery policy etc. When acting in their capacity as school governors, the Trustees and Sisters are required to regularly attend training courses and seminars, particularly concerning safeguarding, but also risk assessment generally.
- 3: **Financial** risks include those arising as a result of poor budgetary control, poor accounting, inappropriate investment policies etc. Financial risk also extends to the security of the Institute's future income streams, in particular the receipt of pensions and salaries which currently account for 83% of Province Fund income. This aspect of risk is an important factor in the production of the Institute's strategic plan. The Institute manages its financial affairs by reference to an annual budget, performance against which is monitored by the trustees.

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

**TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

Risk Assessment Statement (continued)

- 4: **Reputational** looks at possible damage to the Institute's and/or charity's reputation. We take the issue of safeguarding extremely seriously.

In line with statutory requirements, the Trustees recognise the absolute necessity of ensuring the protection and safety of all those the charity serves. All Sisters who are in any kind of ministry in the United Kingdom obtain Disclosure and Barring Service clearance as do the staff at Loreto House. Our Safeguarding Lead keeps abreast of Institute and statutory policy and controls the DBS checks on Sisters and employees. The Safeguarding Lead also reports annually to the Leadership Team. Safeguarding is a topic on all Province and Leadership Meetings agendas.

After much delay, the CSSA (Catholic Safeguarding Standards Agency) issued their contract for members which we signed in March 2023. At the Province gathering in September the Safeguarding Trustee gave a powerpoint presentation with input on CSSA, RLSS (Religious Life Safeguarding Service), the eight standards including how to respond to an allegation and on the safeguarding audit. Members attended the RLSS AGM and the CSSA held a zoom meeting because of their concern that their contract was not 'fitting the purpose'. This was attended by our Safeguarding Lead. Since then she has been preparing the self-assessment form and required evidence for when we are given an audit date. She has also ensured that all DBS are renewed as required and are up to date.

There have been no allegations or concerns.

- 5: **Laws, regulations, external and environment** look at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment in the charity's establishments.

The work of the Trustees in assessing and minimising exposure to risk is supported by the Province Treasurer and Finance Manager. They are members of the Association of Provincial Bursars, an association set up over thirty years ago for Bursars of Religious Congregations both Catholic and Anglican, and through this Association they keep up to date with current legislation and developments. Furthermore, they and many of the sisters attend courses in support of their ministry or Institute management. These courses are either run by the professional bodies of which they are members or other appropriate organisations.

The Institute is GDPR compliant and annually reviews its Cyber Security Policy.

In conducting their assessment, the Trustees necessarily gave due regard to the declining numbers of Institute members and the rising average age of those who remain. The main sources of income to the Institute are the pensions and salaries of the sisters and as they grow older this income is inevitably declining.

Additionally, the payroll costs currently being incurred will increase as more people are employed to undertake work now being carried out on a voluntary basis by the Sisters. The Trustees have ensured that procedures and controls are in place to protect the property and investment assets of the Institute so that financial resources are available into the future to meet additional funding requirements resulting from this ageing process.

INSTITUTE OF THE BLESSED VIRGIN MARY COMMONLY CALLED THE SISTERS OF LORETO

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Care for Members of the Institute

Those members of the Institute who earn salaries or receive pensions covenant them to the charity and therefore have no independent means of support. Many also give their services free in their various ministries and continue to do so well beyond retirement age. Hence the work of the charity includes the upkeep of the members so that they will be able to continue in their service to the public.

Additionally, the charity must also care for the elderly members of the Institute who are now themselves in need of care. These Sisters have no resources of their own and have devoted their whole lives to the educational, pastoral, social and other ministries of the Institute, which now has a moral and legal obligation to provide for their care. In common with many religious congregations in the United Kingdom, the age profile of the members of the Institute is increasing as existing members grow older and there are no new vocations. As the age profile increases so too does the need to provide increasingly expensive care for the Sisters, a cost which is borne almost exclusively by the charity since, as members of a religious community, we are not entitled to claim certain benefits from the state e.g. pension credit.

In the past twelve months four Sisters have died.

There are 31 Sisters in the English Province, and they live and work in several locations across England, Scotland and Wales. One Sister works overseas while another has recently returned from the Philippines.

The Institute has established Powers of Attorney for all its Sisters to ensure that their wishes continue to be followed should they become incapacitated through ill health and unable to make decisions for themselves.

Over the next decade the Trustees expect the number requiring care to increase. Consequently, the Trustees are carefully considering the impact of this on the work of individual Sisters of the Institute, the property requirements and the financial implications. The aims of the Trustees are as follows:

- To ensure that all Sisters receive the care that they require to provide them with a good quality of life. To review the charity's properties used as community houses and assess their suitability as homes for the frail elderly. Those identified as being unsuitable will need to be adapted or, if this is not possible, sold and replaced with more appropriate properties.
- To enable all members of the Institute to continue with their ministries and live independently for as long as possible after their official retirement age.

We continue to provide care for our elderly and frail sisters in Loreto House under the direction of our experienced Matron and her dedicated team. Sisters receive around the clock care, tailored to their needs, aimed at enabling independence for as long as possible. Situated as it is, close to our Loreto Spirituality Centre, it enables our elderly sisters to connect with ministry which is central to the mission of the Institute.

Employees, Volunteers and Members of the Institute

The Trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and those Sisters of the Institute who are involved with its administration – without their contribution the charity would not be able to function as effectively or fully as it does. Their dedication, enthusiasm and active participation in our ministry is very much appreciated.

Grants, Donations and Support of Missionary Work and Ministry

Grants, donations and other payments in support of ministry are decided on by the Trustees in consultation with the members of the Institute as appropriate. While the Trustees give occasional support to United Kingdom based organisations and to individuals within the objects of the charity, the charity does not regard itself as a grant making entity and applications for grants and donations are not invited.

INSTITUTE OF THE BLESSED VIRGIN MARY COMMONLY CALLED THE SISTERS OF LORETO

TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Fundraising Policy

The charity has undertaken some small-scale fundraising activities during the year. All fundraising activities have been undertaken in accordance with the applicable regulations. The charity does not work with commercial partners and has received no complaints in relation to its fundraising activities.

Investment Policy

The charity has a portfolio of investments with a market value of £1,914,575 (2023: £1,757,425) managed by two long established stockbroker firms with much experience in investing funds for charitable organisations - Investec Wealth and Investment Limited and Hedley & Co. Both firms operate within specific guidelines, which are set out and regularly reviewed by the Trustee appointed Investment Committee. The Investment Committee in turn reports twice annually to the trustees. There are no restrictions on the charity's power to invest.

As well as these investments a further £998,027 (2023: £149,806) is held on special deposits to be recalled when needed to meet our contingent liabilities and planned works.

The portfolios represent a long term investment with the objective of generating a real return from capital together with a certain level of income. Because the Province needs to draw down funds monthly to meet expenditure and in order to ensure that the investments are given every chance to grow one investment portfolio was cashed in and the proceeds put into a high interest bearing liquidity fund so that the monthly needs of the Province can be taken out of this rather than the investment portfolios thus giving it a greater chance to grow and meet the future needs of the charity. One property was also sold during the year and the proceeds divided between the Liquidity Fund and the investment portfolio.

The Charity requires the investment managers to have regard to its ethical screening policy when making investment decisions. In addition to specifically excluding some areas of investment (for example in any companies having significant profits from armaments, gambling or life determination) the policy also requires the managers to avoid investment in companies with continuing issues of exploitation of its workforce or deprivation of human rights, being activities contrary to Christian objectives. The screening process adopted by the Charity is an independent service provided by Ethical Screening Services Ltd but operated by Investec Wealth and Investment Limited. The adoption of this screening process is applied to both investment portfolios.

The investment committee meets several times during the year to review the performance of the portfolio and the continued appropriateness of the charity's investment strategy. The investment managers attend these meetings to present a formal report on an ad hoc basis but at least annually.

The investment strategy is to achieve a balanced return from income and capital growth by reference to recognised charity sector benchmarks subject to a medium risk portfolio structure.

Achievements and Performance

Financial Review

Results for the year

During 2023/24 incoming resources amounted to £1,317,098 (2023: £2,350,855). Of this total, £275,790 (2023: £1,216,773) related to fee's receivable at the retreat centre (and in 2023 the preparatory school as well) and legacies received amounted to £nil (2023: £103,075). Salaries and pensions of the sisters covenanted to the charity amounted to £933,442 (2023: £815,761), the increase being mostly due to a retirement lump sum of £171,240. Investment income and interest received totalled £60,783 (2023: £77,309). This is a 21.4% decline in investment income (2023: 4.8%).

INSTITUTE OF THE BLESSED VIRGIN MARY COMMONLY CALLED THE SISTERS OF LORETO

TRUSTEES' ANNUAL REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Results for the year (continued)

Resources expended totalled £1,847,603 (2023: £3,387,655) a decrease of 45%. Staff costs at the retreat centre still represent a significant proportion (12%) of total expenditure, amounting to £215,157 (2023: £911,762).

Expenditure on maintaining the members of the Institute and supporting them in their pastoral work and ministry totalled £1,599,541 (2023: £1,676,529) representing a decrease of 5%. Of this, the running costs and maintenance of buildings were £503,468 (2023: £606,554) and carers' payroll and nursing costs were £637,415 (2023: £545,279). Expenditure on governance and the fees paid to the charity's investment managers amounted to £115,817 (2023: £85,606).

Investment values picked up in 2023/24 resulting in a gain of £143,149 (2023: £6,554 gain).

Fixed assets were revalued in 2023/24 resulting in a loss of £4,097,470 (2023: £nil). As noted in Note 12, this impairment reflects the charity's agreement to sell part of its land to a third party, with the land and associated property being impaired to the expected sale proceeds. The remaining property, which the charity plans to retain for its own use, has been impaired based on its revised insurance valuation. The Trustees believe this provides a fair representation of the value of the remaining site, in the absence of a formal valuation.

Net movement of funds for the year was an outflow of £4,484,826 (2023: £1,030,246).

Funds to carry out the works of the charity come from various sources:

- SFA and YPLA in the Sixth Form College
- LEA and DfE in the two aided schools
- Donations from those who come to the retreat centre
- Donations received specifically for the mission in Albania
- The salaries and pensions of the members of the Institute
- Income from investments

We are not a fundraising charity, although our mission in Albania seeks funds from individual donors based on generating awareness but does not undertake general advertising campaigns.

The Institute has a commitment to make contributions to the schools and college, particularly regarding the maintenance of their chapels where other sources of funding are not available, and some of the funds on deposit are reserved for this purpose.

Functional property belonging to the Institute has been included on the Balance Sheet at Trustees' valuation in 1996, which was achieved with help from professional advisers. The school's element of this valuation has since been revalued, and each year we consider whether any impairment provision is required.

Reserves Policy

The reader will see from the information given that the charity carries out a diverse range of activities and is responsible for the care and support of sisters whose average age is increasing and whose needs are changing. The trustees have examined the need for free reserves i.e., those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. For several years the charity has looked to its assets to make good shortfalls of income from expenditure by providing the necessary funding to maintain liquidity. The trustees consider that, given the nature of the charity's work, its commitments and the age profile of its members, this funding requirement will continue into the foreseeable future and therefore it is unlikely that uncommitted reserves will become available.

Financial Position

The balance sheet shows total reserves of £13,384,682 (2023: £17,869,508). Of this £10,204,985 (2023: £15,643,592) is represented by properties and other tangible fixed assets essential for the support and work of the sisters.

INSTITUTE OF THE BLESSED VIRGIN MARY COMMONLY CALLED THE SISTERS OF LORETO

TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Financial Position (continued)

The Institute has divided its unrestricted assets into two designated funds:

1. Province Fund - to support the Sisters in their work as they give their services voluntarily and to care for them when they are sick and aged. The value of this fund is £10,547,923 (2023: £10,960,941) of which £7,445,304 (2023: £8,786,441) represents tangible fixed assets. The net current assets of the fund are £971,952 (2023: £1,038,392). Shortfalls of income to meet short term operating requirements continue to be met from investment realisations.
2. Ministry Development Fund - to support our schools, establishments and other charitable donations made for the public benefit within the terms of our governing document. The value of this fund is £1,931,284 (2023: £6,112,881) of which £2,759,681 (2023: £6,857,151) represents tangible fixed assets. The net current assets of the fund are £828,753 in deficit (2023: £744,626 in deficit), the increase being due to further costs in respect of the closure of the preparatory school.

Future Plans

The trustees have resolved to modernise their structure by changing the form of their operating document from trust deed to one of Charitable Incorporated Organisation. The new Charity has been registered and plans to convert advanced pending the completion of registered land transfers.

The trustees have further resolved to an operational merger under a Canonical Fusion with the Congregation of Jesus but plans for this merger remain at an early stage. The charity is currently continuing to operate as an independent charity, but there is an agreement to work closer together with the Congregation of Jesus and potentially merge in the future.

Whilst the Trustees do not anticipate any significant change to the charity or its activities over the next two to five years they are constantly reviewing works of the Institute in the light of a changing world and its own ageing membership. To that end the membership continues to review its ministry works for the next ten years and how they will be achieved and provide public benefit. The Trustees opinion is that the Charity will continue to provide public benefit by continuing to meet the following objectives:

- To continue to be Trustees for two Loreto schools and a Loreto Sixth Form College;
- To continue the development of Loreto ethos at Loreto Chorlton and to continue the provision of Loreto Sisters as foundation governors;
- To continue to provide training for its school governors;
- To continue to support other schools;
- To continue to control Loreto Education Trust, a company limited by guarantee and established to manage the operations of the schools and college whilst at the same time continuing the ethos of Mary Ward into the future;
- To continue to develop new projects which deliver public benefit such as the Loreto Drawn Together Project;
- To continue with its pastoral/outreach work at several locations across the country;
- To continue the development of the Loreto Spirituality Centre in Llandudno;
- To maintain and increase awareness of the religious tenets of its founder, The Venerable Mary Ward;
- To continue to care for the Sisters and enable them to carry out their various ministries where they will continue to reach out to the poor and marginalised and the victims of trafficking;
- To meet the requirements of the various statutory bodies;
- To continue to employ high quality staff and to ensure they are given appropriate and relevant training;
- To support the work of the English Province in Albania;
- To monitor the needs of the sisters as they grow older and, if necessary, adapt the charity's plans in respect of property needs and the provision of care to elderly members;
- To continue to work with church and statutory bodies to ensure that professional standards in relation to safeguarding are maintained.
- To continue to encourage new membership.

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

**TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

Future Plans (continued)

- To continue the conversion of the Charity to a Charitable Incorporated Organisation, having established the new body in the prior year.

However to ensure that sufficient funds continue to be available to carry out the works of the Charity the Trustees will carry out a review of income and expenditure and make decisions accordingly.

Auditor

Following the merger of MHA Moore & Smalley with MHA, the charity's independent auditor has now become MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

Approval

The Trustee's report was approved on 27/02/2025 and was signed on their behalf by:

Jen Bromham

**Miss J Bromham
Trustee**

INSTITUTE OF THE BLESSED VIRGIN MARY COMMONLY CALLED THE SISTERS OF LORETO

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024

Opinion

We have audited the financial statements of The Institute of the Blessed Virgin Mary Commonly called The Sisters of Loreto (the 'Charity') for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the notes to the financial statements, including significant 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 Charity's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 auditors responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

As explained in note 20, the trustees intend to transfer the whole of the charitable trust into a 'Charitable Incorporated Organisation (CIO)'. In undertaking our going concern assessment, we have considered the application of the requirements of the accounting standard to the circumstances of the Charity. As an unincorporated Charity, this is not a separate legal entity and, as the intention is for the charitable activities to continue through the CIO, we have concluded that the trustees' use of the going concern basis in the preparation of the financial statements remains 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 Charity'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 other information comprises the information included in the trustee's annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 course of the audit or otherwise appears to be materially misstated.

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

Other information (continued)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the trustees' annual report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees are responsible for the preparation of financial statements which 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Auditors responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

- Enquiries with management, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to future performance of the Charity;

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

- Auditing the risk of management override of controls and subsequent testing, including through testing journal entries and other adjustments for appropriateness;
- Auditing the risk of fraud in income by way of transaction testing, testing income recognition in accordance with SORP, and testing for completeness of income around the year end.
- Reviewing board minutes.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's trustees 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 Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



MHA
Statutory Auditor
14 Mannin Way
Lancaster Business Park
Lancaster
Lancashire
LA1 3SW

28 March 2025
.....

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2024**

	Note	Restricted funds £	Unrestricted funds Ministry £	Province £	Total 2024 £	Total 2023 £
Income from:						
Donations and legacies	4	15,872	6,097	943,552	965,521	1,056,773
Investments	5	19,261	9,073	32,449	60,783	77,309
Charitable activities	6	-	275,790	-	275,790	1,216,773
Other	7	2,320	-	12,684	15,004	-
Total income		37,453	290,960	988,685	1,317,098	2,350,855
Expenditure on:						
Raising funds	8	3,917	889	8,288	13,094	25,919
Charitable activities	9	18,799	368,364	1,447,346	1,834,509	3,361,736
Total expenditure		22,716	369,253	1,455,634	1,847,603	3,387,655
Net gains/(losses) on investments	10	95,052	(5,834)	53,931	143,149	6,554
Net gains/(losses) on revaluation of fixed assets	12	-	(4,097,470)	-	(4,097,470)	-
Net income/(expenditure) before transfers		109,789	(4,181,597)	(413,018)	(4,484,826)	(1,030,246)
Transfer between funds		-	-	-	-	-
Net movement in funds		109,789	(4,181,597)	(413,018)	(4,484,826)	(1,030,246)
Reconciliation of funds:						
Total funds brought forward		795,686	6,112,881	10,960,941	17,869,508	18,899,754
Total funds carried forward		905,475	1,931,284	10,547,923	13,384,682	17,869,508

All income and expenditure derive from continuing activities.

All gains and losses recognised in each period are included above.

The notes on pages 23 to 43 form part of these financial statements.

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

BALANCE SHEET

FOR THE YEAR ENDED 31 AUGUST 2024

	Note	Restricted funds £	Unrestricted funds Ministry £	Province £	Total 2024 £	Total 2023 £
Fixed assets						
Tangible assets	12	-	2,759,681	7,445,304	10,204,985	15,643,592
Investments	13	781,579	356	2,130,667	2,912,602	1,907,231
		<u>781,579</u>	<u>2,760,037</u>	<u>9,575,971</u>	<u>13,117,587</u>	<u>17,550,823</u>
Current assets						
Debtors	14	2,410	34,151	38,651	75,212	53,198
Cash at bank and in hand	15	19,491	39,524	214,753	273,768	529,428
		<u>21,901</u>	<u>73,675</u>	<u>253,404</u>	<u>348,980</u>	<u>582,626</u>
Creditors: amounts falling due within one year	16	(4,505)	(29,196)	(48,184)	(81,885)	(263,941)
Inter-fund debtors / (creditors)		<u>106,500</u>	<u>(873,232)</u>	<u>766,732</u>	-	-
Net current assets		<u>123,896</u>	<u>(828,753)</u>	<u>971,952</u>	<u>267,095</u>	<u>318,685</u>
Net assets		<u>905,475</u>	<u>1,931,284</u>	<u>10,547,923</u>	<u>13,384,682</u>	<u>17,869,508</u>
Funds:	18					
Restricted funds		905,475	-	-	905,475	795,686
Unrestricted funds:						
Designated - Ministry fund		-	1,931,284	-	1,931,284	6,112,881
Designated - Province fund		-	-	10,547,923	10,547,923	10,960,941
Total funds		<u>905,475</u>	<u>1,931,284</u>	<u>10,547,923</u>	<u>13,384,682</u>	<u>17,869,508</u>

These accounts were approved by the Trustees and authorised for issue on the 27/02/2025 and are signed on their behalf by:


.....
J Bromham - Trustee


.....
K Hewitt - Trustee

The notes on pages 23 to 43 form part of these financial statements

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

STATEMENT OF CASH FLOWS

FOR THE YEAR END 31 AUGUST 2024

	Total 2024 £	Total 2023 £
Cash generated/(used) in operating activities	(1,067,056)	(1,191,368)
Cashflows from investing activities		
Payments to acquire tangible fixed assets	(19,706)	(235,594)
Receipts from sale of tangible fixed assets	1,655,570	14,464
Payments to acquire investments	(709,395)	(162,261)
Receipts from sale of investments	695,394	1,375,448
Investment income	37,754	71,991
Cash provided by/(used in) investing activities	1,659,617	1,064,048
Increase/(Decrease) in cash and cash equivalents in the year	592,561	(127,320)
Cash and cash equivalents brought forward	679,234	806,554
Cash and cash equivalents carried forward	1,271,795	679,234
Consisting of:		
Monies held for investment	998,027	149,806
Cash at bank and in hand	273,768	529,428
	1,271,795	679,234
Reconciliation of net movement in funds to net cashflow from operating activities		
Net (expenditure) for the year	(4,484,826)	(1,030,246)
Investment income received	(37,754)	(71,991)
Loss/(gain) on disposal of tangible fixed assets	(306,830)	2,763
Loss/(gain) on revaluation of tangible fixed assets	4,097,470	-
Loss/(gain) on investments	(143,149)	(6,554)
Depreciation	12,103	717
Decrease/(increase) in debtors	(22,014)	62,583
(Decrease)/increase in creditors	(182,056)	(148,640)
Net cash generated in operating activities	(1,067,056)	(1,191,368)

The notes on pages 23 to 43 form part of these financial statements

INSTITUTE OF THE BLESSED VIRGIN MARY COMMONLY CALLED THE SISTERS OF LORETO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

Basis of preparation

The Institute of the Blessed Virgin Mary Commonly Called The Sisters of Loreto is a charity registered in the United Kingdom. The address of the charity, the nature of its operations and its principal activities are all detailed in the Trustees' annual report of these financial statements.

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements have been prepared on a going concern basis under the historical cost convention as modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

As explained in note 20 'Charitable Incorporated Organisation conversion' to the financial statements the charity intend to (subject to finalising an impact assessment) transfer the whole of the charitable trust into a 'Charitable Incorporated Organisation (CIO). As an unincorporated charity, this is not a separate legal entity and, as the intention is for the charitable activities to continue through the CIO the accounts continue to be prepared on a going concern basis.

The Trustees do not consider there to be a material uncertainty at this time, and there is a reasonable expectation that the Charity has adequate resources to continue for the foreseeable future.

Incoming resources

All incoming resources, including income from school fees and the retreat centre, are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution of the legacy being received.

Legacies received by members of the Institute are credited to the Patrimony Fund unless the legator indicated a specific bequest.

Investment income is included in the SOFA in the period in which it is receivable.

Covenanted salaries and pensions

Covenanted salaries and pensions are received under deeds of covenant from members of the Institute and are stated inclusive of income tax but net of any deductions for national insurance and occupational pension schemes' contributions.

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

1 Accounting policies (continued)

Resources expended

Expenditure is included on an accruals basis and consists of all expenditure directly relating to the objects of the charity.

Investment management and governance costs include expenditure incurred in the management of the portfolio and for compliance with constitutional and statutory requirements.

Irrecoverable VAT is included with the category of expense to which it relates.

All expenditure is written off in the year in which it is incurred, including major property renovations, unless the expenditure is deemed to increase the charity's fund value.

Governance costs

Comprises audit fees, legal and professional fees and a contribution to payroll.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the exchange rate ruling at the balance sheet date, All differences are taken to the SOFA.

Tangible fixed assets

Land, buildings and fixtures: To date the charity has opted to adopt a policy of not revaluing its tangible fixed assets as permitted under the transitional provisions of FRS 15. On transition to SORP 2015 (FRS 102), similar transitional provisions were adopted to carry these amounts as deemed cost. The book value of the land and buildings was based on a Trustees' valuation made in 1996, based on insurance valuation at a discounted rate, plus cost of acquisitions since 1996.

Whilst this policy still holds true for the charity's community housing assets and property assets still actively managed in direct ministry by the sisters, it is no longer as valid in relation to the college and schools buildings now managed by the respective governors under the terms of supplemental agreements. The school buildings included in the 1996 valuations will now have been extensively renovated and modernised or demolished to create space for more up to date facilities. Any value attributed to buildings in 1996 is now of doubtful provenance. The most important factor for the charity is continued recognition that ownership of the land remains with the trust. It is expected that the schools will continue to occupy the land for some considerable time into the future and therefore any valuation would be little more than a guess. The trustees are therefore of the opinion that these properties should remain on the trust's Balance Sheet at a nominal value to avoid the need to speculate over value and to continue to demonstrate the trust's ownership.

No depreciation has been charged on the remaining land and buildings as the trustees consider that the amount involved would be immaterial after taking into account both the remaining useful life of the properties and their residual value.

The trustees have considered the current market value of the properties and are of the opinion that an impairment write down was needed to bring these to their estimated fair value. For the current year, an impairment loss of £4,097,470 has been recognised in the Statement of Financial Activities (SOFA). This impairment reflects the charity's agreement to sell part of its land to a third party, with the land and associated property being impaired to the expected sale proceeds. The remaining property, which the charity plans to retain for its own use, has been impaired based on its revised insurance valuation. The Trustees believe this provides a fair representation of the value of the remaining site, in the absence of a formal valuation.

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

1 Accounting policies (continued)

Motor vehicles: Depreciation is calculated at 20% on reducing balance.

Computer equipment: Computer equipment is not capitalised, as the trustees believe that values are not material when taking into account estimated useful economic lives.

Investments

Quoted investments are valued at their closing middle market price on the balance sheet date. Realised and unrealised gains (or losses) are reflected in the Statement of Financial Activities in the year in which they occur.

Cash and cash equivalents

Cash balances represent cash in hand and deposits held at banks and building societies.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable within one year are recorded at transaction price. Balances include funds due to and from two unrestricted designated funds from within the Charity which are separately identified in notes 14 and 16 to the financial statements.

Fund accounting

Unrestricted funds

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objects of the charity and which have not been designated for other reserves.

Designated funds

Where unrestricted funds have been earmarked for a particular project, they have been designated as a separate fund, but the designation has an administrative purpose only and does not legally restrict the trustees' discretion to apply the fund. The aim and use of each designated fund is set out in the notes to the accounts

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the accounts.

The accounts comprise:

Restricted funds:

- Patrimony fund
- Loreto College St Albans Appeal Fund
- Loreto Sisters Albania Fund
- Loreto Sisters Drawn Together Fund

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

1 Accounting policies (continued)

Ministry (unrestricted funds):

- Ministry Development Fund
- Loreto Retreat Centre

Province (unrestricted funds):

- Province Fund
- Houses

Pensions

Retirement benefits to employees of the Preparatory School were provided by the Teachers' Pension Scheme ("TPS"). This was a defined benefit scheme, contracted out of the State Earnings-Related Pension Scheme, and the assets are held separately from those of the School.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost was a substantially level percentage of current and future pensionable payroll. The contributions were determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. The TPS was a multi-employer scheme and the School was unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS was therefore treated as a defined contribution scheme and the contributions recognised as they were paid each period.

Contributions for other staff are made to their personal pension schemes.

Taxation

HM Revenue & Customs considers The Institute of the Blessed Virgin Mary Commonly called The Sisters of Loreto to be a charity and therefore they are entitled to exemption from tax afforded by Sections 478-489 of the Corporation Taxes Act 2010 to the extent that income is applied exclusively for charitable purposes.

Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

1 Accounting policies (continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Trade debtors and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

De-recognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies (continued)

De-recognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key assumptions, judgements, and estimates

Valuation of land and buildings

The Trustees make an annual assessment of the valuation of properties held within the Charity against their current book value and determine whether there are any signs of impairment which may indicate that the valuation is overstated. The Trustees have confirmed that there is no further impairment to the valuation of properties held at the balance sheet date.

There have been no other key assumptions concerning future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Staff costs and trustees' remuneration

Staff costs during the year were as follows:

	2024	2023
	£	£
Wages and salaries	779,352	1,591,456
Social security costs	63,927	121,238
Pension costs	17,175	118,116
	<hr/>	<hr/>
	860,454	1,830,810
	<hr/>	<hr/>

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

2 Staff costs and trustees' remuneration (continued)

The average number of employees during the year was 37 (2023: 61). The number of employees earning over £60,000 per annum, excluding pension contributions but including redundancy settlements, was as follows:

£100,000 - £110,000 - 0 employee (2023: 1 employee)
 £90,000 - £100,000 - 0 employee (2023: 2 employees)
 £80,000 - £90,000 - 0 employee (2023: 1 employee)
 £70,000 - £80,000 - 0 employee (2023: 2 employees)
 £60,000 - £70,000 - 0 employee (2023: 2 employees)

As members of the Institute, the Trustees' living expenses during the year were borne by the Trust, but the Trustees received no remuneration or other benefits in connection with their duties as Trustees during the year.

The Finance Manager, Matron and Centre Manager are considered to be key management personnel. Their aggregate remuneration for the year was as follows:

	2024 £	2023 £
Aggregate remuneration of key management personnel	<u>101,815</u>	<u>232,865</u>

Following a Trustees' resolution in March 2023, the Charity closed its preparatory school in Altrincham after the summer term in July 2023. Teachers and staff received redundancy and settlement payments based on their length of service and current remuneration. The full cost of these payments was included within staff costs last year and all amounts due have been met and totalled £336,512.

The institute also reached agreement with its Finance Manager to remain in office beyond his intended retirement date (31st July 2023) until his successor was appointed. Exceptional expenses also included an agreed settlement payment of £29,080 last year.

Pension contributions

The Charity makes contributions to employees defined contribution pension schemes, including the Aviva Pension Trust for Independent Schools, to which a total of £17,175 (2023: £118,116) was contributed in the year.

3 Auditor's remuneration

	2024 £	2023 £
Amounts payable to the auditor (including VAT) was as follows:		
Audit services	22,500	21,960
Other services	6,906	19,409
	<u>29,406</u>	<u>41,369</u>

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

4 Income from donations and legacies

Current year	Restricted	Unrestricted	Unrestricted	Total 2024 £
	funds £	funds Ministry £	funds Province £	
Donations and gifts	15,872	6,097	10,110	32,079
Legacies	-	-	-	-
Covenanted salaries and pensions (see below)	-	-	933,442	933,442
	15,872	6,097	943,552	965,521

Prior year	Restricted	Unrestricted	Unrestricted	Total 2023 £
	funds £	funds Ministry £	funds Province £	
Donations and gifts	55,951	-	81,986	137,937
Legacies	103,075	-	-	103,075
Covenanted salaries and pensions (see below)	-	-	815,761	815,761
	159,026	-	897,747	1,056,773

Covenanted salaries and pensions represent salaries and pensions of members, including those paid to the Trustees, of the charity payable to the charity under deeds of covenant or gift aid declarations.

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

5 Income from investments

	2024	2023
	£	£
UK fixed income		
British Government Bonds	4,220	379
Investment Companies	2,852	-
Other fixed interest	509	18,613
Europe fixed interest		
Equities: UK	11,732	32,005
European	486	8,226
Global	2,711	12,768
Other: Emerging markets	3,496	-
Commercial property	1,142	-
Specialist	95	-
Alternatives	1,870	-
Other	8,641	-
	<u>37,754</u>	<u>71,991</u>
Monies held for investment in the UK		
National Savings	89	2
Monies held by stockbroker	9,242	5,065
Treasury Deposits	13,232	251
	<u>60,317</u>	<u>77,309</u>
Bank interest	466	-
	<u>60,783</u>	<u>77,309</u>
	<u><u>60,783</u></u>	<u><u>77,309</u></u>
Represented by:	2024	2023
	£	£
Restricted	19,261	16,562
Unrestricted - Ministry	9,073	-
Unrestricted - Province	32,449	60,747
	<u>60,783</u>	<u>77,309</u>
	<u><u>60,783</u></u>	<u><u>77,309</u></u>

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

6 Income from charitable activities

	2024 £	2023 £
Unrestricted - Ministry		
School fees and retreat centre	275,790	1,216,773
	<u>275,790</u>	<u>1,216,773</u>

Income from charitable activities was entirely unrestricted in the current and prior year.

7 Other income

Current year	Restricted funds £	Unrestricted funds Ministry £	Unrestricted funds Province £	Total 2024 £
	Other	2,320	-	12,684
	<u>2,320</u>	<u>-</u>	<u>12,684</u>	<u>15,004</u>
Prior year	Restricted funds £	Unrestricted funds Ministry £	Unrestricted funds Province £	Total 2023 £
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

8 Expenditure on raising funds

	2024 £	2023 £
Restricted	3,917	2,590
Unrestricted - Ministry	889	23,329
Unrestricted - Province	8,288	-
	<u>13,094</u>	<u>25,919</u>

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

9 Expenditure on charitable activities

Current year	Restricted	Unrestricted	Unrestricted	Total 2024 £
	funds £	funds Ministry £	funds Province £	
Salaries for the school and retreat centre	-	215,157	-	215,157
Running costs and maintenance of buildings	-	105,820	397,648	503,468
Depreciation of fixed assets	-	-	12,103	12,103
(Gains) / losses on sale of fixed assets	-	-	(306,830)	(306,830)
Community expenses	-	-	319,842	319,842
Nursing fees and medical care	-	-	637,415	637,415
Formation and ministry	12,445	27,599	98,772	138,816
Levy paid to the Generalate	-	3,189	-	3,189
Grants and expenditure on supported schools	6,354	-	-	6,354
Governance costs	-	3,900	76,323	80,223
Governance costs - audit	-	-	22,500	22,500
Support costs	-	12,699	189,573	202,272
	18,799	368,364	1,447,346	1,834,509

Prior year	Restricted	Unrestricted	Unrestricted	Total 2023 £
	funds £	funds Ministry £	funds Province £	
Salaries for the school and retreat centre	-	911,762	-	911,762
Running costs and maintenance of buildings	-	312,445	294,109	606,554
Depreciation of fixed assets	-	-	717	717
Community expenses	-	-	363,437	363,437
Nursing fees and medical care	-	-	545,279	545,279
Formation and ministry	60,014	78,049	23,196	161,259
Levy paid to the Generalate	-	23,116	-	23,116
Grants and expenditure on supported schools	7,291	456,536	-	463,827
Governance costs - payroll	-	-	36,743	36,743
Governance costs - audit	-	-	22,944	22,944
Support costs	-	-	226,098	226,098
	67,305	1,781,908	1,512,523	3,361,736

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

10 Net gain/(loss) on investments

	2024 £	2023 £
Restricted	95,052	16,151
Unrestricted - Ministry	(5,834)	-
Unrestricted - Province	53,931	(9,597)
	<u>143,149</u>	<u>6,554</u>

11 Analysis of movement in restricted funds

	Drawn together £	Albania £	Appeal funds £	Patrimony fund £	Total restricted funds £
Incoming resources					-
Other income	-	-	-	-	-
Donations and legacies	6,787	6,500	-	-	13,287
Loreto College St Albans appeal	-	-	4,905	-	4,905
Investment income	-	-	-	19,261	19,261
Total incoming resources	<u>6,787</u>	<u>6,500</u>	<u>4,905</u>	<u>19,261</u>	<u>37,453</u>
Resources expended					
Raising funds	-	-	-	3,917	3,917
Charitable objects:					
Ministry	12,445	-	-	-	12,445
Expenditure on schools	-	-	6,354	-	6,354
Total resources expended	<u>12,445</u>	<u>-</u>	<u>6,354</u>	<u>3,917</u>	<u>22,716</u>
Net incoming/(outgoing) resources before transfers	(5,658)	6,500	(1,449)	15,344	14,737
Gain on investments	-	-	-	95,052	95,052
Net movement in funds for the year	<u>(5,658)</u>	<u>6,500</u>	<u>(1,449)</u>	<u>110,396</u>	<u>109,789</u>
Total funds at 1 September 2023	17,143	-	7,328	771,215	795,686
Total funds at 31 August 2024	<u>11,485</u>	<u>6,500</u>	<u>5,879</u>	<u>881,611</u>	<u>905,475</u>

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

12 Fixed assets

	Land and buildings inc fixtures £	Motor vehicles £	Total £
Cost or deemed cost			
Balance at 1 September 2023	15,605,894	146,703	15,752,597
Additions	-	19,706	19,706
Disposals	(1,347,033)	(30,184)	(1,377,217)
Completions/Transfers	-	-	-
Balance at 31 August 2024	14,258,861	136,225	14,395,086
Depreciation and impairment			
Balance at 1 September 2023	-	109,005	109,005
Charge for the year	-	12,103	12,103
Impairment loss for the year	4,097,470	-	4,097,470
Eliminated on disposals	-	(28,477)	(28,477)
Balance at 31 August 2024	4,097,470	92,631	4,190,101
Net book value			
At 31 August 2024	10,161,391	43,594	10,204,985
At 1 September 2023	15,605,894	37,698	15,643,592

As outlined in the accounting policies, the charity has chosen not to revalue its tangible fixed assets, in line with the transitional provisions of FRS 15. However, each year, the charity assesses whether an impairment provision is necessary. For the current year, an impairment loss of £4,097,470 has been recognised in the Statement of Financial Activities (SOFA). This impairment reflects the charity's agreement to sell part of its land to a third party, with the land and associated property being impaired to the expected sale proceeds. The remaining property, which the charity plans to retain for its own use, has been impaired based on its revised insurance valuation. The Trustees believe this provides a fair representation of the value of the remaining site, in the absence of a formal valuation.

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

13 Investments

	2024		2023	
	Cost	Market value	Cost	Market value
	£	£	£	£
UK fixed income				
British Government Bonds	171,568	169,277	26,348	25,955
Investment Companies	68,298	65,185	-	-
Other fixed interest	44,079	41,647	291,218	242,247
Europe fixed interest	39,285	40,116	16,752	16,698
Equities: UK	424,654	456,688	868,044	661,048
European	257,604	294,091	299,722	307,054
Global	378,659	486,326	459,440	504,423
Other: Emerging markets	135,830	141,585	-	-
Commercial property	67,273	57,085	-	-
Specialist	40,679	35,148	-	-
Alternatives	118,627	127,427	-	-
	1,746,556	1,914,575	1,961,524	1,757,425
Monies held for investment in UK:				
National Savings	2,492	2,492	2,476	2,476
Monies held by stockbroker	288,906	288,906	37,556	37,556
Treasury deposits	706,629	706,629	109,774	109,774
	2,744,583	2,912,602	2,111,330	1,907,231
	Market value		Investment	Market value
	1 September	Additions	gains and	31 August
	2023	£	losses	2024
	£	£	£	£
Quoted investments	1,757,425	709,395	(695,394)	1,914,575

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

14 Current assets

	2024 £	2023 £
Debtors		
Prepayments and accrued income	66,382	34,085
Income tax recoverable	2,320	972
Other debtors	879,741	784,353
	<hr/>	<hr/>
Gross debtors	948,443	819,410
Less inter-fund debtor	(873,231)	(766,212)
	<hr/>	<hr/>
Total debtors (net of inter-fund debtor)	75,212	53,198

15 Cash at bank and in hand

	2024 £	2023 £
Cash at bank and in hand		
Interest bearing accounts	268,693	522,789
Cash balances	5,075	6,639
	<hr/>	<hr/>
	273,768	529,428

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

16 Liabilities

	2024 £	2023 £
Amounts falling due within one year		
Creditors	145,498	145,926
Deferred income	24,353	24,132
Payroll	18,611	87,196
Accruals	766,654	772,899
	<hr/>	<hr/>
Gross liabilities	955,116	1,030,153
Less inter-fund creditor	(873,231)	(766,212)
	<hr/>	<hr/>
Total creditors (net of inter-fund creditor)	81,885	263,941
	<hr/>	<hr/>
Deferred income		
Balance at 1 September 2023	24,132	53,610
Amounts deferred in the year	24,353	24,132
Amounts released to incoming resources in the year	(24,132)	(53,610)
	<hr/>	<hr/>
Balance at 31 August 2024	24,353	24,132
	<hr/>	<hr/>

17 Borrowings and contingencies

During the year ended 31 August 2003, the trustees donated funds to Loreto College, Manchester in order for the College to invest in capital expenditure. These funds were generated by the disposal of a portion of land at the College which was subject to covenants by Manchester City Council. The Council allowed the disposal of the land to take place in exchange for a covenant on the remaining land, such that the City Council would be entitled to a payment of £1,050,000 should the College land and buildings be disposed of during a period of 40 years from the date of sale of the surplus land.

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Movement in funds

Current year

	Balance 1 September 2023 £	Change in investment valuation £	Change in fixed asset valuation	Fund transfers £	Activity in year £	Balance 31 August 2024 £
Restricted funds						
Patrimony	771,215	95,052	-	-	15,312	881,579
Ministry - Appeal funds	7,328	-	-	-	(1,417)	5,911
Ministry - Drawn Together	17,143	-	-	-	(5,658)	11,485
Ministry - Albania	-	-	-	-	6,500	6,500
	795,686	95,052	-	-	14,737	905,475
Designated funds						
Ministry						
Functional property	6,857,151	-	(4,097,470)	-	-	2,759,681
Other Ministry funds:						
Investments	356	-	-	-	-	356
General	(744,626)	(5,834)	-	-	(78,293)	(828,753)
	6,112,881	(5,834)	(4,097,470)	-	(78,293)	1,931,284
Province						
Functional property	8,748,743	-	-	-	-	8,748,743
Transport	37,698	-	-	-	-	37,698
Other Province funds:						
Investments	1,136,108	53,931	-	-	-	1,190,039
General	1,038,392	-	-	-	(466,949)	571,443
	10,960,941	53,931	-	-	(466,949)	10,547,923
Total funds	17,869,508	143,149	(4,097,470)	-	(530,505)	13,384,682

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

18 Movement in funds (continued)

	Balance 1 September 2023 £	Change in investment valuation £	Change in fixed asset valuation £	Fund transfers £	Activity in year £	Balance 31 August 2024 £
Restricted	795,686	95,052	-	-	14,737	905,475
Ministry	6,112,881	(5,834)	(4,097,470)	-	(78,293)	1,931,284
Province	10,960,941	53,931	-	-	(466,949)	10,547,923
Total funds	17,869,508	143,149	(4,097,470)	-	(530,505)	13,384,682

Restricted funds

- **Patrimony**

This fund comprises the dowers made by individual sisters and any legacies received by sisters during their lifetime. When a sister dies, the dower/legacy is released to the Province Fund.

- **Loreto College St Albans Appeal Fund**

Income consists of donations received to assist in funding the on-going development of the school site. The fund is used to fund the trustees' contribution to small building works.

- **Loreto Sisters Drawn Together Fund**

This fund supports the work of the English Province at Harpenden Children's Centre.

- **Loreto Sisters Albania Fund**

This fund supports the work of the English Province in Albania.

Designated unrestricted funds

- **Ministry**

To support the works of the members in their ministries.

- **Province**

To support the sisters and to care for them when they are sick and aged.

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Movement in funds (continued)

Prior year

	Balance 1 September 2022 £	Change in investment valuation £	Fund transfers £	Activity in year £	Balance 31 August 2023 £
Restricted funds					
Patrimony	638,017	16,151	-	117,047	771,215
Ministry - Appeal funds	8,847	-	-	(1,519)	7,328
Ministry - Drawn Together	15,108	-	-	2,035	17,143
Ministry - Albania	11,870	-	-	(11,870)	-
	673,842	16,151	-	105,693	795,686
Designated funds					
Ministry					
Functional property	6,837,614	-	-	19,537	6,857,151
Other Ministry funds:					
Investments	357	-	-	(1)	356
General	(159,955)	-	-	(584,671)	(744,626)
	6,678,016	-	-	(565,135)	6,112,881
Province					
Functional property	8,506,658	-	-	242,085	8,748,743
Transport	28,783	-	-	8,915	37,698
Other Province funds:					
Investments	2,441,781	(9,597)	-	(1,296,076)	1,136,108
General	584,433	-	-	453,959	1,038,392
	11,561,655	(9,597)	-	(591,117)	10,960,941
Total funds	18,913,513	6,554	-	(1,050,559)	17,869,508

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Movement in funds (continued)

	Balance 1 September 2022 £	Change in investment valuation £	Fund transfers £	Activity in year £	Balance 31 August 2023 £
Restricted	673,842	16,151	-	105,693	795,686
Ministry	6,678,016	-	-	(565,135)	6,112,881
Province	11,561,655	(9,597)	-	(591,117)	10,960,941
Total funds	18,913,513	6,554	-	(1,050,559)	17,869,508

19 Analysis of net assets between funds

Current year	Restricted	Unrestricted	Unrestricted	Total 2024 £
	funds £	funds Ministry £	funds Province £	
Fixed assets	781,579	2,760,037	9,575,971	13,117,587
Current assets	21,901	73,675	253,404	348,980
Creditors: amounts falling due within one year	(4,505)	(29,196)	(48,184)	(81,885)
	798,975	2,804,516	9,781,191	13,384,682
Inter-fund debtor / (creditor)	106,500	(873,232)	766,732	-
	905,475	1,931,284	10,547,923	13,384,682

**INSTITUTE OF THE BLESSED VIRGIN MARY
COMMONLY CALLED THE SISTERS OF LORETO**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

19 Analysis of net assets between funds (continued)

Prior year	Restricted funds £	Unrestricted funds Ministry £	Unrestricted funds Province £	Total 2023 £
Fixed assets	770,767	6,857,507	9,922,549	17,550,823
Current assets	29,425	227,916	325,285	582,626
Creditors: amounts falling due within one year	(4,506)	(206,330)	(53,105)	(263,941)
	795,686	6,879,093	10,194,729	17,869,508
Inter-fund debtor / (creditor)	-	(766,212)	766,212	-
	1,591,372	6,112,881	10,960,941	17,869,508

20 Charitable Incorporated Organisation conversion

The Trustees intend to transfer the whole of the charitable trust (the aims and objectives in the trust document, the charitable trust assets and operations) into a 'Charitable Incorporated Organisation (CIO)'. The Trustees are expecting the planned transfer to be within the next financial period, but this is subject to change.

21 Related parties

As noted in the trustees' report, Loreto Education Trust is an associated charity. Loreto Education Trust provides services to Loreto Preparatory School (Altrincham). During the year payments of £nil (2023: £nil) were made to the Trust.

The charity provided the land and buildings for the use of Loreto College (St Albans) and Loreto Grammar School (Altrincham) under supplementary agreements, rent free, throughout the year and previous year.

22 Capital commitments

Capital commitments amounted to £nil (2023: £nil).

23 Post balance sheet events

There are no post balance sheet events.

Congregation of Jesus (Loreto Sisters) English Province

England & Wales - Charity number 250607

Accounts



**Institute of the Blessed Virgin Mary
(English Province)
Loreto Sisters**

Accounts

**For The Year Ended
31 August 2023**

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

CONTENTS

	Page
Charity details	2
Trustees' report	3
Independent auditor's report	16
Group statement of financial activities	19
Group balance sheet	20
Parent charity balance sheet	21
Group statement of cash flows	22
Notes to the accounts	23

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

CHARITY DETAILS

Trustees

Miss Josette Zammit-Mangion (Retired 19th December 2023)
Miss Kathryn Keigher
Miss Bernadette Boland (Retired 19th December 2023)
Miss Una Coogan
Miss Kathleen Myers (Retired 19th December 2023)
Miss Jen Bromham (Appointed 19th December 2023)
Miss Kathleen Hewitt (Appointed 19th December 2023)
Miss Ewa Irena Bem (Appointed 19th December 2023)

Province Leader

Miss Jen Bromham

Province Consultors

Miss Kathryn Keigher
Miss Ewa Irena Bem

Province Treasurer

Miss Bernadette Turtle (from 1 December 2023)
Miss Kathleen Hewitt (until 30 November 2023)

Finance Manager

Mr Gareth Maloney

Registered office

Loreto Province Offices
28 Hartley Road
Altrincham
Cheshire
WA14 4AY

Charity number

250607

Auditor

MHA Moore and Smalley
Chartered Accountants
& Statutory Auditor
Richard House
Winckley Square
Preston
PR1 3HP

Investment managers

Investec Wealth and Investment Limited	Hedley & Co
2 nd Floor, 3 Hardman Street	13b Winckley Square
Spinningfields	Preston
Manchester	PR1 3JJ
M3 3HF	

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their report and audit consolidated accounts for the year ended 31 August 2023. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the trustees' report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Charitable Status

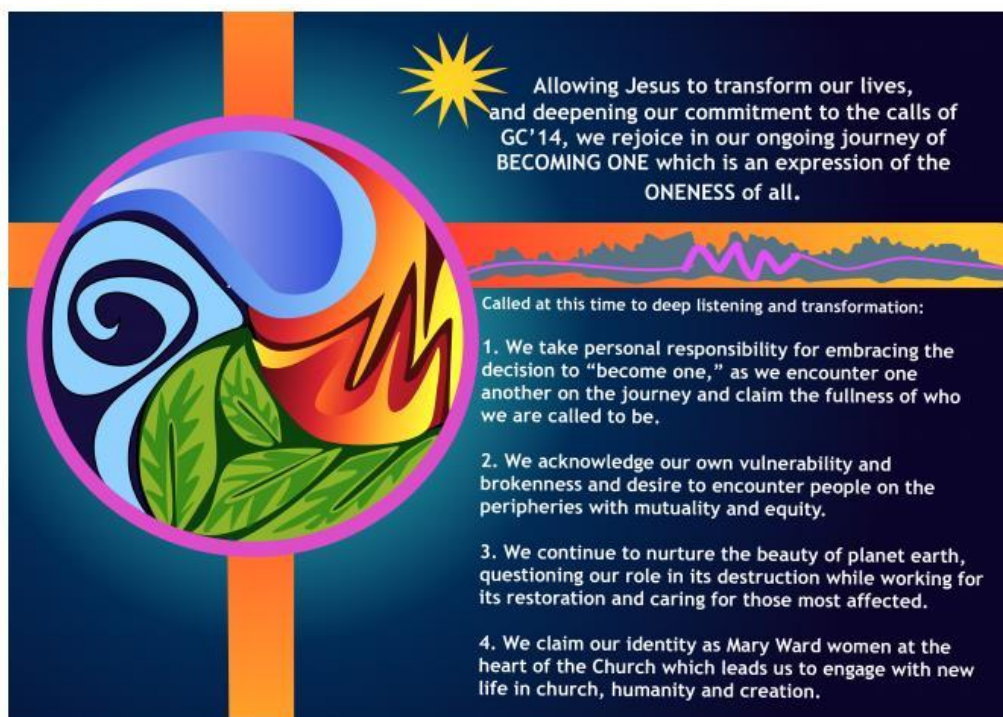
The English Province of the Institute of the Blessed Virgin Mary (IBVM) is part of an International Roman Catholic Religious Congregation of women present in twenty-three countries.

The accounts accompanying this Report are the accounts of a Charitable Trust, registered with the Charity Commission under a Trust Deed dated 2nd March 1965 in which the assets of the English Province of the Institute in the United Kingdom are held. The registered Charity Number is 250607.

Mission

The Institute's Charitable Trust aims to advance the religious and other works carried out by Sisters of the Institute in collaboration with lay co-workers and to care for those Sisters throughout their lives within the Institute. These works meet the public benefit criteria necessary under the Charities Act 2011 and the Institute operates as a public benefit entity.

At our last General Congregation culminating in October 2022, after a process of discernment with our whole Institute, our new focus for mission was expressed in the pictorial representation below.



The reference to 'Becoming One' is an expression of our working towards Canonical Fusion with the Congregation of Jesus (the original foundation by Mary Ward, of which we are currently a Branch).

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The works we undertake are reviewed on a continuous basis to assess their effectiveness in the achievement of our aims and the benefits we have provided to those sectors of the community we set out to help. In conducting this review, we have given due regard to the guidance contained in the Charity Commissioner's General Guidance on Public Benefit.

The ministries carried out by the Sisters of the Institute, both in the United Kingdom and overseas, in furtherance of our aims and the provision of public benefit fall into the following main areas:

- 1. Education**
- 2. Pastoral/Outreach Work**
- 3. Nurturing Religious Faith and Provision of Retreats**
- 4. Overseas Activity**
- 5. Governance, Structure and Management**

We are conscious of the ageing profile of the Province and the effect on our capacity for active ministry and the financial implications which have affected our ministries during this past year and will affect our contingency plans for the future.

1. Education

The main areas of responsibility extend to four schools and a sixth form college in England.

- One Academy for girls - Comprehensive
- One Aided co-educational Comprehensive school
- One Academy for girls – Grammar
- One Independent Preparatory School (Closure end of Summer Term 2023)
- One Sixth Form College supported by the Education Funding Authority

(With the exception of the co-educational comprehensive school, which is under the jurisdiction of the local diocese, the premises for these schools/college belong to the Institute and are made available at no cost).

The work of the Institute in formal education is conducted through the Loreto Education Trust, a charitable company limited by guarantee established in 2012. The Trust has embraced the need to involve lay trustees and lay officers in sustaining into the future the characteristic spirit of the Institute's college and schools. Nine of the 13 trustees are now lay and the Board has appointed a lay person as Education Officer to lead the Loreto English Education Network (LEEN Group) which is accountable to the Loreto Education Trust. One of the IBVM trustees acts as delegate for education. Additionally, at least one Sister continues to serve on both the schools'/college's governing bodies and their various committees.

LET has established strong monitoring and support procedures that assure the Institute Trustees that the education offered to our young people is in accordance with our objects. Because of the extensive training and development work that LET and LEEN have done with staff and governors over the last decade, the Loreto vision of education and the values that shape that vision are now fully embedded in each of our schools and the college. Our vision is that they will be educational communities where each person has the experience of being loved and valued, communities where students enjoy an enriching and liberating education that helps them to grow in the fullness of life and empowers them to be people of courage who are alive to the needs of humanity and the environment and committed to making a better world.

In the current year LET has focused both on supporting the Institute Trustees and the Regional Leadership in ensuring the smooth and timely closure of the Prep school and in continuing to work with the Leadership in developing a sustainable model for the continuing development of the Loreto Education Office. This has resulted in a commitment to funding for three development programmes each of two years and for the funding of the Loreto Education Officer for three years initially, with a review after two.

The schools and college engage in all relevant global concerns, events and fund-raising activities and have forged links with Loreto Schools across the world. Of specific importance at this time is our consciousness of the global climate, and the Institute, schools/college are continuing to put at the forefront the Mary Ward family 7yr Action Plan (2021-2028) in relation to our care for our common home and the living out of an "integral ecology" in response to the Pope's Laudato Si' encyclical.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

At a time when we are yet again surrounded by the horrors of war, cruelty and despicable inhumanity our students are aware more than ever of the need for a just and peaceful world. They continue to put Laudato Si' and Sustainability at the centre of their JPIC work. We continue to focus on the directives of our JPIC Office in Rome and our UN Office in New York. Recently Loreto Altrincham has been awarded the Eco Schools Green Flag award after undertaking a seven-step process in a single year. All this has been achieved through the enthusiasm and hard work of the staff and students involved in promoting a just world by their practical actions and faith in the power of prayer and with the support of our JPIC Sister Representative.

In our Loreto communities in the UK, the Sisters who are no longer able to work actively to promote peace and justice continue to do so through their interest and prayer.

2. Pastoral/Outreach Work

The Trustees continue to make it a priority to reach out to the poor and marginalised in our society. Some Sisters undertake this work in their retirement while two Sisters receive financial remuneration. One Sister works as Vicar for Religious in a Catholic Diocese, along with work in Canon Law and Safeguarding in the Province. Another Sister was successful in her application for Referrals Officer for Adult Victims of Modern Slavery. Other active retired Sisters continue to work as advocates in support of the voiceless to enable them to secure the help they are entitled to, in justice, from the state and other agencies.

Several retired Sisters are involved in community-based programmes and support public institutions in the UK, including childcare and family support, community healthcare, general and mental health, and psychotherapy. One Sister operates as part of interfaith chaplaincy teams in hospital. Additionally, some Sisters work closely in supporting refugees, asylum seekers, migrants and victims of international trafficking. This work involves meeting with, listening to, supporting and signposting clients to the appropriate staff or agencies best suited to address their needs. The work also involves some English teaching and helping with basic needs and providing translation services where needed.

One Sister is in ministry in **Albania (Mary Ward Loreto)** –

VISION: MWL transforms the lives of victims, potential victims and survivors of human trafficking through exceptional capacity-building, unique research and a 'collaborate without borders' mindset".

MISSION: Our mission is to eradicate human trafficking, based on the vision of Mary Ward which inspires people to reach their full potential. MWL will be known, in the local situation, for giving hope through strong advocacy and operational excellence.

CORE MISSION of Mary Ward Loreto is the eradication of human trafficking from Albania, with a specific emphasis on thwarting cases bound for the UK. MWL operates as a non-profit organization, dedicated to combatting this grave issue through a comprehensive three-fold approach encompassing **advocacy, prevention, and support for PV/VoTs** (Potential Victims/Victims of Trafficking).

Advocacy: MWL recognizes the paramount importance of sustaining public awareness and advocacy to shed light on the ongoing prevalence of human trafficking across Albania. This critical element serves to ensure that the gravity of these crimes remains a focal point of public attention, compelling action at various levels.

Prevention: MWL has been committed to effecting change at the systemic level. This involves a multitude of projects executed at the local level to bring about systemic shifts and address the root causes of human trafficking, particularly poverty. By channeling efforts into projects that empower communities and eliminate poverty-driven vulnerabilities, MWL has significantly reduced the susceptibility to trafficking.

Support Services: MWL's strategic planning also highlights its dedication to providing support services as a means to counter human trafficking's adverse effects. Through a well-structured referral system, MWL extended assistance in six Advice and Service Centres in six vulnerable regions to individuals who are vulnerable to trafficking and abuse. Additionally, the foundation has extended specialised aid to returning victims, focusing on their successful reintegration and rehabilitation into society.

Holistic Approach: By recognizing that the causes of human trafficking and exploitation are deeply rooted, MWL aims to unearth and confront these underlying issues through its multifaceted strategy.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

One Sister is in ministry in the **Philippines (Institute of Formation Fondacio Asia)** –

Ten students who commenced the Course of Formation with IFFAsia in July 2022 participated in a holistic Program which in addition to their academic formation, introduced them to the areas of both human and spiritual development. Catholic Social Teaching became a living reality when the students experienced living with families, as they engaged in projects amongst the poor and indigenous communities in collaboration with Youth Commissions. Other opportunities exposed them to organizations supporting the homeless and families living in poverty.

As a member of the Formation Team, Sister was responsible for introducing the young people to the Old and New Testament; offering them experiences using different methods of prayer; enabling them to lead prayer and prepare for the weekly Community Mass. As coordinator of the Pastoral Track, she drew on the insights of 'The Joy of the Gospel' by Pope Francis for evangelization, faith and catechesis. She directed a 3-day end of year retreat for the students and team members at the local Jesuit Retreat Centre.

The students graduated with Mass and a Rite of Missioning on May 28th (Pentecost Sunday), in the Good Shepherd Cathedral which was attended by priests representing the students from their respective countries. This was a fitting way to conclude a year of much personal growth and transformation.

Sister continues to accompany a number of IFFA alumni on a monthly basis via video call - in Myanmar, Laos and Cambodia.



One Sister continues working with Revive, teaching English each week to both new arrivals and those who have been in UK several years without access to English. Links in the neighbourhood have been strengthened. Several families have invited refugee children to play with their own children or make monthly contributions to special needs families. Speaking to year 12 students at our local Loreto Grammar School produced lively discussion of the bill before Parliament re sending illegal immigrants to Rwanda and Revive's experience of genuine asylum seekers finding no access to legal means crossing the channel.

Several parishioners welcomed Ukrainian families into their homes and the Sisters also supported 15 Ukrainians along with 12 parishioners who came every week to the Convent for English conversations.

Families from Hong Kong have settled into the area and last year at least 6 adults from Hong Kong sought to become Christians in our parish. One Sister was involved with the parish group who met each week with them.

A few retired Sisters contribute to parish life, as Extraordinary Ministers of Holy Communion, Readers, Catechists, and through their support of parishioners and parish initiatives. At an international level Sisters engage with interest groups especially in the field of music, art and writing. They have a particular focus on highlighting current issues and exploring the spiritual embodied in art. Work is on-going to raise awareness of Mary Ward and the work of the Institute. Many Sisters have established links with the Mary Ward family across the world, and information and visits to significant sites are facilitated.

Our employed lay Archivist and Province Liaison Sister work on our archival material. The Archivist also responds to requests from relatives, past pupils from our schools, and research students.



One Sister continues to work within the Loreto Drawn Together (LDT) initiative. LDT offers a specialist psychoanalytic parent-infant psychotherapy (PIIP) intervention to parents and their babies who are struggling in their new relationship. This service provides in-person sessions in a Well-Being Centre and an online service for parents and their infants. During this year the service has further developed its Art Therapy interventions with emotionally upset under-fives within and for our partner nursery. This work includes 1-2-1 sessions and group sessions. In addition to their individual work, both the PIIP therapists and the Art Therapists offer parent support sessions for distressed and bereaved parents. The therapists engage with the wider network in the area and they are strongly linked with The Health Visiting team and local GPs. The therapists avail of appropriate CPD trainings including Advanced Safeguarding Training and are full members of their respective professional bodies such as the BPC, HCPC and BAAT.



INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Our Sisters' work is not just restricted to their chosen ministries. Throughout the year, the Members of the Institute give their time to assist the poor and marginalised wherever that need arises. Many of the Sisters receive no financial reward for the work they undertake and which contributes to the overall achievement of the charity's objectives. The mission also extends through the support of past staff and pupils from within the worldwide Loreto network through personal contact or technology.

3. Nurturing of Religious beliefs and provision of Retreats

Loreto Spirituality Centre continues to adapt, as we strive to meet the needs of today's world. A Manager is employed to see to the day to day running of the Centre and to line manage the staff. Two Sisters work full time in the Centre, and provide a programme of retreats and courses to meet the spiritual needs of our times. Two other Sisters who live elsewhere, are also very much involved, and come to the Centre on a regular basis to work on our retreats.

The events on the programme include silent individually guided retreats, varying in length from a weekend to 30 days, preached retreats and themed retreats. Our Holy Week is specifically aimed at young people and families. The Theology Summer School is also a popular event on the Centre Calendar. The formation of a wider team of IBVM Sisters, plus the manager, enables a more diverse programme to be offered. A weekend retreat named 'Finding Life in an era of Change' was particularly aimed to meet the huge changes that our world is experiencing, and another named 'Space to Grieve' offers support to those recently bereaved. 'Visio Divina', a retreat for those who make use of their Smartphones for taking photographs, encourages them to encounter the Divine in what they see.

The Sisters on the spirituality team also meet regularly with those who ask for on-going spiritual direction, either in person or on zoom, making it possible to reach out beyond geographical boundaries.

The Centre also offers hospitality to groups who wish to run their own events. Several religious congregations held meetings here during the year, as well as individuals and groups of people in caring ministries who are looking for a period of respite. We also welcome groups such as the SPANNED (Supporting People with Additional Needs) group from the Diocese of Nottingham, who come annually for a break with their carers. In addition, we have a limited number of rooms available for those wishing to avail of self-catering facilities.

The conference room was used free of charge, by local Ukrainian refugees for English lessons, but these have now stopped, as the students went on to college to continue their lessons.

To ensure that nobody is excluded for financial reasons, a bursary has been set up to enable the unemployed and low-waged to come for retreats and courses.

In common with many religious orders the Centre faces the dilemma of meeting ever rising costs with a declining income. This shortfall has had to be met from existing funds, but action is being taken to ensure that this utilisation of resources is conducted in a manner which protects the future financial security of the works and membership.

4. Overseas Activity

The Institute globally has the aim to advance the religious and other charitable work in the Developing World. The work of the English Province in the Developing World is carried out mainly through the Teresa Ball International Solidarity Fund, registered charity no. 1080521 and Company no. 3914049, a charity under common control. The mission in Albania is part of the English Province mission.

5. Governance, Structure and Management

In terms of **Canon Law**, the Institute is governed at an international level by the Institute Leader and her Council in Rome. They are elected every eight years at a meeting of representatives of all the Provinces and Regions of the Institute and this last General Congregation in 2022 elected a new Institute Leadership Team. At every General Congregation the focus for the next eight years is mandated to Institute Leadership.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The term of 3yr '*ad experimentum*' of Governance initiated by the previous Institute Leadership was reviewed when the new Institute Leader and her Consultors visited the English Province. The outcome of the review was a different model and new style of Province Leadership with a Provincial and two Province Consultors and the IBVM in England to return to the status of a Province rather than Region.

In terms of **civil law**, the charity is governed by a Trust Deed dated 2 March 1965 and is registered with the Charity Commission. The Charity Commission number is 250607. There is also a new Scheme approved by the Charity Commission dated 28 July 2003, which amends the governing document.

The governing document provides for ultimate decision making, including the appointment and retirement of trustees, at the sole discretion of the Province Leader. Under the new structure of leadership all canonical and civil governance decision making is conducted by the Leadership Team. The civil law implications of this new structure and the provisions of the governing document are therefore in conflict. To reconcile this conflict, the Leadership Team appoints one of its members to execute Leadership Team decisions on its behalf, as 'Provincial', where compliance with civil law is required.

A Sister is the Province Treasurer, and the Province has a lay Finance Manager working full time. In assessing and supporting the Province, the Leadership Team sits with the Finance and Properties Committee. The pay and remuneration of the Institute's employees, including key management personnel, is reviewed annually by the Finance and Properties Committee which then makes its recommendations to the Trustees.

The names of the Trustees on 31 August 2023 are set out on the attached schedule of legal and administrative details.

The Trustees, Treasurer and Finance Manager regularly attend seminars arranged by CoREW (Conference of Religious in England and Wales), The Association of Provincial Bursars and various professional bodies, including the Annual Catholic Conference, to keep abreast of current legislation and sector developments. As the Institute's main ministry has traditionally been educational all five trustees are currently fully qualified teachers. Some have later trained in other disciplines including pastoral/spiritual ministries and finance.

Statement of Trustees Responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales/Northern Ireland 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts Report) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Structure and Management Reporting

The Trustees are ultimately responsible for the policies, activities, and assets of the charity. During this year there were five Trustees. The Province structure is composed of a Leadership Team of three, one local leader for our Llandudno community and designated contact persons in each of the other communities. The Leadership Team meets monthly for the care of the Province to review ministries and to discuss forward planning. The finance manager reports quarterly to this meeting on the current financial state of the Province and at other ad hoc intervals at the request of the Leadership Team to provide financial input to decision making.

The Leadership Team sits with the Finance and Properties Committee. The purpose of this committee is to advise the Leadership Team on all matters relating to finance, land and buildings. Once yearly it meets with all the Trustees and the Charity's auditors to confirm that all matters of discussion have been minuted and to assist in the process of approving the Annual Accounts and Trustees' Report. When necessary, the Trustees seek advice and support from the charity's professional advisers including property consultants, investment managers, lawyers and accountants. The day-to-day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Institute and to senior staff.

The day-to-day responsibility for the schools lies with the Headteachers and governors, and members of the Institute are on all the governing bodies. The day-to-day management of both our Loreto Spirituality Centre and Loreto House is carried out by our two lay managers.

Working with other organisations

Through its members the charity works closely with other charities and organisations which include the following:

- Roman Catholic Dioceses
- Jesuit Spirituality Centres in Britain
- Local education authorities
- Educational establishments
- Other Religious Congregations
- Caritas Albania
- Mary Ward Loreto Albania UK
- Caritas England and Wales
- CSSA (Catholic Safeguarding Standards Agency)
- RLSS (Religious Life Safeguarding Service)
- Northwest Religious Orders Safeguarding Network Support Group
- National Health Service
- Fondacio Asia – Philippines
- Salvation Army
- Anawim Arts - Canada

Risk Assessment Statement

The Trustees manage risk by reference to both long established, documented procedures and systems of control and current Charity Commission guidance on best practice. The Trustees believe that all major risks have been identified and reviewed and that systems and procedures are in place to manage these risks. In carrying out their assessment the Trustees have identified five main areas where risks may occur:

- 1: Governance and Management
- 2: Operational
- 3: Financial
- 4: Reputation
- 5: Laws, regulations, external and environment

- 1: **Governance and management** look at the structure of the Institute, and hence the charity, and the skills and training of its members and staff, and the good use of its resources.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

- 2: **Operational** looks at the risks inherent in the charity's activities including the operation of its schools/college, and Loreto Spirituality Centre; Sisters/Staff engaging in inappropriate activities, the unsuitability of buildings, poor maintenance, shortcomings in the services provided, difficulties with staff, poor health and safety, lack of a disaster recovery policy etc. When acting in their capacity as school governors, the Trustees and Sisters are required to regularly attend training courses and seminars, particularly concerning safeguarding, but also risk assessment generally.
- 3: **Financial** risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies etc. Financial risk also extends to the security of the Institute's future income streams, in particular the receipt of pensions and salaries which currently account for 83% of Province Fund income. This aspect of risk is an important factor in the production of the Institute's strategic plan. The Institute manages its financial affairs by reference to an annual budget, performance against which is monitored by the trustees.
- 4: **Reputational** looks at possible damage to the Institute's and/or charity's reputation. We take the issue of safeguarding extremely seriously.

In line with statutory requirements, the Trustees recognise the absolute necessity of ensuring the protection and safety of all those the charity serves. All Sisters who are in any kind of ministry in the United Kingdom obtain Disclosure and Barring Service clearance as do the staff at Loreto House. The Province Safeguarding Lead keeps abreast of Institute and statutory policy and controls the DBS checks on Sisters and employees. The Safeguarding Lead also reports annually to the Leadership Team. Safeguarding is a topic on all Province and Leadership Meetings agendas.

After much delay, the CSSA (Catholic Safeguarding Standards Agency) issued their contract for members which we signed in March 2023. A Sister has taken on the role as Province Safeguarding Representative and Trustee since the previous Safeguarding Trustee has moved to a new leadership role in Rome. The Province Leader, Safeguarding Lead, and those in Spiritual Direction and Trustee and Leadership roles have been accessing the relevant training from the RLSS (Religious Life Safeguarding Service). The RLSS also produced a Policy Template which we adapted and signed. We have also updated our own simple policy documents for the Sisters, to reflect the changes, and have posters available for houses where these are needed. This information will be given with PowerPoint explanation at the next Province Gathering in September 2023.

There have been no safeguarding allegations or concerns.

In March 2023 the Trustees resolved to close the Preparatory School in Altrincham. Although due process was followed and appropriate legal advice taken, a parent group made allegations to the contrary and lodged their complaint with the Charity Commission. As a result, the Trustees were obliged to lodge a Serious Incident Report with the Commission. In June 2023 the Commission recognised the full cooperation of the Institute's Trustees in responding to their resultant enquiries and ruled that the Trustees had made a reasonable decision when judged against the criteria set out in Commission guidance relating to trustee decision making.

- 5: **Laws, regulations, external and environment** look at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment in the charity's establishments.

The work of the Trustees in assessing and minimising exposure to risk is supported by the Province Treasurer and Finance Manager. They are both members of the Association of Provincial Bursars, an association set up over thirty years ago for Bursars of Religious Congregations both Catholic and Anglican, and through this Association they keep up to date with current legislation and developments. Furthermore, they and many of the sisters attend courses in support of their ministry or Institute management. These courses are either run by the professional bodies of which they are members or other appropriate organisations.

The Institute is GDPR compliant and annually reviews its Cyber Security Policy.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

In conducting their assessment, the Trustees necessarily gave due regard to the declining numbers of Institute members and the rising average age of those who remain. The main sources of income to the Institute are the pensions and salaries of the sisters and as they grow older this income is inevitably declining.

Additionally, the payroll costs currently being incurred will increase as more people are employed to undertake work now being carried out on a voluntary basis by the Sisters. The Trustees have ensured that procedures and controls are in place to protect the property and investment assets of the Institute so that financial resources are available into the future to meet additional funding requirements resulting from this ageing process.

Care for Members of the Institute

Those members of the Institute who earn salaries or receive pensions covenant them to the charity and therefore have no independent means of support. Many also give their services free in their various ministries and continue to do so well beyond retirement age. Hence the work of the charity includes the upkeep of the members so that they will be able to continue in their service to the public.

Additionally, the charity must also care for the elderly members of the Institute who are now themselves in need of care. These Sisters have no resources of their own and have devoted their whole lives to the educational, pastoral, social and other ministries of the Institute, which now has a moral and legal obligation to provide for their care. In common with many religious congregations in the United Kingdom, the age profile of the members of the Institute is increasing as existing members grow older and there are no new vocations. As the age profile increases so too does the need to provide increasingly expensive care for the Sisters, a cost which is borne almost exclusively by the charity since, as members of a religious community, we are not entitled to claim certain benefits from the state e.g. pension credit.

In the past twelve months one Sister has died.

There are 34 Sisters in the English Province, and they live and work in several locations across England, Scotland and Wales. Two Sisters work overseas, one in Albania and one in the Philippines.

The Institute has established Powers of Attorney for all its Sisters to ensure that their wishes continue to be followed should they become incapacitated through ill health and unable to make decisions for themselves.

Over the next decade the Trustees expect the number requiring care to increase. Consequently, the Trustees are carefully considering the impact of this on the work of individual Sisters of the Institute, the property requirements and the financial implications. The aims of the Trustees are as follows:

- To ensure that all Sisters receive the care that they require to provide them with a quality of life we consider to be right.
- To review the charity's properties used as community houses and assess their suitability as homes for the frail elderly. Those identified as being unsuitable will need to be adapted or, if this is not possible, sold and replaced with more appropriate properties.
- To enable all members of the Institute to continue with their ministries and live independently for as long as possible after their official retirement age.

We continue to provide care for our elderly and frail sisters in Loreto House under the direction of our experienced Matron and her dedicated team. Sisters receive around the clock care, tailored to their needs, aimed at enabling independence for as long as possible. Situated as it is, close to our Loreto Spirituality Centre, it enables our elderly sisters to connect with ministry which is central to the mission of the Institute.

Employees, Volunteers and Members of the Institute

The Trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and those Sisters of the Institute who are involved with its administration – without their contribution the charity would not be able to function as effectively or fully as it does. Their dedication, enthusiasm and active participation in our ministry is very much appreciated.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Grants, Donations and Support of Missionary Work and Ministry

Grants, donations and other payments in support of ministry are decided on by the Trustees in consultation with the members of the Institute as appropriate. While the Trustees give occasional support to United Kingdom based organisations and to individuals within the objects of the charity, the charity does not regard itself as a grant making entity and applications for grants and donations are not invited.

Fundraising Policy

The charity has undertaken some small-scale fundraising activities during the year. All fundraising activities have been undertaken in accordance with the applicable regulations. The charity does not work with commercial partners and has received no complaints in relation to its fundraising activities.

Investment Policy

The charity has a portfolio of investments with a market value of £1,757,425 managed by two long established stockbroker firms with much experience in investing funds for charitable organisations – Investec Wealth and Investment Limited and Hedley & Co. Both firms operate within specific guidelines, which are set out and regularly reviewed by the Trustee appointed Investment Committee. The Investment Committee in turn reports twice annually to the trustees. There are no restrictions on the charity's power to invest.

The investment strategy is to achieve a balanced return from income and capital growth by reference to recognised charity sector benchmarks subject to a medium risk portfolio structure. As well as these investments a further £149,806 is held on special deposits to be recalled when needed to meet our contingent liabilities and planned works.

The Charity requires the investment managers to have regard to its ethical screening policy when making investment decisions. In addition to specifically excluding some areas of investment (for example in any companies having significant profits from armaments, gambling or life determination) the policy also requires the managers to avoid investment in companies with continuing issues of exploitation of its workforce or deprivation of human rights, being activities contrary to Christian objectives. The screening process adopted by the Charity is an independent service provided by Ethical Screening Services Ltd but operated by Investec Wealth and Investment Limited. The adoption of this screening process is applied to both investment portfolios.

The investment committee meets several times during the year to review the performance of the portfolio and the continued appropriateness of the charity's investment strategy. The investment managers attend these meetings to present a formal report on an ad hoc basis but at least annually. The Charity has selected the FTSE WMA Balanced Portfolio as the benchmark against which the performance of its investment managers is assessed. Whilst market conditions have continued to be volatile market returns have largely flattened out during the year under review. The performance of our investment portfolios reflects this trend with both managers showing a total return of in or around 4% in line with the benchmark. (2022: minus 13%).

Achievements and Performance

Financial Review

Results for the year

During 2022/23 incoming resources amounted to £2,350,855 (2022: £2,141,977). Of this total, £1,216,773 (2022: £1,168,902) related to fee's receivable at the preparatory school and retreat centre and Legacies received amounted to £103,075 (2022: £189,097). Salaries and pensions of the sisters covenanted to the charity amounted to £815,761 (2022: £614,607), the increase being mostly due to a retirement lump sum of £176,612. Investment income and interest received totalled £77,309 (2022: £81,192). This is a 4.8% decline in investment income (2022: 1.7%).

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Resources expended totalled £3,387,655 (2022: £2,753,956) an increase of 23%. Staff costs at the school and retreat centre still represent a significant proportion (27%) of total expenditure, amounting to £911,762 (2022: £851,760). The preparatory school in Altrincham was closed in July 2023 at a cost of £456,536.

Expenditure on maintaining the members of the Institute and supporting them in their pastoral work and ministry totalled £1,590,572 (2022: £1,483,438), representing an increase of 7.1%. Of this, the running costs and maintenance of buildings were £294,109 (2022: £319,670) and carers' payroll and nursing costs were £545,279 (2022: £525,358). Expenditure on governance and the fees paid to the charity's investment managers amounted to £85,606 (2021: £68,967). Greater awareness of the value of good care, continued pressure on staff availability due to NHS demands and significant increases in the national minimum wage has maintained the upward pressure on payroll costs.

Investment values stabilised in 2023 resulting in a small gain of £6,554 (2022: £323,593 loss).

Net movement of funds for the year was an outflow of £1,030,246 (2022: £935,572).

Funds to carry out the works of the charity come from various sources:

- SFA and YPLA in the Sixth Form College
- LEA and DfE in the two aided schools
- Donations from those who come to the retreat centre
- Donations received specifically for the mission in Albania
- The salaries and pensions of the members of the Institute
- Income from investments

We are not a fundraising charity although parents in the schools do raise some funds for particular projects. Our mission in Albania also seeks funds from individual donors based on generating awareness but does not undertake general advertising campaigns.

The Institute has a commitment to make contributions to the schools and college, particularly regarding the maintenance of their chapels where other sources of funding are not available, and some of the funds on deposit are reserved for this purpose.

Functional property belonging to the Institute has been included on the Balance Sheet at Trustees' valuation in 1996, which was achieved with help from professional advisers. The school's element of this valuation has since been revalued.

Reserves Policy

The reader will see from the information given that the charity carries out a diverse range of activities and is responsible for the care and support of sisters whose average age is increasing and whose needs are changing. The trustees have examined the need for free reserves i.e., those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. For several years the charity has looked to its assets to make good shortfalls of income from expenditure by providing the necessary funding to maintain liquidity. The trustees consider that, given the nature of the charity's work, its commitments and the age profile of its members, this funding requirement will continue into the foreseeable future and therefore it is unlikely that uncommitted reserves will become available.

Financial Position

The group balance sheet shows total reserves of £17,869,508 (2022: £18,899,754). Of this £15,643,592 (2022: £15,425,940) is represented by properties, assets under construction and other tangible fixed assets essential for the support and work of the sisters.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The Institute has divided its unrestricted assets into two designated funds:

1. Province Fund – to support the Sisters in their work as they give their services voluntarily and to care for them when they are sick and aged. The value of this fund is £10,960,941 (2022: £11,547,896) of which £8,786,441 (2022: £8,588,326) represents tangible fixed assets. The net current assets of the fund are £1,038,392 (2022: £517,789,). As at 31 August 2023 there were no assets under construction (2022: £52,885). Shortfalls of income to meet short term operating requirements continue to be met from investment realisations.
2. Ministry Development Fund – to support our schools, establishments and other charitable donations made for the public benefit within the terms of our governing document. The value of this fund is £6,112,881 (2022: £6,678,016) of which £6,857,151 (2022: £6,837,614) represents tangible fixed assets. The net current assets of the fund are £744,626 in deficit (2022: £159,955 in deficit), the increase being exclusively due to the closure of the preparatory school.

The asset base of the Institute has been its strength for a considerable period of time. Shortfalls of income to meet expenditure are such that asset realisations are an essential part of financial planning. Our investment managers are aware of our cashflow requirements for at least the next 12 month period and our Leadership team regularly reviews property needs not only in terms of ministry but also in regard to the increasing vulnerability of our members. These reviews have recognised that properties within the Llandudno site are now surplus to our needs and marketing them for disposal is at an advanced stage.

Future Plans

The trustees have resolved to modernise their structure by changing the form of their operating document from trust deed to one of Charitable Incorporated Organisation. The new Charity has been registered and plans to convert advanced pending the completion of registered land transfers.

The trustees have further resolved to a merger under a Canonical Fusion with the Congregation of Jesus but plans for this merger remain at an early stage. The Charity is currently continuing to operate as an independent charity, but there is an agreement to work closer together with the Congregation of Jesus and potentially merge in the future.

Whilst the trustees do not anticipate any significant change to the charity's activities over the next two to five years, they are constantly reviewing works of the Institute in the light of a changing world and its own ageing membership. To that end the membership continues to review its ministry works for the next ten years and how they will be achieved and provide public benefit. The Trustees opinion is that the Charity will continue to provide public benefit by continuing to meet the following objectives:

- To continue to be trustees for two Loreto schools and a Loreto sixth form college;
- To continue the development of Loreto ethos at Loreto Chorlton;
- To continue to provide training for its school governors;
- To continue to support other schools;
- To continue to control Loreto Education Trust, a company limited by guarantee and established to manage the operations of the schools and college whilst at the same time continuing the ethos of Mary Ward into the future;
- To continue to develop new projects which deliver public benefit such as the mother and infant project;
- To continue with its pastoral/outreach work at several locations across the country;
- To continue to explore interfaith work and to train new members to degree level in religious studies and theology to prepare them for future ministry in a multi-cultural/multi-faith society;
- To continue the development of its Loreto Spirituality Centre in Llandudno;
- To maintain and increase awareness of the religious tenets of its founder, The Venerable Mary Ward;
- To continue to care for the sisters and enable them to carry out their various ministries where they will continue to reach out to the poor and marginalised and the victims of trafficking;
- To meet the requirements of the various statutory bodies;
- To continue to employ high quality staff and to ensure they are given appropriate and relevant training;

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

- To support the work of the English Province in Albania;
- To monitor the needs of the sisters as they grow older and, if necessary, adapt the charity's plans in respect of property needs and the provision of care to elderly members;
- To continue to encourage new membership.
- To continue the conversion of the Charity to a Charitable Incorporated Organisation, having established the new body during the year.

MHA Moore and Smalley have expressed their willingness to be re-appointed as auditors for the ensuing year.

Compliance

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report was approved by the Trustees of the Charity on 10/01/2024 and signed on their behalf by:

Jen Bromham IBM

.....
Jen Bromham - Trustee

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the financial statements of The Institute of the Blessed Virgin Mary (English Province) Loreto Sisters (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise the Group Statement of Financial Activities, the Group and Parent Charity Balance Sheet, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 parent charity's affairs as at 31 August 2023, and of the group's incoming resources and application of resources, 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 Charities Act 2011.

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 and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group and parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2023

Other information (continued)

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of financial statements which 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 parent charity'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 parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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:

- Enquiries with management about any known or suspect instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to future performance of the group;
- An evaluation of the risk of management override of controls and subsequent testing, including through testing journal entries and other adjustments for appropriateness;
- Auditing the risk of fraud in income by way of transactional testing, testing income recognition in accordance with SORP, and testing for completeness of income around the year end.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

- An evaluation of the company's internal control environment; and
- Reviewing board minutes and resolutions.

Because of the nature of the charities operations, we identified the following areas as those most likely to have a material impact on the financial statements: health and safety and compliance with the UK Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor s to become aware of it or to recognise the non-compliance.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Moore and Smalley

.....
MHA Moore and Smalley
Chartered Accountants
and Statutory Auditor

Richard House
Winckley Square
Preston
PR1 3HP

16/01/2024
.....

MHA Moore and Smalley is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

GROUP STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Restricted Funds £	Unrestricted funds Ministry Province £		2023 Total £	2022 Total £
Income from:						
Donations and legacies	4	159,026	-	897,747	1,056,773	889,845
Investments	5	16,562	-	60,747	77,309	81,192
Charitable activities	6	-	1,216,773	-	1,216,773	1,168,902
Other	7	-	-	-	-	2,038
Total income		175,588	1,216,773	958,494	2,350,855	2,141,977
Expenditure on:						
Raising funds	8	2,590	-	23,329	25,919	28,349
Charitable activities	9	67,305	1,781,908	1,512,523	3,361,736	2,725,607
Total expenditure		69,895	1,781,908	1,535,852	3,387,655	2,753,956
Net gain/(loss) on investments	10	16,151	-	(9,597)	6,554	(323,593)
Net (expenditure)		121,844	(565,135)	(586,955)	(1,030,246)	(935,572)
Transfers between funds		-	-	-	-	-
Net movement in funds		121,844	(565,135)	(586,955)	(1,030,246)	(935,572)
Reconciliation of funds:						
Total funds brought forward		673,842	6,678,016	11,547,896	18,899,754	19,835,326
Total funds carried forward		795,686	6,112,881	10,960,941	17,869,508	18,899,754

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

GROUP BALANCE SHEET

AS AT 31 AUGUST 2023

	Note	Restricted Funds £	Unrestricted funds Ministry £	Province £	2023 Total £	2022 Total £
Fixed assets						
Tangible assets	12	-	6,857,151	8,786,441	15,643,592	15,425,940
Investments	13	770,767	356	1,136,108	1,907,231	3,082,160
		770,767	6,857,507	9,922,549	17,550,823	18,508,100
Current assets						
Debtors	14	1,512	18,762	32,924	53,198	49,266
Cash at bank and in hand	15	27,913	209,154	292,361	529,428	688,452
		29,425	227,916	325,285	582,626	737,718
Creditors: amounts falling due within one year	16	(4,506)	(206,330)	(53,105)	(263,941)	(346,064)
Inter-fund debtors / (creditors)		-	(766,212)	766,212	-	-
Net current assets		24,919	(744,626)	1,038,392	318,685	391,654
Net assets		795,686	6,112,881	10,960,941	17,869,508	18,899,754
Funds						
Restricted funds		795,686	-	-	795,686	673,842
Unrestricted funds:						
Designated - Province fund		-	-	10,960,941	10,960,941	11,547,896
Designated - Ministry fund		-	6,112,881	-	6,112,881	6,678,016
Total funds	18	795,686	6,112,881	10,960,941	17,869,508	18,899,754

Certificate of trustees

These financial statements were approved by the trustees on

10/01/2024

Jen Bromham IBVM

K. Hewitt

.....
J Bromham - Trustee

.....
K Hewitt - Trustee

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

PARENT CHARITY BALANCE SHEET

AS AT 31 AUGUST 2023

	Note	Restricted Funds £	Unrestricted funds Ministry £	Province £	2023 Total £	2022 Total £
Fixed assets						
Tangible assets	12	-	6,857,151	8,786,441	15,643,592	15,373,055
Investments	13	770,767	356	1,136,108	1,907,231	3,082,160
		770,767	6,857,507	9,922,549	17,550,823	18,455,215
Current assets						
Debtors	14	1,512	18,762	32,924	53,198	48,966
Cash at bank and in hand	15	27,913	209,154	292,361	529,428	682,758
		29,425	227,916	325,285	582,626	731,724
Creditors: amounts falling due within one year	16	(4,506)	(206,330)	(53,105)	(263,941)	(273,426)
Inter-fund debtors / (creditors)		-	(766,212)	766,212	-	-
Net current assets		24,919	(744,626)	1,038,392	318,685	458,298
Net assets		795,686	6,112,881	10,960,941	17,869,508	18,913,513
Funds						
Restricted funds		795,686	-	-	795,686	673,842
Unrestricted funds:						
Designated - Province fund		-	-	10,960,941	10,960,941	11,561,655
Designated - Ministry fund		-	6,112,881	-	6,112,881	6,678,016
Total funds	18	795,686	6,112,881	10,960,941	17,869,508	18,913,513

Certificate of trustees

These financial statements were approved by the trustees on

10/01/2024

Jen Bromham IBVM



.....
J Bromham - Trustee

.....
K Hewitt - Trustee

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

**GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023**

	2023 £	2022 £
Net cash outflow from operating activities	(1,191,368)	(610,628)
Cash flow from investing activities		
Payments to acquire tangible fixed assets	(235,594)	(16,194)
Receipts from sales of tangible fixed assets	14,464	-
Payments to acquire investments	(162,261)	(291,234)
Receipts from sales of investments	1,375,448	858,128
Investment income	71,991	77,930
Net cash flow from investing activities	1,064,048	628,630
Net (decrease) in cash and cash equivalents	(127,320)	18,002
Cash and cash equivalents brought forward	806,554	788,552
Cash and cash equivalents carried forward	679,234	806,554
Consisting of:		
Monies held for investment	149,806	118,102
Cash at bank and in hand	529,428	688,452
	679,234	806,554
Reconciliation of net (expenditure) for the year to net cash flow from operating activities		
Net (expenditure) for the year	(1,030,246)	(935,572)
Investment income received	(71,991)	(77,930)
(Gain)/Loss on disposal of tangible fixed assets	2,763	-
Loss/(Gain) on investments	(6,554)	323,593
Depreciation of tangible assets	717	7,196
Decrease/(Increase) in debtors, net of capital debtors	62,583	20,648
Increase/(Decrease) in creditors, net of capital creditors	(148,640)	51,441
Net cash flow from operating activities	(1,191,368)	(610,628)

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The Statement of Financial Activities, Balance Sheet and Statement of Cash Flows consolidate the financial statements of the charity and its subsidiary undertaking, Loreto Developments Limited. Loreto Developments Limited is a company limited by guarantee (company no. 08809375) and its principal activities are that of property development. The trustees of the charity are the directors and guarantors of Loreto Developments Limited.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure together with funds available from investment and property realisations are sufficient for the charity to be able to continue as a going concern.

Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objects of the charity and which have not been designated for other reserves.

Where unrestricted funds have been earmarked for a particular project, they have been designated as a separate fund, but the designation has an administrative purpose only and does not legally restrict the trustees' discretion to apply the fund. The aim and use of each designated fund is set out in the notes to the accounts.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the accounts.

The accounts comprise:

Restricted funds

- Patrimony Fund
- Loreto College St Albans Appeal Fund
- Loreto Sisters Albania Fund

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Restricted funds (continued)

- Loreto Sisters Drawn Together Fund

Ministry (unrestricted)

- Ministry Development Fund
- Loreto Preparatory School, Altrincham
- Loreto Retreat Centre

Province (unrestricted)

- Province Fund
- Houses

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Legacies received by members of the Institute are credited to the Patrimony Fund unless the legator indicated a specific bequest.

Covenanted salaries and pensions

Covenanted salaries and pensions are received under deeds of covenant from members of the Institute and are stated inclusive of income tax but net of any deductions for national insurance and occupational pension schemes' contributions.

Resources expended

Expenditure is included on an accruals basis and consists of all expenditure directly relating to the objects of the charity.

Investment management and governance costs include expenditure incurred in the management of the portfolio and for compliance with constitutional and statutory requirements.

Irrecoverable VAT is included with the category of expense to which it relates.

All expenditure is written off in the year in which it is incurred, including major property renovations, unless the expenditure is deemed to increase the charity's fund value.

Governance costs

Comprises audit fees, legal and professional fees and a contribution to payroll.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the exchange rate ruling at the balance sheet date. All differences are taken to the SOFA.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable within one year are recorded at transaction price. Balances include funds due to and from two unrestricted designated funds from within the Charity which are separately identified in notes 14 and 16 to the financial statements.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Pension schemes

Retirement benefits to employees of the Preparatory School are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit scheme, contracted out of the State Earnings-Related Pension Scheme, and the assets are held separately from those of the School.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the School is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each period.

Contributions for other staff are made to their personal pension schemes.

Tangible fixed assets

Land, buildings and fixtures: To date the charity has opted to adopt a policy of not revaluing its tangible fixed assets as permitted under the transitional provisions of FRS 15. On transition to SORP 2015 (FRS 102), similar transitional provisions were adopted to carry these amounts as deemed cost. The book value of the land and buildings was based on a Trustees' valuation made in 1996, based on insurance valuation at a discounted rate, plus cost of acquisitions since 1996.

Whilst this policy still holds true for the charity's community housing assets and property assets still actively managed in direct ministry by the sisters, it is no longer as valid in relation to the college and schools buildings now managed by the respective governors under the terms of supplemental agreements. The school buildings included in the 1996 valuations will now have been extensively renovated and modernised or demolished to create space for more up to date facilities. Any value attributed to buildings in 1996 is now of doubtful provenance. The most important factor for the charity is continued recognition that ownership of the land remains with the trust. It is expected that the schools will continue to occupy the land for some considerable time into the future and therefore any valuation would be little more than a guess. The trustees are therefore of the opinion that these properties should remain on the trust's Balance Sheet at a nominal value to avoid the need to speculate over value and to continue to demonstrate the trust's ownership.

No depreciation has been charged on the remaining land and buildings as the trustees consider that the amount involved would be immaterial after taking into account both the remaining useful life of the properties and their residual value. No depreciation is charged on assets under construction until they are available for use.

The trustees have considered the current market value of the properties and are of the opinion that there has been no impairment to the value shown in the accounts.

Motor vehicles: Depreciation is calculated at 20% on reducing balance.

Computer equipment: Computer equipment is not capitalised, as the trustees believe that values are not material when taking into account estimated useful economic lives.

Investments

Quoted investments are valued at their closing middle market price on the balance sheet date. Realised and unrealised gains (or losses) are reflected in the Statement of Financial Activities in the year in which they occur.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key assumptions, judgements and estimates

Valuation of land and buildings

The Trustees make an annual assessment of the valuation of properties held within the Charity against their current book value and determine whether there is any signs of impairment which may indicate that the valuation is overstated. The Trustees have confirmed that there is no impairment to the valuation of properties held at the balance sheet date.

There have been no other key assumptions concerning future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Staff costs and trustees' remuneration

	2023	2022
	£	£
Staff costs during the year were as follows:		
Wages and salaries	1,591,456	1,240,168
Social security costs	121,238	105,963
Pension costs	118,116	100,286
	1,828,206	1,446,417

The average number of employees during the year was 61 (2022: 61). The number of employees earning over £60,000 per annum, excluding pension contributions but including redundancy settlements, was as follows:

£100,000-£110,000 – 1 employee (2022: nil)
£90,000-£100,000 – 2 employees (2022: nil)
£80,000-£90,000 – 1 employee (2022: nil)
£70,000- £80,000 – 2 employees (2022: nil)
£60,000-£70,000 – 2 employees (2022: nil)

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2 Staff costs and trustees' remuneration (continued)

As members of the Institute, the Trustees' living expenses during the year were borne by the Trust, but the Trustees received no remuneration or other benefits in connection with their duties as Trustees during the year.

The Finance Manager, Matron and Centre Manager are considered to be key management personnel. Their aggregate remuneration for the year was as follows:

	2023	2022
	£	£
Aggregate remuneration of key management personnel	232,865	124,060

Following a Trustees' resolution in March 2023, the Charity closed its preparatory school in Altrincham after the summer term in July 2023. Teachers and staff received redundancy and settlement payments based on their length of service and current remuneration. The full cost of these payments is included within staff costs for the year and all amounts due have been met a totalled £336,512.

The institute also reached agreement with its Finance Manager to remain in office beyond his intended retirement date (31st July 2023) until his successor was appointed. Exceptional expenses also include an agreed settlement payment of £29,080.

Pension contributions

The Charity makes contributions to employees defined contribution pension schemes, including the Aviva Pension Trust for Independent Schools, to which a total of £118,116 (2022: £100,286) was contributed in the year.

3 Auditor's remuneration

	2023	2022
	£	£
Amounts payable to the auditor (including VAT) was as follows:		
Audit services	21,960	19,632
Other services	19,409	21,002
	41,369	40,634

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

4 Income from donations and legacies

Current Year	Restricted Funds £	Unrestricted funds Ministry	Unrestricted funds Province £	Total 2023 £
Donations and gifts	55,951	-	81,986	137,937
Legacies	103,075	-	-	103,075
Covenanted salaries and pensions (see below)	-	-	815,761	815,761
	<u>159,026</u>	<u>-</u>	<u>897,747</u>	<u>1,056,773</u>
	<u><u>159,026</u></u>	<u><u>-</u></u>	<u><u>897,747</u></u>	<u><u>1,056,773</u></u>
Prior Year	Restricted Funds £	Unrestricted funds Ministry	Unrestricted funds Province £	Total 2022 £
Donations and gifts	82,871	-	3,270	86,141
Legacies	-	-	189,097	189,097
Covenanted salaries and pensions (see below)	-	-	614,607	614,607
	<u>82,871</u>	<u>-</u>	<u>806,974</u>	<u>889,845</u>
	<u><u>82,871</u></u>	<u><u>-</u></u>	<u><u>806,974</u></u>	<u><u>889,845</u></u>

Covenanted salaries and pensions represent salaries and pensions of members, including those paid to the Trustees, of the charity payable to the charity under deeds of covenant or gift aid declarations.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

5 Income from investments

	2023	2022
	£	£
Gilt edged securities	379	-
Other fixed interest	18,613	17,469
Europe fixed interest	-	-
Equities: UK	32,005	40,341
European	8,226	10,938
Global	12,768	9,182
	<u>71,991</u>	<u>77,930</u>
Monies held for investment in the UK		
National Savings	2	-
Monies held by stockbroker	5,065	3,238
Treasury Deposits	251	23
	<u>77,309</u>	<u>81,191</u>
Bank interest	-	1
	<u>77,309</u>	<u>81,192</u>
	<u>77,309</u>	<u>81,192</u>
Represented by:	2023	2022
Restricted	16,562	13,911
Unrestricted – Province	60,747	67,281
Unrestricted – Ministry	-	-
	<u>77,309</u>	<u>81,192</u>

6 Income from charitable activities

	2023	2022
	£	£
Unrestricted – Ministry:		
School fees and retreat centre	1,216,773	1,168,902
	<u>1,216,773</u>	<u>1,168,902</u>

Income from charitable activities was entirely unrestricted in the current and prior year.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

7 Other Income

	2023	2022
	£	£
CJRS and Business Rates support grants received	-	2,038
	-	2,038

Other income was entirely unrestricted in both the current and prior year.

8 Expenditure on raising funds

	2023	2022
	£	£
Restricted - Patrimony	2,590	3,172
Unrestricted - Province	23,329	25,177
Unrestricted - Ministry	-	-
	25,919	28,349

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Expenditure on charitable activities

	Restricted Funds £	Unrestricted funds Ministry	Unrestricted funds Province £	Total 2023 £
Salaries for the school and retreat centre	-	911,762	-	911,762
Running costs and maintenance of buildings	-	312,445	294,109	606,554
Depreciation of fixed assets	-	-	717	717
Losses on disposal of properties	-	-	-	-
Community expenses	-	-	363,437	363,437
Nursing fees and medical care	-	-	545,279	545,279
Formation and ministry	60,014	78,049	23,196	161,259
Levy paid to the Generalate	-	23,116	-	23,116
Grants and expenditure on supported schools	7,291	456,536	-	463,827
Governance costs - payroll	-	-	36,743	36,743
Governance costs - audit	-	-	22,944	22,944
Support costs	-	-	226,098	226,098
	67,305	1,781,908	1,512,523	3,361,736

	Restricted Funds £	Unrestricted funds Ministry	Unrestricted funds Province £	Total 2022 £
Salaries for the school and retreat centre	-	851,760	-	851,760
Running costs and maintenance of buildings	-	267,470	319,670	587,140
Depreciation of fixed assets	-	-	7,196	7,196
Losses on disposal of properties	-	-	-	-
Community expenses	-	-	384,205	384,205
Nursing fees and medical care	-	-	525,358	525,358
Formation and ministry	80,263	29,489	23,527	133,279
Levy paid to the Generalate	-	35,254	-	35,254
Grants and expenditure on supported schools	7,422	-	-	7,422
Governance costs - payroll	-	-	21,487	21,487
Governance costs - audit	-	-	19,131	19,131
Support costs	-	-	153,375	153,375
	87,685	1,183,973	1,453,949	2,725,607

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

10 Net gain/(loss) on investments

	2023	2022
	£	£
Restricted	16,151	(74,838)
Unrestricted – Province	(9,597)	(248,755)
Unrestricted – Ministry	-	-
	6,554	(323,593)

11 Analysis of movement in restricted funds

	Drawn together	Albania	Appeal funds	Patrimony Fund	Total restricted funds
	£	£	£	£	£
Incoming resources					
Other income	13,968	36,211	1,013	-	51,192
Legacies received	-	-	-	103,075	103,075
Loreto College St Albans appeal	-	-	4,759	-	4,759
Investment income	-	-	-	16,562	16,562
Total incoming resources	13,968	36,211	5,772	119,637	175,588
Resources expended					
Raising funds	-	-	-	2,590	2,590
of charitable objects:					
Ministry	11,933	48,081	-	-	60,014
Expenditure on schools	-	-	7,291	-	7,291
Total resources expended	11,933	48,081	7,291	2,590	69,895
Net incoming/(outgoing) resources before transfers	2,035	(11,870)	(1,519)	117,047	105,693
Gain on investments:	-	-	-	16,151	16,151
Net movement in funds for the year	2,035	(11,870)	(1,519)	133,198	121,844
Total funds at 1 September 2022	15,108	11,870	8,847	638,017	673,842
Total funds at 31 August 2023	17,143	-	7,328	771,215	795,686

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

12 Fixed assets

GROUP	Assets under construction	Land and buildings inc. fixtures	Motor vehicles	Total
	£	£	£	£
Cost or deemed cost				
Balance at 1 September 2022	52,885	15,344,271	163,795	15,560,951
Additions	203,862	7,639	24,095	235,596
Disposals	-	(2,763)	(41,187)	(43,950)
Completions/Transfers	(256,747)	256,747	-	-
Balance at 31 August 2023	-	15,605,894	146,703	15,752,597
Depreciation and impairment				
Balance at 1 September 2022	-	-	135,011	135,011
Charge for the year	-	-	9,425	9,425
On disposals	-	-	(35,431)	(35,431)
Balance at 31 August 2022	-	-	109,005	109,005
Net book value				
At 31 August 2023	-	15,605,894	37,698	15,643,592
At 1 September 2022	52,885	15,344,271	28,784	15,425,940
PARENT CHARITY		Land and buildings inc. fixtures	Motor vehicles	Total
		£	£	£
Cost or deemed cost				
Balance at 1 September 2022		15,344,271	163,795	15,508,066
Additions		264,386	24,095	288,481
Disposals		(2,763)	(41,187)	(43,950)
Balance at 31 August 2023		15,605,894	146,703	15,752,597
Depreciation and impairment				
Balance at 1 September 2022		-	135,011	135,011
Charge for the year		-	9,425	9,425
On disposals		-	(35,431)	(35,431)
Balance at 31 August 2023		-	109,005	109,005
Net book value				
At 31 August 2023		15,605,894	37,698	15,643,592
At 1 September 2022		15,344,271	28,784	15,373,055

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

13 Investments

GROUP AND PARENT CHARITY	2023		2022		
	Cost	Market value	Cost	Market value	
	£	£	£	£	
Gilt edged securities	26,348	25,955	33,086	33,876	
Other fixed interest	291,218	242,247	416,545	375,122	
Europe fixed interest	16,752	16,698	-	-	
Equities: UK	868,044	661,048	1,454,912	1,266,015	
European	299,722	307,054	592,947	608,309	
Global	459,440	504,423	625,556	680,736	
Unit trusts	-	-	-	-	
	1,961,524	1,757,425	3,123,046	2,964,058	
Monies held for investment in UK:					
National Savings	2,476	2,476	2,474	2,474	
Monies held by stockbroker	37,556	37,556	67,175	67,175	
Treasury Deposits	109,774	109,774	48,453	48,453	
	2,111,330	1,907,231	3,241,148	3,082,160	
	Market value 1 September 2022 £	Additions £	(Disposals) £	Investment gains and losses £	Market value 31 August 2023 £
Quoted investments	2,964,058	162,261	(1,375,448)	6,554	1,757,425

14 Current assets

	Group		Parent Charity	
	2023 £	2022 £	2023 £	2022 £
Debtors				
Amounts owed by group undertakings	-	-	-	-
Prepayments and accrued income	34,085	25,508	34,085	25,508
Income tax recoverable	972	1,556	972	1,556
Other debtors	784,353	475,261	784,353	474,961
Gross debtors	819,410	502,325	819,410	502,025
Less inter-fund debtors	(766,212)	(453,059)	(766,212)	(453,059)
Total debtors (net of inter-fund debtor)	53,198	49,266	53,198	48,966

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

15 Cash at bank and in hand

	Group		Parent Charity	
	2023	2022	2023	2022
	£	£	£	£
Cash at bank and in hand				
Interest bearing accounts	522,789	686,537	522,789	680,843
Cash balances	6,639	1,915	6,639	1,915
	<u>529,428</u>	<u>688,452</u>	<u>529,428</u>	<u>682,758</u>

16 Liabilities

	Group		Parent Charity	
	2023	2022	2023	2022
	£	£	£	£
Amounts falling due within one year	145,926	-	145,926	-
Creditors	-	227,788	-	89,884
Amounts due to group undertakings	-	-	-	66,515
Deferred income	24,132	53,610	24,132	53,610
Payroll	87,196	17,498	87,196	17,498
Accruals	772,899	500,227	772,899	498,978
	<u>1,030,153</u>	799,123	<u>1,030,153</u>	726,485
Gross liabilities				
Less inter-fund creditor	<u>(766,212)</u>	<u>(453,059)</u>	<u>(766,212)</u>	<u>(453,059)</u>
Total liabilities (net of inter-fund creditor)	<u>263,941</u>	346,064	<u>263,941</u>	273,426

17 Borrowings and contingencies

During the year ended 31 August 2003, the trustees donated funds to Loreto College, Manchester in order for the College to invest in capital expenditure. These funds were generated by the disposal of a portion of land at the College which was subject to covenants by Manchester City Council. The Council allowed the disposal of the land to take place in exchange for a covenant on the remaining land, such that the City Council would be entitled to a payment of £1,050,000 should the College land and buildings be disposed of during a period of 40 years from the date of sale of the surplus land.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Movement in funds

Year ended 31 August 2023

	Balance 1 September 2022 £	Change in investment valuation £	Fund transfers £	Activity in year £	Balance 31 August 2023 £
Restricted funds					
Patrimony	638,017	16,151	-	117,047	771,215
Ministry – Appeal funds	8,847	-	-	(1,519)	7,328
Ministry – Drawn Together	15,108	-	-	2,035	17,143
Ministry – Albania	11,870	-	-	(11,870)	-
	<u>673,842</u>	<u>16,151</u>	<u>-</u>	<u>105,693</u>	<u>795,686</u>
Designated funds					
Ministry					
Functional property	6,837,614	-	-	19,537	6,857,151
Other Ministry funds:					
Investments	357	-	-	(1)	356
General	(159,955)	-	-	(584,671)	(744,626)
	<u>6,678,016</u>	<u>-</u>	<u>-</u>	<u>(565,135)</u>	<u>6,112,881</u>
Province					
Functional property	8,506,658	-	-	242,085	8,748,743
Transport	28,783	-	-	8,915	37,698
Other Province funds:					
Investments	2,441,781	(9,597)	-	(1,296,076)	1,136,108
General	584,433	-	-	453,959	1,038,392
	<u>11,561,655</u>	<u>(9,597)</u>	<u>-</u>	<u>(591,117)</u>	<u>10,960,941</u>
Total funds (parent charity)	<u>18,913,513</u>	<u>6,554</u>	<u>-</u>	<u>(1,050,559)</u>	<u>17,869,508</u>
Province					
Functional property	52,885	-	-	(52,885)	-
Other Province funds:					
General	(66,644)	-	-	66,644	-
	<u>(13,759)</u>	<u>-</u>	<u>-</u>	<u>13,759</u>	<u>-</u>
Total funds (group)	<u>18,899,754</u>	<u>6,554</u>	<u>-</u>	<u>(1,036,800)</u>	<u>17,869,508</u>

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Movement in funds (continued)

Year ended 31 August 2023

	Balance 1 September 2022 £	Change in investment valuation £	Fund transfers £	Activity in year £	Balance 31 August 2023 £
Restricted	673,842	16,151	-	105,693	795,686
Ministry	6,678,016	-	-	(565,135)	6,112,881
Province total of charity and subsidiary	<u>11,547,896</u>	<u>(9,597)</u>	<u>-</u>	<u>(577,358)</u>	<u>10,960,941</u>
Total funds (group)	<u>18,899,754</u>	<u>6,554</u>	<u>-</u>	<u>(1,036,800)</u>	<u>17,869,508</u>

Restricted funds

- **Patrimony**
This fund comprises the dowers made by individual sisters and any legacies received by sisters during their lifetime. When a sister dies, the dower/legacy is released to the Province Fund.
- **Loreto College St Albans Appeal Fund**
Income consists of donations received to assist in funding the on-going development of the school site. The fund is used to fund the trustees' contribution to small building works.
- **Loreto Sisters Albania Fund**
This fund supports the work of the English Province in Albania.
- **Loreto Sisters Drawn Together Fund**
This fund supports the work of the English Province at Harpenden Childrens' Centre.

Designated Unrestricted funds

- **Province**
To support the sisters and to care for them when they are sick and aged.
- **Ministry**
To support the works of the members in their ministries.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Movement in funds (continued)

Year ended 31 August 2022

	Balance 1 September 2021 £	Change in investment valuation £	Fund transfers £	Activity in year £	Balance 31 August 2022 £
Restricted funds					
Patrimony	702,116	(74,838)	-	10,739	638,017
Ministry – Appeal funds	6,400	-	-	2,447	8,847
Ministry – Drawn Together	13,281	-	-	1,827	15,108
Ministry – Albania	20,958	-	-	(9,088)	11,870
	<u>742,755</u>	<u>(74,838)</u>	<u>-</u>	<u>5,925</u>	<u>673,842</u>
Designated funds					
Ministry					
Functional property	6,837,614	-	-	-	6,837,614
Other Ministry funds:					
Investments	357	-	-	-	357
General	(146,922)	-	-	(13,033)	(159,955)
	<u>6,691,049</u>	<u>-</u>	<u>-</u>	<u>(13,033)</u>	<u>6,678,016</u>
Province					
Functional property	8,506,658	-	-	-	8,506,658
Transport	35,979	-	-	(7,196)	28,783
Other Province funds:					
Investments	3,274,957	(248,755)	-	(584,421)	2,441,781
General	596,302	-	-	(11,869)	584,433
	<u>12,413,896</u>	<u>(248,755)</u>	<u>-</u>	<u>(603,486)</u>	<u>11,561,655</u>
Total funds (parent charity)	<u>19,847,700</u>	<u>(323,593)</u>	<u>-</u>	<u>(610,594)</u>	<u>18,913,513</u>
Province					
Functional property	36,691	-	-	16,194	52,885
Other Province funds:					
General	(49,065)	-	-	(17,579)	(66,644)
	<u>(12,374)</u>	<u>-</u>	<u>-</u>	<u>(1,385)</u>	<u>(13,759)</u>
Total funds (group)	<u>19,835,326</u>	<u>(323,593)</u>	<u>-</u>	<u>(611,979)</u>	<u>18,899,754</u>

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Movement in funds (continued)

Year ended 31 August 2022

	Balance 1 September 2021 £	Change in investment valuation £	Fund transfers £	Activity in year £	Balance 31 August 2022 £
Restricted	742,755	(74,838)	-	5,925	673,842
Ministry	6,691,049	-	-	(13,033)	6,678,016
Province total of charity and subsidiary	<u>12,401,522</u>	<u>(248,755)</u>	<u>-</u>	<u>(604,871)</u>	11,547,896
Total funds (group)	<u>19,835,326</u>	<u>(323,593)</u>	<u>-</u>	<u>(611,979)</u>	18,899,754

20 Analysis of net assets between funds

Group

	Restricted funds £	Unrestricted funds Ministry £	Province £	2023 Total £
Fixed assets	770,767	6,857,507	9,922,549	17,550,823
Current assets	29,425	227,916	325,285	582,626
Creditors: amounts falling due within one year	<u>(4,506)</u>	<u>(206,330)</u>	<u>(53,105)</u>	<u>(263,941)</u>
Inter-fund debtors / (creditors)	-	(766,212)	766,212	-
	<u>795,686</u>	<u>6,112,881</u>	<u>10,960,941</u>	<u>17,869,508</u>

Parent charity

	Restricted Funds £	Unrestricted funds Ministry £	Province £	2023 Total £
Fixed assets	770,767	6,857,507	9,922,549	17,550,823
Current assets	29,425	227,916	325,285	582,626
Creditors: amounts falling due within one year	<u>(4,506)</u>	<u>(206,330)</u>	<u>(53,105)</u>	<u>(263,941)</u>
Inter-fund debtors / (creditors)	-	(766,212)	766,212	-
	<u>795,686</u>	<u>6,112,881</u>	<u>10,960,941</u>	<u>17,869,508</u>

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

21 Deferred income

	Group £	Charity £
Balance at 1 September 2022	53,610	53,610
Amounts deferred in the year	24,132	24,132
Amounts released to incoming resources	(53,610)	(53,160)
Balance at 31 August 2023	24,132	24,132

Deferred income comprises prep school fees received in advance and retreat centre deposits received in advance.

22 Legacies

Legacies received in the year amounted to £103,075 (2022: £189,097).

23 Related Parties

As noted in the trustees' report, Loreto Education Trust is an associated charity. Loreto Education Trust provides services to Loreto Preparatory School (Altrincham). During the year payments of £nil (2022: £nil) were made to the Trust.

The charity provided the land and buildings for the use of Loreto College (St Albans) and Loreto Grammar School (Altrincham) under supplementary agreements, rent free, throughout the year and previous year.

24 Capital commitments

Capital commitments amounted to NIL (2022: £183,045)

25 Post balance sheet events

There are no post balance sheet events

Congregation of Jesus (Loreto Sisters) English Province

England & Wales - Charity number 250607

Accounts



**Institute of the Blessed Virgin Mary
(English Province)
Loreto Sisters**

Accounts

**For The Year Ended
31 August 2022**



CONTENTS

	Page
Charity details	2
Trustees' report	3
Independent auditor's report	20
Group statement of financial activities	23
Group balance sheet	24
Parent charity balance sheet	25
Group statement of cash flows	26
Notes to the accounts	27

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

CHARITY DETAILS

Trustees

Miss Josette Zammit-Mangion
Miss Kathryn Keigher
Miss Bernadette Boland
Miss Una Coogan
Miss Kathleen Myers

Regional Leadership Team

Miss Bernadette Boland, Miss Kathleen Myers, Miss Jen Bromham

Province Treasurer

Miss Kathleen Hewitt

Finance Manager

Mr Gareth Maloney

Registered office

Loreto Province Offices
28 Hartley Road
Altrincham
Cheshire
WA14 4AY

Charity number

250607

Auditor

MHA Moore and Smalley
Chartered Accountants
& Statutory Auditor
Richard House
Winckley Square
Preston
PR1 3HP

Investment managers

Investec Wealth and Investment Limited	Hedley & Co
2 nd Floor, 3 Hardman Street	13b Winckley Square
Spinningfields	Preston
Manchester	PR1 3JJ
M3 3HF	

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their report and audit consolidated accounts for the year ended 31 August 2022. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the trustees' report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Charitable Status

The English Province of The Institute of the Blessed Virgin Mary (IBVM) is part of an International Roman Catholic Religious Congregation of women present in twenty-five countries.

The worldwide congregation has, this past year, celebrated the 200th anniversary of the arrival of Mary Ward's Institute to Dublin. We remember with joy Frances Teresa Ball, who made the journey from York and who began this incredible mission that over the last 200 years has spread around the world. We give thanks for all those who have gone before us.



"The mercies of the Lord I will sing forever"



As the celebration of the 170 years of our English foundation comes to a close, the ecological project we suggested resulted in each school planting a commemorative tree funded by the Region and the equivalent amount of money sent to our Zambian mission.

At our Province meeting we were able to celebrate the Jubilees of five of our sisters: one Oak - 80, one Platinum - 70, two Diamond - 60, and one Silver – 25 years, since entrance.

The accounts accompanying this Report are the accounts of a Charitable Trust, registered with the Charity Commission under a Trust Deed dated 2 March 1965 in which the assets of the English Province of the Institute in the United Kingdom are held. The registered Charity Number is 250607.

Mission

The Institute's Charitable Trust aims to advance the religious and other works carried out by members of the Institute in collaboration with lay co-workers and to care for those members throughout their lives within the Institute. These works meet the public benefit criteria necessary under the Charities Act 2011 and the Institute operates as a public benefit entity.

The works we undertake are reviewed on a continuous basis to assess their effectiveness in the achievement of our aims and the benefits we have provided to those sectors of the community we set out to help. In preparation for our General Congregation, which occurs every eight years, we looked to evaluate our current

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

ministries in relation to the needs of the time. In conducting this review, we have given due regard to the guidance contained in the Charity Commissioner's General Guidance on Public Benefit.

The ministries carried out by the members of the Institute, both in the United Kingdom and overseas, in furtherance of our aims and the provision of public benefit fall into the following main areas:

- 1. Education**
- 2. Pastoral/Outreach Work**
- 3. Nurturing Religious Faith and Provision of Retreats**
- 4. Overseas Activity**
- 5. Governance, Structure and Management**

Although we are in the phase of post Covid-19, effects both mentally and physically are still being felt and all our ministries are still adapting to cope with these difficulties. Meetings now take place both on Zoom and face-to-face. We have continued to respond to prayer requests which have been of great importance, and pastoral care at all levels is at the forefront of all that we do.

1. Education

The main areas of responsibility now extend to four schools and a Sixth Form College in England.

- One Academy for girls - comprehensive
- One aided co-educational comprehensive school
- One Academy for girls - grammar
- One Sixth Form College supported by the Education Funding Authority
- One independent preparatory school

(With the exception of the co-educational comprehensive school, which is under the jurisdiction of the local diocese, the premises for these schools/college belong to the Institute and are made available at no cost).

The work of the Institute in formal education is conducted through the Loreto Education Trust, a charitable company limited by guarantee established in 2011. The Trust embraces the need to involve lay management in the long-term development of the Institute's college and schools. With this in mind one of the sisters acts as delegate for education and the Institute has appointed a lay person as Education Officer in the operation of the Loreto English Education Network (LEEN Group) whose management has now been adopted by the Loreto Education Trust.

The Loreto Education Trust has continued to support, advise and monitor our schools and colleges throughout the year and to celebrate the work that is done with the young people in accordance with our objects. We have examined in detail the complexities of and options for Multi Academy Trusts within the local and National Catholic scenarios. We have worked with the Regional Leadership to examine the sustainability of the Trust so that the annual work with our educational establishments through LEEN (Loreto English Education Network) and the governors may continue to thrive and develop more in the future.

Each year new staff attend an induction weekend in York, as well as online sessions, during which they are introduced to the history of the Institute and the ethos of Loreto Education. This is followed by on-going support through in-service training days. Sisters also provide much needed support for management in both Institute and diocesan schools where support and mentoring are offered to those who are looking to raise educational standards within their schools.

Additionally, at least two or more of the sisters continue to serve on both the schools'/college's governing bodies and their various committees. Governor training sessions are provided for all the schools.

Within our schools and college, we work to maintain and promote a happy, Christian community which will enable pupils and students to grow in understanding of their faith, enjoy relationships based on courtesy, kindness, and co-operation, and develop a joy in learning which will sustain them throughout their adult lives.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The schools and college involve themselves locally and globally in the empowerment of girls and women by marking awareness raising events. They also engage in all relevant global concerns, events and fund-raising activities, in particular having links with Loreto Schools across the world. This heightened awareness of social issues at home and abroad in turn influences career choices and the promotion of gender equality. Of specific importance at this time is our consciousness of the global climate, and the Institute, schools/college are continuing to put at the forefront the Mary Ward family 7yr Action Plan (2021-2028) in relation to our care for our common home and the living out of an "integral ecology" in response to the Pope's Laudato Si' encyclical.

We also strive to pass on to our students the gospel values passed down to us through Mary Ward, values of sincerity, freedom, justice, truth, joy, excellence and internationality. To make this possible it is important that the buildings in which we carry out our educational ministry are kept in good repair and meet the needs of staff and students. Work to improve facilities is on-going to help achieve our aims of providing the best quality education in a Christian atmosphere and with good facilities. The Institute's Finance and Properties Committee continues to play a major role in assessing the needs of the establishments and works in collaboration with the Trustees.

The Institute achieves its educational aims and objectives by its presence on our School Governing Bodies and through the work undertaken by the Loreto Education Trust. This achievement is in turn measured not only by Ofsted Reports of 'Excellence' but also by year-on-year growth in demand for places at connected schools/college.



This year marked the Centenary of our St Albans foundation. Loreto Sisters joined staff, students, Governors and Trust Board members for a joyful celebration on the 29th September for the 100th anniversary of the school with Mass celebrated by His Eminence Vincent Cardinal Nichols at Westminster Cathedral.

Earlier in the year many people visited Loreto College, St Albans on Sunday 10 July 2022 to celebrate the Centenary of the school with a garden party. Activities ranged from live music, including the beautiful Loreto Chamber choir, to the stunning art exhibition and the traditional summer fete games and entertainment. Memory Lane had a display of photographs including the earliest boys and girls of the school. There was something for everyone. It was a day of fun and memories. It was also an opportunity to reflect on the



importance of Loreto education, its privileges and its responsibilities and of all the Loreto Sisters, living and dead, who have served our own schools and many diocesan schools during the past 100 years and whose legacy has been passed on to new generations of leaders.

Thanks are due to the 2022 staff, students, parents, governors and senior management team, under the leadership of the school's first 'lay' Headteacher, who has the last word as the school looks forward to the next 100 years!

"We remain inspired by the spirit of Mary Ward and we embrace the principles of Justice, Peace and Integrity of Creation with gusto. We strive to embolden our students with the confidence and capability to make a positive, effective contribution to society and to lead happy and fulfilling lives."

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The sister who is the JPIC (Justice, Peace and Integrity of Creation) representative works in collaboration with CJ and IBVM communities, their schools and colleges, Friends of Mary Ward and other interested individuals and groups. She is also a committee member for the JPIC Links group. This past year has seen the establishment of the new JPIC office in Rome and this has brought with it the task of integrating this and the UN offices within the Mary Ward Family. The schools have begun updating the definition of JPIC which is an on-going process. There has been an emphasis on youth at the UN especially in advocacy and two young people from our schools have been involved in this. The year has also seen more collaboration with the Friends of Mary Ward especially with regard to Laudato Si'; and there have been specific projects in line with the UN Sustainable Development Goals. There has been the opportunity, while recognising the acute instability in the UK in terms of economic, political and social platforms and balancing awareness and experience of the current climate for our students, to offer various forms of support for them and their families in our schools especially in terms of food, helping to pay bills and school uniform.

2. Pastoral/Outreach Work

The Trustees continue to make it a priority to reach out to the poor and marginalised in our society by moving personnel into areas of greater need and financing them to carry out social/pastoral work. This involves being advocates in support of the voiceless to enable them to secure the help they are entitled to, in justice, from the state and other agencies.

This year we took the opportunity to establish a new community in an area in which we hadn't previously worked in the Birmingham Diocese, to be a presence in the pastoral area, with a view to involvement in the needs of the Parish and other Diocesan work.

Several members of the Institute are involved in community-based programmes and support public institutions in the UK, including childcare and family support, community healthcare, general and mental health, hospital and hospice chaplaincy work and psychotherapy. Additionally, some members work closely in supporting refugees, asylum seekers and victims of international trafficking.

One sister works in the frontline directly with the disadvantaged and marginalised, the most vulnerable in our society, namely victims of human trafficking, asylum seekers, refugees and other vulnerable persons. The main thrust of her work involves supporting and empowering them to find ways to rebuild their lives and achieve their full potential to lead independent and purposeful lives. She has recently completed her MA in trafficking, migration and organised crime.

Two sisters operate as part of interfaith chaplaincy teams in hospital and university ministry.

Two sisters continue their ministry overseas: one in Albania and the other in the Philippines.

Beyond immediate response to emergency needs of the victims and survivors of human trafficking and exploitation, Mary Ward Loreto in Albania has developed an "upstream" approach, to prevent violence and exploitation before they occur. Their aim is economic empowerment of young people, especially in the remote and poorly served areas where people traffickers do much of their recruiting. Young adults are offered vocational training, careers advice, training in IT, work ethics and health and safety. On-the-job training and employment opportunities are negotiated with local businesses. Start-up help is offered, and ongoing coaching and mentoring for sustainability and growth.

These two strands of work generate a third – a Civic Education approach which offers young people a programme of training for transformation. This includes leadership, community activism, healthy relationships and self-realisation. The programme is sustained by the creation of youth clubs, which with guidance from trainers develop an action plan to continue their activities once the training is ended. An important element of the Civic Education programme is service-learning - an educational approach that combines learning objectives with community service, to provide a pragmatic learning experience while meeting societal needs. Learners conduct a community needs assessment, identify priorities and draw up a plan of action to address these.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Our Sister in the Philippines is now in her fourth year as a formator with IFF Asia and is a member of their Management Team.

Following the introduction of Covid restrictions in March 2020 all face-to-face teaching ceased, and teaching was conducted via Zoom. The new students for the Formation Course of 2021, were unable to travel to the Philippines, so all classes were conducted online via Zoom from March '21-December '21. This was a very challenging experience for both students and IFFA staff but it also proved to be very fruitful. This year with the lifting of travel restrictions, we have welcomed to the Institute of Formation 10 new students for the Formation Course from July '22-May '23. It is a great joy to return to face-face teaching. In addition to teaching, Sister offers Spiritual Direction to staff and others from outside the Institute of Formation.

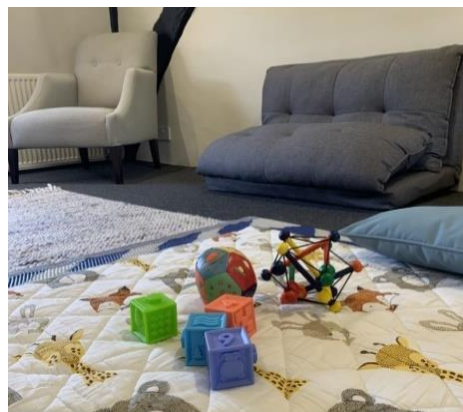
Several Sisters are currently engaged in work with refugees, asylum seekers and migrants. This work involves meeting with, listening to, supporting and signposting clients to the appropriate staff or agencies best suited to address their needs. The work also involves some English teaching and helping with basic needs and providing translation services where needed. One sister currently works part time in a safe house for victims of people trafficking and modern-day slavery.

One sister continues to work with Revive in Manchester which accompanies and supports refugees and people seeking asylum. For quite a few months English classes were on Zoom but teaching is now back face to face. Links between the neighbourhood and Parish and refugee families have strengthened this past year. Over a dozen refugee families have linked with particular families and support them with friendship and now material support. Through contacts 150 gifts are being delivered to the homes of refugee children in Salford and Greater Manchester. This last year in the Spring the Parish raised over £700 to give at least 80 refugees a day of entertainment in June. The Loreto Grammar School gave the use of their facilities at no cost to the group. Lunch was provided for about 120 people; the playing fields were used for games. Student volunteers did facepainting and board games. One of the staff took all who wished on a two-hour walk-in a nearby park.

Another new link has been from pupils of St Ambrose school boys and Loreto Grammar girls who have been befriending refugee children either visiting them in their homes or chatting on Zoom. This went towards the award of the bronze medal for the Duke of Edinburgh scheme.

Other sisters are active in the parishes in which they live, many as Eucharistic Ministers, Readers, Catechists, and through their support of many parish initiatives. Others may visit or keep in contact with the elderly or have contact with those in care homes. At an international level sisters engage with interest groups especially in the field of music, art and writing. (Call 1) They have a particular focus on highlighting current issues and exploring the spiritual embodied in art. Work is ongoing to raise awareness of Mary Ward and the work of the Institute. Information and visits to significant sites are facilitated. In addition, care is taken about information which is stored in our archives which gives insight into the lives of the sisters over many generations and we respond to requests from relatives, past pupils from our schools and research students.

One member of the Institute continues to run the Loreto Drawn Together Parent-Infant Project which offers Psychoanalytic Parent-Infant Psychotherapy (PIIP) to distressed/traumatised mothers and their babies. When possible, fathers are also included. This PIIP modality additionally offers an online service to some referred parents and their infants who are unable to attend in person. The LDT Project also offers Art Psychotherapy to under-fives children in a nursery school. This service uses art and play as ways for young children to express themselves without the primary need for words. Due to the aftermath of the Covid pandemic the LDT team offer group interventions for emotionally upset young children in the nursery. This work is in addition to the 1-2-1 sessions offered to individual young children who are not thriving. This sister also offers clinical supervision to trainee art therapists and art therapists working in hospice and school counselling settings. The LDT project has expanded beyond Harpenden into the neighbouring district of Wheathampstead.



INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Our sisters' work is not just restricted to their chosen ministries. Throughout the year, the members of the Institute give their time to assist the poor and marginalised wherever that need arises. The sisters receive no financial reward for this work which contributes to the overall achievement of the charity's objectives. This can extend to past pupils from within the worldwide Loreto network who have frequently found support from the sisters either in person or through technology.

3. Nurturing of Religious beliefs and provision of Retreats

Loreto Spirituality Centre has seen several changes over the last year. The manager retired after many years of devoted service leading to a rethink and overhaul of the way the Centre works. The Trustees then appointed a new manager to see to the day to day running and the management of the staff. Three Sisters were appointed to form the new spirituality team responsible for providing a programme of retreats and courses to meet the spiritual needs of our times. Many groups also use the Centre for their own programmes. To ensure that nobody is excluded for financial reasons, a bursary has been set up to enable the unemployed and low-waged to come for retreats and courses. The conference room is also used free of charge, by local Ukrainian refugees for English lessons. One of the spirituality team is involved with Wrexham diocesan Outreach which develops spirituality in parishes across North Wales and beyond. The sisters on the spirituality team also meet regularly with those who ask for on-going spiritual direction, either in person or on zoom, making it possible to reach out beyond geographical boundaries.

The events on the programme include silent individually guided retreats, varying in length from a weekend to 30 days, preached retreats and themed retreats. Our Holy Week is specifically aimed at young people and families. The Theology Summer School is also a popular event in the Centre Calendar. With the forming of the new team, it is enabling a more diverse programme to be offered.

We also offer hospitality to groups who wish to use the Centre. Several religious congregations used the Centre for meetings during the year, as well as individuals and groups of people in caring ministries who are looking for a period of respite. We also welcome groups such as the SPANNED (Supporting People with Additional Needs) group from the Diocese of Nottingham, who come annually for a break with their carer's. In addition, we have a limited number of rooms available for those wishing to avail of self-catering facilities.

All aspects of our work involve the advancement of religion whether it is in the educational or pastoral fields. While this work is on-going, we have continued to reassess our work and to search for better ways of carrying out this ministry in today's world. One major aspect of this is the training of our lay co-workers so that the work can be carried on into the future when there will be fewer sisters. The Trustees have set aside some finance for this purpose.

In common with many religious orders the Institute faces the dilemma of meeting ever rising costs from declining income. This shortfall has had to be met from existing funds, but action is being taken to ensure that this utilisation of resources is conducted in a manner which protects the future financial security of the works and membership.

4. Overseas Activity

The Institute globally has the aim to advance the religious and other charitable work in the Developing World. The work of the English Province in the Developing World is carried out mainly through the Teresa Ball International Solidarity Fund, registered charity no. 1080521 and Company no. 3914049, a charity under common control. The mission in Albania is part of the English Province mission.

5. Governance, Structure and Management

In terms of **Canon Law**, the Institute is governed at an international level by the Institute Leader and her Council in Rome. They are elected every eight years at a meeting of representatives of all the provinces and

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

regions of the Institute. At every General Congregation the focus for the next eight years is mandated to General Leadership – these are generally referred to as 'The Calls'. The delegates at the General Congregation in 2014 gave a mandate to General Leadership for the following:

- **Call 1: Reclaim the freshness of the Gospel, allowing Jesus to transform our lives**
- **Call 2: Bring those forced to live in poverty to the centre of our life and ministry**
- **Call 3: Go where the need is greatest**
- **Call 4: Live sustainably discerning what is enough**
- **Call 5: Create the oneness that moves us across boundaries**

The work in all these areas is of an on-going nature rather than short-term and the sisters and their co-workers work with skill and dedication.

In response to Call 5: Action (e) - *Evaluate different governance structures and leadership models*, General Leadership invited the English Province to participate in exploring different models, in the furtherance of this mandate and the English Province has operated as a Region since February 2020. The Region now has a different model of leadership and is governed by three Equal Co-Leaders (referred to in this document as the Leadership Team), appointed by the Institute Leader and Council in Rome, after extensive consultation with the membership in England. Members of the Leadership Team were chosen for their personal qualities, their understanding and experience of the ministries of the members throughout the United Kingdom and to secure a good skills mix. This model of leadership continues and is to be evaluated in 2023.



In terms of **civil law**, the charity is governed by a Trust Deed dated 2 March 1965 and is registered with the Charity Commission. The Charity Commission number is 250607. There is also a new Scheme approved by the Charity Commission dated 28 July 2003, which amends the governing document.

The governing document provides for ultimate decision making, including the appointment and retirement of trustees, at the sole discretion of the Province Leader. Under the new structure of leadership all canonical and civil governance decision making is conducted by the Leadership Team. The civil law implications of this new structure and the provisions of the governing document are therefore in conflict. To reconcile this conflict, the Leadership Team appoints one of its members to execute Leadership Team decisions on its behalf, as 'Provincial', where compliance with civil law is required.

The delegates at the General Congregation in 2014 gave a mandate to General Leadership to: *Initiate a process of Institute-wide education in participative leadership. Call 5: Action (b)*

In the light of this mandate the Leadership Team in the Region has changed some structures in relation to community leadership and are currently experimenting with different models of rotational leadership within both resident communities and communities in dispersal. Members of the Leadership Team are in place to offer on-going support to these rotational leaders. This method of leadership is ongoing and will continue to be monitored over the coming year.

Under the new structure, the Leadership Team and three other members from the Region, based on their experience and detailed knowledge of the work of the Charity are appointed as the Trustees.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The Regional Treasurer is the finance officer, and the Region has a finance manager working full time. In assessing and supporting the province, the Leadership Team sits with the Finance and Properties Committee which includes an accountant, a lawyer and a surveyor. The pay and remuneration of the Institute's employees, including key management personnel, is reviewed annually by the Finance and Properties Committee which then makes its recommendations to the trustees.

The names of the Trustees on 31 August 2022 are set out on the attached schedule of legal and administrative details.

The trustees, treasurer and finance manager regularly attend seminars arranged by CoREW (Conference of Religious in England and Wales), The Association of Provincial Bursars and various professional bodies, including the Annual Catholic Conference, to keep abreast of current legislation and sector developments. As the Institute's main ministry has traditionally been educational all five trustees are currently fully qualified teachers. Some have later trained in other disciplines including pastoral/spiritual ministries and finance.

Statement of Trustees Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales/Northern Ireland 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts Report) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Structure and Management Reporting

The trustees are ultimately responsible for the policies, activities, and assets of the charity. The Leadership Team with two former council members are appointed as the trustees. The Region itself is administered by the Leadership team and local Leaders. The Leadership Team meets monthly to review developments and to make operational decisions. The finance manager reports quarterly to this meeting on the current financial state of the province and at other ad hoc intervals at the request of the Leadership Team to provide financial input to decision making.

The Leadership Team sits with the Finance and Properties Committee. The purpose of this committee is to advise the Leadership Team on all matters relating to finance, land and buildings. Once yearly it meets with all the Trustees and the Charity's auditors to confirm that all matters of discussion have been minuted and to

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

assist in the process of approving the Annual Accounts and Trustees' Report. When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, investment managers, lawyers and accountants. The day-to-day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Institute and to senior staff.

The day-to-day responsibility for the schools lies with the headteachers and governors and members of the Institute are on all the governing bodies. The day-to-day management of both our Loreto Spirituality Centre and Loreto House is carried out by our two lay managers.

Working with other organisations

Through its members the charity works closely with other charities and organisations which include the following:

- Roman Catholic Dioceses
- Local education authorities
- Educational establishments
- Other Religious Congregations
- Caritas Albania
- Mary Ward Loreto Albania UK
- Caritas England and Wales
- Catholic Safeguarding Advisory Service (now CSSA Catholic Safeguarding Standards Agency)
- RLSS (Religious Life Safeguarding Service)
- Northwest Religious Network Support Group
- National Health Service
- NHS Mental Health Foundation Trust
- Fondacio Asia – Philippines

Risk Assessment Statement

The trustees manage risk by reference to both long established, documented procedures and systems of control and current Charity Commission guidance on best practice. The trustees believe that all major risks have been identified and reviewed and that systems and procedures are in place to manage these risks. In carrying out their assessment the trustees have identified five main areas where risks may occur:

- 1: Governance and Management
- 2: Operational
- 3: Financial
- 4: Reputation
- 5: Laws, regulations, external and environment

1: **Governance and management** look at the structure of the Institute, and hence the charity, and the skills and training of its members and staff, and the good use of its resources.

2: **Operational** looks at the risks inherent in the charity's activities including the operation of its schools and pastoral/retreat centre – members engaging in inappropriate activities, the unsuitability of buildings, poor maintenance, shortcomings in the services provided, difficulties with staff, poor health and safety, lack of a disaster recovery policy etc. When acting in their capacity as school governors, the trustees and members are required to regularly attend training courses and seminars, particularly concerning safeguarding, but also risk assessment generally.

3: **Financial** risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies etc. Financial risk also extends to the security of the Institute's future income streams, in particular the receipt of pensions and salaries which currently account for 83% of Province Fund income. This aspect of risk is an important factor in the production of the Institute's strategic plan. The Institute manages its financial affairs by reference to an annual budget, performance against which is monitored by the trustees.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

4: **Reputational** looks at possible damage to the Institute's and/or charity's reputation. We take the issue of safeguarding extremely seriously.

In line with statutory requirements, the trustees recognise the absolute necessity of ensuring the protection and safety of all those the charity serves. All sisters who are in any kind of ministry in the United Kingdom obtain Disclosure and Barring Service clearance as do the staff at Loreto House. The Institute representative keeps abreast of Institute policy and controls the DBS checks on members and employees. The representative also reports annually to the Leadership Team.

Safeguarding report

The CSSA (Catholic Safeguarding Standards Agency) and the RLSS (Religious Life Safeguarding Service) are now operational and we have become members of both. The lay Safeguarding Lead and the Safeguarding Trustee, attend the Zoom meetings that are still on-going which explain the development of these new bodies.

All the sisters who require it are up-to-date with their DBS Certificates and on the Update Service.

The NWRO (North West Religious Orders) Safeguarding network group, of which our Safeguarding Lead is Chair, has continued as a means of support and a forum for discussion, especially in the light of the many changes since moving from alignment to a Diocese to the new RLSS.

The RLSS are now rolling out their Training Programmes which are being accessed by our Safeguarding Lead and other members of the Region when relevant to them.

A complaint was received in connection with one of the Sisters which was handled by the Salford Diocese Safeguarding Office according to national procedures. The outcome following the investigations found the complaint to be unfounded.

5: **Laws, regulations, external and environment** look at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment in the charity's establishments.

The work of the trustees in assessing and minimising exposure to risk is supported by the Regional Treasurer and Finance Manager. They are both members of the Association of Provincial Bursars, an association set up over thirty years ago for Bursars of Religious Congregations both Catholic and Anglican, and through this Association they keep up to date with current legislation and developments. Furthermore, they and many of the sisters attend courses in support of their ministry or Institute management. These courses are either run by the professional bodies of which they are members or other appropriate organisations.

The Institute is GDPR compliant and annually reviews its Cyber Security Policy.

In conducting their assessment, the trustees necessarily gave due regard to the declining numbers of Institute members and the rising average age of those who remain. The main sources of income to the Institute are the pensions and salaries of the sisters and as they grow older this income is inevitably declining.

Additionally, the payroll costs currently being incurred will increase as more people are employed to undertake work now being carried out on a voluntary basis by the sisters. The trustees have ensured that procedures and controls are in place to protect the property and investment assets of the Institute so that financial resources are available into the future to meet additional funding requirements resulting from this ageing process.

Care for Members of the Institute

Those members of the Institute who earn salaries or receive pensions covenant them to the charity and therefore have no independent means of support. Many also give their services free in their various ministries and continue to do so well beyond retirement age. Hence the work of the charity includes the upkeep of the members so that they will be able to continue in their service to the public.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Additionally, the charity must also care for the elderly members of the Institute who are now themselves in need of care. These members have no resources of their own and have devoted their whole lives to the educational, pastoral, social and other ministries of the Institute, which now has a moral and legal obligation to provide for their care. In common with many religious congregations in the United Kingdom, the age profile of the members of the Institute is increasing as existing members grow older and the number of new vocations has reduced. As the age profile increases so too does the need to provide increasingly expensive care for the sisters, a cost which is borne almost exclusively by the charity since, as members of a religious community, we are not entitled to claim certain benefits from the state e.g. pension credit.

In the past twelve months three Sisters in our Province have died.

There are 36 sisters in the English Province, and they live and work in several locations across England, Scotland and Wales. Two sisters work overseas, one in Albania and one in the Philippines.

The Institute has established Powers of Attorney for all its members to ensure that their wishes continue to be followed should they become incapacitated through ill health and unable to make decisions for themselves.

Over the next decade the trustees expect the number requiring care to increase. Consequently, the trustees are carefully considering the impact of this on the work of individual members of the Institute, the property requirements and the financial implications. The aims of the trustees are as follows:

- To ensure that all members receive the care that they require to provide them with a quality of life we consider to be right.
- To review the charity's properties used as community houses and assess their suitability as homes for the frail elderly. Those identified as being unsuitable will need to be adapted or, if this is not possible, sold and replaced with more appropriate properties.
- To enable all members of the Institute to continue with their ministries and live independently for as long as possible after their official retirement age.



We continue to provide care for our elderly and frail sisters in Loreto House under the direction of our experienced Matron and her dedicated team. Sisters receive around the clock care, tailored to their needs, aimed at enabling independence for as long as possible. Situated as it is close to our Loreto Spirituality Centre it enables our elderly sisters to connect with ministry which is central to the mission of the Institute.

Employees, Volunteers and Members of the Institute

The Trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and those members of the Institute who are involved with its administration – without their contribution the charity would not be able to function as effectively or fully as it does. Their dedication, enthusiasm and active participation in our ministry is very much appreciated.

Grants, Donations and Support of Missionary Work and Ministry

Grants, donations and other payments in support of ministry are decided on by the trustees in consultation with the members of the Institute as appropriate. While the trustees give occasional support to United Kingdom based organisations and to individuals within the objects of the charity, the charity does not regard itself as a grant making entity and applications for grants and donations are not invited.

Fundraising Policy

The charity has undertaken some small-scale fundraising activities during the year. All fundraising activities have been undertaken in accordance with the applicable regulations. The charity does not work with commercial partners and has received no complaints in relation to its fundraising activities.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Investment Policy

The charity has a portfolio of investments with a market value of £2,964,058 managed by two long established stockbroker firms with much experience in investing funds for charitable organisations – Investec Wealth and Investment Limited and Hedley & Co. Both firms operate within specific guidelines, which are set out and regularly reviewed by the Trustee appointed Investment Committee. The Investment Committee in turn reports twice annually to the trustees. There are no restrictions on the charity's power to invest.

The investment strategy is to achieve a balanced return from income and capital growth by reference to recognised charity sector benchmarks subject to a medium risk portfolio structure. As well as these investments a further £118,102 is held on special deposits to be recalled when needed to meet our contingent liabilities and planned works.

The Charity requires the investment managers to have regard to its ethical screening policy when making investment decisions. In addition to specifically excluding some areas of investment (for example in any companies having significant profits from armaments, gambling or life determination) the policy also requires the managers to avoid investment in companies with continuing issues of exploitation of its workforce or deprivation of human rights, being activities contrary to Christian objectives. The screening process adopted by the Charity is an independent service provided by Ethical Screening Services Ltd but operated by Investec Wealth and Investment Limited. The adoption of this screening process is applied to both investment portfolios.

The investment committee meets several times during the year to review the performance of the portfolio and the continued appropriateness of the charity's investment strategy. The investment managers attend these meetings to present a formal report on an ad hoc basis but at least annually. The Charity has selected the FTSE WMA Balanced Portfolio as the benchmark against which the performance of its investment managers is assessed. The period under review has seen particularly volatile market conditions. Regulatory crackdowns in China continue to cause problems with outputs but of far more significance the War in Ukraine has had a devastating effect on the global economy impacting gas supplies and energy prices and causing world food shortages. The performance of our investment portfolios reflect these events with both managers showing a total return of minus 13% (benchmark minus 8%) in 2022.

Achievements and Performance

Financial Review

Results for the year

During 2021/22 incoming resources amounted to £2,141,977 (2021: £1,916,484). Of this total, £1,168,902 (2021: £1,029,371) related to the fee's receivable and other Legacies received amounted to £189,097 (2021: £nil). Salaries and pensions of the sisters covenanted to the charity amounted to £614,607 (2021: £653,383) representing a fall of 5.9% compared to 2.6% in 2021. Investment income and interest received totalled £81,192 (2021: £82,617). This is a 1.7% decline in investment income (2021: 32%). Other income includes £2,038 (2021: £25,545) received from the government Coronavirus Job Retention Scheme.

Resources expended totalled £2,753,956 (2021: £2,546,075) an increase of 8.1%. Staff costs at the school and retreat centre still represent a significant proportion (31%) of total expenditure, amounting to £851,760 (2021: £811,127).

Expenditure on maintaining the members of the Institute and supporting them in their pastoral work and ministry remained stable in total at £1,483,438 (2021: £1,328,779). Of this, the running costs and maintenance of buildings were £319,670 (2021: £267,765) and carers' payroll and nursing costs were £525,358 (2021: £467,988). Expenditure on governance and the fees paid to the charity's investment managers amounted to £68,967 (2021: £72,120). Greater awareness of the value of good care and continued pressure on staff availability due to NHS demands has maintained the upward pressure on payroll costs.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Investment values fell significantly as markets reacted to the war in the Ukraine and consequent global energy and food crisis. Losses amounted to £323,593 (2021: £679,036 gain).

Net movement of funds for the year was an outflow of £935,572 (2021: £49,445 net inflow).

Funds to carry out the works of the charity come from various sources:

School fees in the case of the remaining independent school
SFA and YPLA in the Sixth Form College
LEA and DfE in the two aided schools
Donations from those who come to the retreat centre
Donations received specifically for the mission in Albania
The salaries and pensions of the members of the Institute
Income from investments

We are not a fundraising charity although parents in the schools do raise some funds for particular projects. Our mission in Albania also seeks funds from individual donors based on generating awareness but does not undertake general advertising campaigns.

The Institute has a commitment to make contributions to the schools and college, particularly regarding the maintenance of their chapels where other sources of funding are not available, and some of the funds on deposit are reserved for this purpose.

Functional property belonging to the Institute has been included on the Balance Sheet at Trustees' valuation in 1996, which was achieved with help from professional advisers. The school's element of this valuation has now been revalued. (notes to the accounts 1)

Reserves Policy

The reader will see from the information given that the charity carries out a diverse range of activities and is responsible for the care and support of sisters whose average age is increasing and whose needs are changing. The trustees have examined the need for free reserves i.e., those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. For several years the charity has looked to its assets to make good shortfalls of income from expenditure by providing the necessary funding to maintain liquidity. The trustees consider that, given the nature of the charity's work, its commitments and the age profile of its members, this funding requirement will continue into the foreseeable future and therefore it is unlikely that uncommitted reserves will become available.

Financial Position

The group balance sheet shows total reserves of £18,899,754 (2021: £19,835,326). Of this £15,425,940 (2021: £15,416,942) is represented by properties, assets under construction and other tangible fixed assets essential for the support and work of the sisters.

The Institute has divided its unrestricted assets into two designated funds:

1. Province Fund – to support the Sisters in their work as they give their services voluntarily and to care for them when they are sick and aged. The value of this fund is £11,547,896 (2021: £12,401,521) of which £8,588,326 (2021: £8,579,328) represents tangible fixed assets. The net current assets of the fund are £517,789 (2021: £547,234). As at 31 August 2022 assets under construction totalled £52,885 (2021: £36,691). Shortfalls of income to meet short term operating requirements continue to be met from investment realisations.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2. Ministry Development Fund – to support our schools, establishments and other charitable donations made for the public benefit within the terms of our governing document. The value of this fund is £6,678,016 (2021: £6,691,050) of which £6,837,614 (2020: £6,837,614) represents tangible fixed assets. The net current assets of the fund are £159,955 in deficit (2021: £146,922 in deficit).

The asset base of the Institute has been its strength for a considerable period of time. Shortfalls of income to meet expenditure are such that asset realisations are an essential part of financial planning. Our investment managers are aware of our cashflow requirements for at least the next 12 month period and our Leadership team regularly reviews property needs not only in terms of ministry but also in regard to the increasing vulnerability of our members. These reviews have recognised that properties within the Llandudno site are now surplus to our needs and marketing them for disposal is at an advanced stage.

Future Plans

Whilst the trustees do not anticipate any significant change to the charity or its activities over the next two to five years they are constantly reviewing works of the Institute in the light of a changing world and its own ageing membership. To that end the membership continues to review its ministry works for the next ten years and how they will be achieved and provide public benefit. The Trustees opinion is that the Charity will continue to provide public benefit by continuing to meet the following objectives:

- To continue to be trustees for three Loreto schools and a Loreto sixth form college;
- To continue the development of Loreto ethos at Loreto Chorlton;
- To continue to provide training for its school governors;
- To continue to support other schools;
- To continue to control Loreto Education Trust, a company limited by guarantee and established to manage the operations of the schools and college whilst at the same time continuing the ethos of Mary Ward into the future;
- To continue to develop new projects which deliver public benefit such as the mother and infant project;
- To continue with its pastoral/outreach work at several locations across the country;
- To continue to explore interfaith work and to train new members to degree level in religious studies and theology to prepare them for future ministry in a multi-cultural/multi-faith society;
- To continue the development of its Loreto Spirituality Centre in Llandudno;
- To maintain and increase awareness of the religious tenets of its founder, The Venerable Mary Ward;
- To continue to care for the sisters and enable them to carry out their various ministries where they will continue to reach out to the poor and marginalised and the victims of trafficking;
- To meet the requirements of the various statutory bodies;
- To continue to employ high quality staff and to ensure they are given appropriate and relevant training;
- To support the work of the English Province in Albania;
- To monitor the needs of the sisters as they grow older and, if necessary, adapt the charity's plans in respect of property needs and the provision of care to elderly members;
- To continue to encourage new membership.

In March 2023 the Trustees resolved to close the Preparatory School in Altrincham. Although due process was followed and appropriate legal advice taken, a parent group made allegations to the contrary and lodged their complaint with the Charities Commission. As a result, the Trustees have submitted a Serious Incident Report with the Commission.

In addition to the above, the Trustees are currently exploring changing the charity to a Charitable Incorporated Organisation, which is currently subject to Charity Commission approval.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

TRUSTEES' REPORT (CONTINUED)

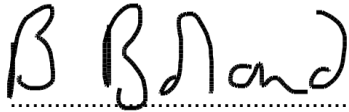
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees re-appointed MHA Moore and Smalley as auditor and the firm has indicated its willingness to continue in office for the coming year.

Compliance

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report was approved by the Trustees of the Charity on 14/05/2023 and signed on their behalf by:



.....
B Boland - Trustee

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the financial statements of The Institute of the Blessed Virgin Mary (English Province) Loreto Sisters (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the Group Statement of Financial Activities, the Group and Parent Charity Balance Sheet, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 parent charity's affairs as at 31 August 2022, and of the group's incoming resources and application of resources, 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 Charities Act 2011.

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 and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group and parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2022

Other information (continued)

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 10, the trustees are responsible for the preparation of financial statements which 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 parent charity'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 parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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:

- Enquiries with management about any known or suspect instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to future performance of the group;
- An evaluation of the risk of management override of controls and subsequent testing, including through testing journal entries and other adjustments for appropriateness;
- An evaluation of the company's internal control environment; and

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

- Reviewing board minutes and resolutions.

Because of the nature of the charities operations, we identified the following areas as those most likely to have a material impact on the financial statements: health and safety and compliance with the UK Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor s to become aware of it or to recognise the non-compliance.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Moore and Smalley

.....
**MHA Moore and Smalley
Chartered Accountants
and Statutory Auditor**

Richard House
Winckley Square
Preston
PR1 3HP

16/05/2023
.....

MHA Moore and Smalley is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

**GROUP STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Restricted Funds £	Unrestricted funds Ministry £	Province £	2022 Total £	2021 Total £
Income from:						
Donations and legacies	4	82,871	-	806,974	889,845	720,346
Investments	5	13,911	-	67,281	81,192	82,617
Charitable activities	6	-	1,168,902	-	1,168,902	1,029,371
Other	7	-	2,038	-	2,038	84,150
Total income		96,782	1,170,940	874,255	2,141,977	1,916,484
Expenditure on:						
Raising funds	8	3,172	-	25,177	28,349	31,719
Charitable activities	9	87,685	1,183,973	1,453,949	2,725,607	2,514,356
Total expenditure		90,857	1,183,973	1,479,126	2,753,956	2,546,075
Net gain/(loss) on investments	10	(74,838)	-	(248,755)	(323,593)	679,036
Net (expenditure)		(68,913)	(13,033)	(853,626)	(935,572)	49,445
Transfers between funds		-	-	-	-	-
Net movement in funds		(68,913)	(13,033)	(853,626)	(935,572)	49,445
Reconciliation of funds:						
Total funds brought forward		742,755	6,691,049	12,401,522	19,835,326	19,785,881
Total funds carried forward		673,842	6,678,016	11,547,896	18,899,754	19,835,326

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

GROUP BALANCE SHEET

AS AT 31 AUGUST 2022

	Note	Restricted funds £	Unrestricted funds Ministry £	Province £	2022 Total £	2021 Total £
Fixed assets						
Tangible assets	12	-	6,837,614	8,588,326	15,425,940	15,416,942
Investments	13	<u>640,022</u>	<u>357</u>	<u>2,441,781</u>	<u>3,082,160</u>	<u>3,979,435</u>
		<u>640,022</u>	<u>6,837,971</u>	<u>11,030,107</u>	<u>18,508,100</u>	<u>19,396,377</u>
Current assets						
Debtors	14	2,396	29,017	17,853	49,266	116,232
Cash at bank and in hand	15	<u>34,104</u>	<u>432,890</u>	<u>221,458</u>	<u>688,452</u>	<u>663,662</u>
		<u>36,500</u>	<u>461,907</u>	<u>239,311</u>	<u>737,718</u>	<u>779,894</u>
Creditors: amounts falling due within one year	16	<u>(2,680)</u>	<u>(168,803)</u>	<u>(174,581)</u>	<u>(346,064)</u>	<u>(340,945)</u>
Inter-fund debtors / (creditors)		<u>-</u>	<u>(453,059)</u>	<u>453,059</u>	<u>-</u>	<u>-</u>
Net current assets		<u>33,820</u>	<u>(159,955)</u>	<u>517,789</u>	<u>391,654</u>	<u>438,949</u>
Net assets		<u>673,842</u>	<u>6,678,016</u>	<u>11,547,896</u>	<u>18,899,754</u>	<u>19,835,326</u>
Funds						
Restricted funds		673,842	-	-	673,842	742,755
Unrestricted funds:						
Designated - Province fund		-	-	11,547,896	11,547,896	12,401,521
Designated - Ministry fund		-	<u>6,678,016</u>	-	<u>6,678,016</u>	<u>6,691,050</u>
Total funds	18	<u>673,842</u>	<u>6,678,016</u>	<u>11,547,896</u>	<u>18,899,754</u>	<u>19,835,326</u>

Certificate of trustees

These financial statements were approved by the trustees on

K Keigher

.....
K Keigher - Trustee

B Boland

.....
B Boland - Trustee

14/05/2023

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

PARENT CHARITY BALANCE SHEET

AS AT 31 AUGUST 2022

	Note	Restricted funds £	Unrestricted funds Ministry £	Province £	2022 Total £	2021 Total £
Fixed assets						
Tangible assets	12	-	6,837,614	8,535,441	15,373,055	15,380,251
Investments	13	<u>640,022</u>	<u>357</u>	<u>2,441,781</u>	<u>3,082,160</u>	<u>3,979,435</u>
		<u>640,022</u>	<u>6,837,971</u>	<u>10,977,222</u>	<u>18,455,215</u>	<u>19,359,686</u>
Current assets						
Debtors	14	2,396	29,017	17,553	48,966	111,938
Cash at bank and in hand	15	<u>34,104</u>	<u>432,890</u>	<u>215,764</u>	<u>682,758</u>	<u>660,937</u>
		<u>36,500</u>	<u>461,907</u>	<u>233,317</u>	<u>731,724</u>	<u>772,875</u>
Creditors: amounts falling due within one year	16	(2,680)	(168,803)	(101,943)	(273,426)	(284,861)
Inter-fund debtors / (creditors)		-	<u>(453,059)</u>	<u>453,059</u>	-	-
Net current assets		<u>33,820</u>	<u>(159,955)</u>	<u>584,433</u>	<u>458,298</u>	<u>488,014</u>
Net assets		<u>673,842</u>	<u>6,678,016</u>	<u>11,561,655</u>	<u>18,913,513</u>	<u>19,847,700</u>
Funds						
Restricted funds		673,842	-	-	673,842	742,755
Unrestricted funds:						
Designated - Province fund		-	-	11,561,655	11,561,655	12,413,895
Designated - Ministry fund		-	<u>6,678,016</u>		<u>6,678,016</u>	<u>6,691,050</u>
Total funds	18	<u>673,842</u>	<u>6,678,016</u>	<u>11,561,655</u>	<u>18,913,513</u>	<u>19,847,700</u>

Certificate of trustees

These financial statements were approved by the trustees on

K Keigher

.....
K Keigher - Trustee

B Boland

.....
B Boland - Trustee

14/05/2023

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

**GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022**

	2022 £	2021 £
Net cash outflow from operating activities	(610,628)	(527,804)
Cash flow from investing activities		
Payments to acquire tangible fixed assets	(16,194)	(12,323)
Receipts from sales of tangible fixed assets	-	275
Payments to acquire investments	(291,234)	(409,276)
Receipts from sales of investments	858,128	817,500
Investment income	77,930	82,646
Net cash flow from investing activities	628,630	478,822
Net (decrease) in cash and cash equivalents	18,002	(48,982)
Cash and cash equivalents b/fwd	788,552	837,534
Cash and cash equivalents c/fwd	806,554	788,552
Consisting of:		
Monies held for investment	118,102	124,890
Cash at bank and in hand	688,452	663,662
	806,554	788,552
Reconciliation of net (expenditure) for the year to net cash flow from operating activities		
Net (expenditure) for the year	(935,572)	49,445
Investment income received	(77,930)	(82,646)
(Gain)/Loss on disposal of tangible fixed assets	-	(201)
Loss/(Gain) on investments	323,593	(679,036)
Depreciation of tangible assets	7,196	9,890
Decrease/(Increase) in debtors, net of capital debtors	20,648	232,676
Increase/(Decrease) in creditors, net of capital creditors	51,441	(57,932)
Net cash flow from operating activities	(610,628)	(527,804)

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The Statement of Financial Activities, Balance Sheet and Statement of Cash Flows consolidate the financial statements of the charity and its subsidiary undertaking, Loreto Developments Limited. Loreto Developments Limited is a company limited by guarantee (company no. 08809375) and its principal activities are that of property development. The trustees of the charity are the directors and guarantors of Loreto Developments Limited.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure together with funds available from investment and property realisations are sufficient for the charity to be able to continue as a going concern.

Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objects of the charity and which have not been designated for other reserves.

Where unrestricted funds have been earmarked for a particular project, they have been designated as a separate fund, but the designation has an administrative purpose only and does not legally restrict the trustees' discretion to apply the fund. The aim and use of each designated fund is set out in the notes to the accounts.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the accounts.

The accounts comprise:

Restricted funds

- Patrimony Fund
- Loreto College St Albans Appeal Fund
- Loreto Sisters Albania Fund

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Restricted funds (continued)

- Loreto Sisters Drawn Together Fund

Ministry (unrestricted)

- Ministry Development Fund
- Loreto Preparatory School, Altrincham
- Loreto Retreat Centre

Province (unrestricted)

- Province Fund
- Houses

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Legacies received by members of the Institute are credited to the Patrimony Fund unless the legator indicated a specific bequest.

Covenanted salaries and pensions

Covenanted salaries and pensions are received under deeds of covenant from members of the Institute and are stated inclusive of income tax but net of any deductions for national insurance and occupational pension schemes' contributions.

Resources expended

Expenditure is included on an accruals basis and consists of all expenditure directly relating to the objects of the charity.

Investment management and governance costs include expenditure incurred in the management of the portfolio and for compliance with constitutional and statutory requirements.

Irrecoverable VAT is included with the category of expense to which it relates.

All expenditure is written off in the year in which it is incurred, including major property renovations, unless the expenditure is deemed to increase the charity's fund value.

Governance costs

Comprises audit fees, legal and professional fees and a contribution to payroll.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the exchange rate ruling at the balance sheet date. All differences are taken to the SOFA.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable within one year are recorded at transaction price. Balances include funds due to and from two unrestricted designated funds from within the Charity which are separately identified in notes 14 and 16 to the financial statements.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Pension schemes

Retirement benefits to employees of the Preparatory School are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit scheme, contracted out of the State Earnings-Related Pension Scheme, and the assets are held separately from those of the School.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the School is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each period.

Contributions for other staff are made to their personal pension schemes.

Tangible fixed assets

Land, buildings and fixtures: To date the charity has opted to adopt a policy of not revaluing its tangible fixed assets as permitted under the transitional provisions of FRS 15. On transition to SORP 2015 (FRS 102), similar transitional provisions were adopted to carry these amounts as deemed cost. The book value of the land and buildings was based on a Trustees' valuation made in 1996, based on insurance valuation at a discounted rate, plus cost of acquisitions since 1996.

Whilst this policy still holds true for the charity's community housing assets and property assets still actively managed in direct ministry by the sisters, it is no longer as valid in relation to the college and schools buildings now managed by the respective governors under the terms of supplemental agreements. The school buildings included in the 1996 valuations will now have been extensively renovated and modernised or demolished to create space for more up to date facilities. Any value attributed to buildings in 1996 is now of doubtful provenance. The most important factor for the charity is continued recognition that ownership of the land remains with the trust. It is expected that the schools will continue to occupy the land for some considerable time into the future and therefore any valuation would be little more than a guess. The trustees are therefore of the opinion that these properties should remain on the trust's Balance Sheet at a nominal value to avoid the need to speculate over value and to continue to demonstrate the trust's ownership.

No depreciation has been charged on the remaining land and buildings as the trustees consider that the amount involved would be immaterial after taking into account both the remaining useful life of the properties and their residual value. No depreciation is charged on assets under construction until they are available for use.

The trustees have considered the current market value of the properties and are of the opinion that there has been no impairment to the value shown in the accounts.

Motor vehicles: Depreciation is calculated at 20% on reducing balance.

Computer equipment: Computer equipment is not capitalised, as the trustees believe that values are not material when taking into account estimated useful economic lives.

Investments

Quoted investments are valued at their closing middle market price on the balance sheet date. Realised and unrealised gains (or losses) are reflected in the Statement of Financial Activities in the year in which they occur.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key assumptions, judgements and estimates

Valuation of land and buildings

The Trustees make an annual assessment of the valuation of properties held within the Charity against their current book value and determine whether there is any signs of impairment which may indicate that the valuation is overstated. The Trustees have confirmed that there is no impairment to the valuation of properties held at the balance sheet date.

There have been no other key assumptions concerning future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Staff costs and trustees' remuneration

	2022	2021
	£	£
Staff costs during the year were as follows:		
Wages and salaries	1,240,168	1,182,036
Social security costs	105,963	92,584
Pension costs	100,286	100,059
	1,446,417	1,374,679

The average number of employees during the year was 61 (2021: 61). The number of employees earning over £60,000 per annum excluding pension contributions was 0 (2021: 1).

As members of the Institute, the Trustees' living expenses during the year were borne by the Trust, but the Trustees received no remuneration or other benefits in connection with their duties as Trustees during the year.

The Finance Manager and Matron are considered to be key management personnel. Their aggregate remuneration for the year was as follows:

	2022	2021
	£	£
Aggregate remuneration of key management personnel	124,060	119,524

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

3 Auditor's remuneration

	2022	2021
	£	£
Amounts payable to the auditor (including VAT) was as follows:		
Audit services	19,632	16,740
Other services	21,002	19,836
	40,634	36,576

4 Income from donations and legacies

Current Year

	Restricted Funds £	Unrestricted funds Ministry	Unrestricted funds Province £	Total 2022 £
Donations and gifts	82,871	-	3,270	86,141
Legacies	-	-	189,097	189,097
Covenanted salaries and pensions (see below)	-	-	614,607	614,607
	82,871	-	806,974	889,845

Prior Year

	Restricted Funds £	Unrestricted funds Ministry	Unrestricted funds Province £	Total 2021 £
Donations and gifts	57,974	-	8,989	66,963
Legacies	-	-	-	-
Covenanted salaries and pensions (see below)	-	-	653,383	653,383
	57,974	-	662,372	720,346

Covenanted salaries and pensions represent salaries and pensions of members, including those paid to the Trustees, of the charity payable to the charity under deeds of covenant or gift aid declarations.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

5 Income from investments

	2022	2021
	£	£
Gilt edged securities	-	-
Other fixed interest	17,469	16,299
Europe fixed interest	-	-
Equities: UK	40,341	44,317
European	10,938	12,080
Global	9,182	9,950
	77,930	82,646
Monies held for investment in the UK		
National Savings	-	3
Monies held by stockbroker	3,238	92
Treasury Deposits	23	(124)
	81,191	82,617
Bank interest	1	-
	81,192	82,617
	2022	2021
Represented by:		
Restricted	13,911	13,055
Unrestricted – Province	67,281	69,559
Unrestricted – Ministry	-	3
	81,192	82,617

6 Income from charitable activities

	2022	2021
	£	£
Unrestricted – Ministry:		
School fees and retreat centre	1,168,902	1,029,371

Income from charitable activities was entirely unrestricted in the current and prior year.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

7 Other Income

	2022	2021
	£	£
Challenger Bank switch incentive	-	16,875
Welsh Government bonus for carers	-	21,730
Profit on disposal of tangible fixed assets	-	-
CJRS and Business Rates support grants received	<u>2,038</u>	<u>45,545</u>
	<u>2,038</u>	<u>84,150</u>

Other income was entirely unrestricted in both the current and prior year.

8 Expenditure on raising funds

	2022	2021
	£	£
Restricted - Patrimony	3,172	2,993
Unrestricted - Province	25,177	28,726
Unrestricted - Ministry	<u>-</u>	<u>-</u>
	<u>28,349</u>	<u>31,719</u>

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Expenditure on charitable activities

	Restricted Funds £	Unrestricted funds Ministry	Unrestricted funds Province £	Total 2022 £
Salaries for the school and retreat centre	-	851,760	-	851,760
Running costs and maintenance of buildings	-	267,470	319,670	587,140
Depreciation of fixed assets	-	-	7,196	7,196
Losses on disposal of properties	-	-	-	-
Community expenses	-	-	384,205	384,205
Nursing fees and medical care	-	-	525,358	525,358
Formation and ministry	80,263	29,489	23,527	133,279
Levy paid to the Generalate	-	35,254	-	35,254
Grants and expenditure on supported schools	7,422	-	-	7,422
Governance costs - payroll	-	-	21,487	21,487
Governance costs - audit	-	-	19,131	19,131
Support costs	-	-	153,375	153,375
	87,685	1,183,973	1,453,949	2,725,607

	Restricted Funds £	Unrestricted funds Ministry	Unrestricted funds Province £	Total 2021 £
Salaries for the school and retreat centre	-	811,127	-	811,127
Running costs and maintenance of buildings	-	284,053	267,765	551,818
Depreciation of fixed assets	-	-	9,890	9,890
Losses on disposal of properties	-	-	-	-
Community expenses	-	-	352,924	352,924
Nursing fees and medical care	-	-	467,988	467,988
Formation and ministry	50,503	40,736	11,055	102,294
Levy paid to the Generalate	-	26,509	-	26,509
Grants and expenditure on supported schools	13,385	-	-	13,385
Governance costs - payroll	-	-	20,626	20,626
Governance costs - audit	-	-	19,775	19,775
Support costs	-	-	138,020	138,020
	63,888	1,162,425	1,288,043	2,514,356

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

10 Net gain/(loss) on investments

	2022	2021
	£	£
Restricted	(74,838)	142,057
Unrestricted – Province	(248,755)	536,979
Unrestricted – Ministry	-	-
	(323,593)	679,036

11 Analysis of movement in restricted funds

	Drawn together	Albania	Appeal funds	Patrimony Fund	Total restricted funds
	£	£	£	£	£
Incoming resources					
Other income	9,674	63,328	1,565	-	74,567
Legacies received	-	-	-	-	-
Loreto College, St Albans Appeal	-	-	8,304	-	8,304
Investment income	-	-	-	13,911	13,911
Total incoming resources	9,674	63,328	9,869	13,911	96,782
Resources expended					
Raising Funds	-	-	-	3,172	3,172
Costs of activities in furtherance of charitable objects:					
Ministry	7,847	72,416	-	-	80,263
Expenditure on schools	-	-	7,422	-	7,422
Total resources expended	7,847	72,416	7,422	3,172	90,857
Net incoming/(outgoing) resources before transfers	1,827	(9,088)	2,447	10,739	5,925
Transfers (to)/from unrestricted					
Gain on investments:	-	-	-	(74,838)	(74,838)
Net movement in funds for the year	1 827	(9,088)	2,447	(64,099)	(68,913)
Total funds at 1 September 2021	13,281	20,958	6,400	702,116	742,755
Total funds at 31 August 2022	15,108	11,870	8,847	638,017	673,842

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

12 Fixed assets

GROUP	Assets under construction	Land and buildings inc. fixtures	Motor vehicles	Total
	£	£	£	£
Cost or deemed cost				
Balance at 1 September 2021	36,691	15,344,271	163,795	15,544,757
Additions	16,194	-	-	16,194
Disposals	-	-	-	-
Completions/Transfers	-	-	-	-
Balance at 31 August 2022	52,885	15,344,271	163,795	15,560,951
Depreciation and impairment				
Balance at 1 September 2021	-	-	127,815	127,815
Charge for the year	-	-	7,196	7,196
On disposals	-	-	-	-
Balance at 31 August 2022	-	-	135,011	135,011
Net book value				
At 31 August 2021	52,885	15,344,271	28,784	15,425,940
At 1 September 2021	36,691	15,344,271	35,980	15,416,942
PARENT CHARITY		Land and buildings inc. fixtures	Motor vehicles	Total
		£	£	£
Cost or deemed cost				
Balance at 1 September 2021		15,344,271	163,795	15,508,066
Additions		-	-	-
Disposals		-	-	-
Balance at 31 August 2022		15,344,271	163,795	15,508,066
Depreciation and impairment				
Balance at 1 September 2021		-	127,815	127,815
Charge for the year		-	7,196	7,196
On disposals		-	-	-
Balance at 31 August 2022		-	135,011	135,011
Net book value				
At 31 August 2022		15,344,271	28,784	15,373,055
At 1 September 2021		15,344,271	35,980	15,380,251

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

13 Investments

GROUP AND PARENT CHARITY	2022		2021		
	Cost	Market value	Cost	Market value	
	£	£	£	£	
Gilt edged securities	33,086	33,876	-	-	
Other fixed interest	416,545	375,122	520,941	560,854	
Europe fixed interest	-	-	-	-	
Equities: UK	1,454,912	1,266,015	1,595,707	1,630,755	
European	592,947	608,309	665,345	808,942	
Global	625,556	680,736	676,231	853,994	
Unit trusts	-	-	-	-	
	3,123,046	2,964,058	3,458,224	3,854,545	
Monies held for investment in UK:					
National Savings	2,474	2,474	2,473	2,473	
Monies held by stockbroker	67,175	67,175	73,988	73,988	
Treasury Deposits	48,453	48,453	48,429	48,429	
	3,241,148	3,082,160	3,583,114	3,979,435	
	Market value 1 September 2021 £	Additions £	(Disposals) £	Investment gains and losses £	Market value 31 August 2022 £
Quoted investments	3,854,545	291,234	(858,128)	(323,593)	2,964,058

14 Current assets

	Group		Parent Charity	
	2022 £	2021 £	2022 £	2021 £
Debtors				
Amounts owed by group undertakings		-		-
Prepayments and accrued income	25,508	23,256	25,508	23,256
Income tax recoverable	1,556	5,688	1,556	5,688
Other debtors	475,261	476,757	474,961	472,463
Gross debtors	502,325	505,701	502,025	501,407
Less inter-fund debtors	(453,059)	(389,469)	(453,059)	(389,469)
Total debtors (net of inter-fund debtor)	49,266	116,232	48,966	111,938

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

15 Cash at bank and in hand

	Group		Parent Charity	
	2022	2021	2022	2021
	£	£	£	£
Cash at bank and in hand				
Interest bearing accounts	686,537	659,876	680,843	659,876
Cash balances	1,915	3,786	1,915	1,061
	688,452	663,662	682,758	660,937

16 Liabilities

	Group		Parent Charity	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year				
Creditors	227,788	267,938	89,884	129,583
Amounts due to group undertakings	-	-	66,515	83,784
Deferred income	53,610	34,258	53,610	34,258
Payroll	17,498	19,712	17,498	19,712
Accruals	500,227	408,506	498,978	406,993
Gross liabilities	799,123	730,414	726,485	674,330
Less inter-fund creditor	(453,059)	(389,469)	(453,059)	(389,469)
Total liabilities (net of inter-fund creditor)	346,064	340,945	273,426	284,861

17 Borrowings and contingencies

During the year ended 31 August 2003, the trustees donated funds to Loreto College, Manchester in order for the College to invest in capital expenditure. These funds were generated by the disposal of a portion of land at the College which was subject to covenants by Manchester City Council. The Council allowed the disposal of the land to take place in exchange for a covenant on the remaining land, such that the City Council would be entitled to a payment of £1,050,000 should the College land and buildings be disposed of during a period of 40 years from the date of sale of the surplus land.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Movement in funds

Year ended 31 August 2022

	Balance 1 September 2021 £	Change in investment valuation £	Fund transfers £	Activity in year £	Balance 31 August 2022 £
Restricted funds					
Patrimony	702,116	(74,838)	-	10,739	638,017
Ministry – Appeal funds	6,400	-	-	2,447	8,847
Ministry – Drawn Together	13,281	-	-	1,827	15,108
Ministry – Albania	20,958	-	-	(9,088)	11,870
	<u>742,755</u>	<u>(74,838)</u>	<u>-</u>	<u>5,925</u>	<u>673,842</u>
Designated funds					
Ministry					
Functional property	6,837,614	-	-	-	6,837,614
Other Ministry funds:					
Investments	357	-	-	-	357
General	(146,922)	-	-	(13,033)	(159,955)
	<u>6,691,049</u>	<u>-</u>	<u>-</u>	<u>(13,033)</u>	<u>6,678,016</u>
Province					
Functional property	8,506,658	-	-	-	8,506,658
Transport	35,979	-	-	(7,196)	28,783
Other Province funds:					
Investments	3,274,957	(248,755)	-	(584,421)	2,441,781
General	596,302	-	-	(11,869)	584,433
	<u>12,413,896</u>	<u>(248,755)</u>	<u>-</u>	<u>(603,486)</u>	<u>11,561,655</u>
Total funds (parent charity)	<u>19,847,700</u>	<u>(323,593)</u>	<u>-</u>	<u>(610,594)</u>	<u>18,913,513</u>
Province					
Functional property	36,691	-	-	16,194	52,885
Other Province funds:					
General	(49,065)	-	-	(17,579)	(66,644)
	<u>(12,374)</u>	<u>-</u>	<u>-</u>	<u>(1,385)</u>	<u>(13,759)</u>
Total funds (group)	<u>19,835,326</u>	<u>(323,593)</u>	<u>-</u>	<u>(611,979)</u>	<u>18,899,754</u>

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Movement in funds (continued)

Year ended 31 August 2022

	Balance 1 September 2021 £	Change in investment valuation £	Fund transfers £	Activity in year £	Balance 31 August 2022 £
Restricted	742,755	(74,838)	-	5,925	673,842
Ministry	6,691,049	-	-	(13,033)	6,678,016
Province total of charity and subsidiary	<u>12,401,522</u>	<u>(248,755)</u>	<u>-</u>	<u>(604,871)</u>	<u>11,547,896</u>
Total funds (group)	<u>19,835,326</u>	<u>(323,593)</u>	<u>-</u>	<u>(611,979)</u>	<u>18,899,754</u>

Restricted funds

- **Patrimony**
This fund comprises the dowers made by individual sisters and any legacies received by sisters during their lifetime. When a sister dies, the dower/legacy is released to the Province Fund.
- **Loreto College St Albans Appeal Fund**
Income consists of donations received to assist in funding the on-going development of the school site. The fund is used to fund the trustees' contribution to small building works.
- **Loreto Sisters Albania Fund**
This fund supports the work of the English Province in Albania.
- **Loreto Sisters Drawn Together Fund**
This fund supports the work of the English Province at Harpenden Childrens' Centre.

Designated Unrestricted funds

- **Province**
To support the sisters and to care for them when they are sick and aged.
- **Ministry**
To support the works of the members in their ministries.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Movement in funds (continued)

Year ended 31 August 2021

	Balance 1 September 2020 £	Change in investment valuation £	Fund transfers £	Activity in year £	Balance 31 August 2021 £
Restricted funds					
Patrimony	551,552	142,057	(1,555)	10,062	702,116
Ministry – Appeal funds	6,019	-	-	381	6,400
Ministry – Drawn Together	15,138	-	-	(1,857)	13,281
Ministry – Albania	25,396	-	-	(4,438)	20,958
	<u>598,105</u>	<u>142,057</u>	<u>(1,555)</u>	<u>4,148</u>	<u>742,755</u>
Designated funds					
Ministry					
Functional property	6,837,614	-	-	-	6,837,614
Other Ministry funds:					
Investments	1,001,293	-	-	(1,000,936)	357
General	(1,060,352)	-	-	913,430	(146,922)
	<u>6,778,555</u>	<u>-</u>	<u>-</u>	<u>(87,506)</u>	<u>6,691,049</u>
Province					
Functional property	8,506,658	-	-	-	8,506,658
Transport	45,943	-	-	(9,964)	35,979
Other Province funds:					
Investments	2,241,332	536,979	-	496,646	3,274,957
General	1,625,794	-	1,555	(1,031,047)	596,302
	<u>12,419,727</u>	<u>536,979</u>	<u>1,555</u>	<u>(544,365)</u>	<u>12,413,896</u>
Total funds (parent charity)	<u>19,796,387</u>	<u>679,036</u>	<u>-</u>	<u>(627,723)</u>	<u>19,847,700</u>
Province					
Functional property	24,368	-	-	12,323	36,691
Other Province funds:					
General	(34,874)	-	-	(14,191)	(49,065)
	<u>(10,506)</u>	<u>-</u>	<u>-</u>	<u>(1,868)</u>	<u>(12,374)</u>
Total funds (group)	<u>19,785,881</u>	<u>679,036</u>	<u>-</u>	<u>(629,591)</u>	<u>19,835,326</u>

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Movement in funds (continued)

Year ended 31 August 2021

	Balance 1 September 2020 £	Change in investment valuation £	Fund transfers £	Activity in year £	Balance 31 August 2021 £
Restricted	598,105	142,057	(1,555)	4,148	742,755
Ministry	6,778,555	-	-	(87,506)	6,691,049
Province total of charity and subsidiary	<u>12,409,221</u>	<u>536,979</u>	<u>1,555</u>	<u>(546,233)</u>	<u>12,401,522</u>
Total funds (group)	<u>19,785,881</u>	<u>679,036</u>	<u>-</u>	<u>(629,591)</u>	<u>19,835,326</u>

20 Analysis of net assets between funds

Group

	Restricted funds £	Unrestricted funds		2022 Total £
		Ministry £	Province £	
Fixed assets	640,022	6,837,971	11,030,107	18,508,100
Current assets	36,500	461,907	239,311	737,718
Creditors: amounts falling due within one year	(2,680)	(168,803)	(174,581)	(346,064)
Inter-fund debtors / (creditors)		(453,059)	453,059	
	<u>673,842</u>	<u>6,678,016</u>	<u>11,547,896</u>	<u>18,899,754</u>

Parent charity

	Restricted funds £	Unrestricted funds		2022 Total £
		Ministry £	Province £	
Fixed assets	640,022	6,837,971	10,977,222	18,455,215
Current assets	36,500	461,907	233,317	731,724
Creditors: amounts falling due within one year	(2,680)	(168,803)	(101,943)	(273,426)
Inter-fund debtors / (creditors)		(453,059)	453,059	
	<u>673,842</u>	<u>6,678,016</u>	<u>11,561,655</u>	<u>18,913,513</u>

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

21 Deferred income

	Group £	Charity £
Balance at 1 September 2021	34,258	34,258
Amounts deferred in the year	53,610	53,610
Amounts released to incoming resources	<u>(34,258)</u>	<u>(34,258)</u>
Balance at 31 August 2022	<u>53,610</u>	<u>53,610</u>

Deferred income comprises prep school fees received in advance and retreat centre deposits received in advance.

22 Legacies

Legacies received in the year amounted to £189,097 (2021: £nil).

23 Related Parties

As noted in the trustees' report, Loreto Education Trust is an associated charity. Loreto Education Trust provides services to Loreto Preparatory School (Altrincham). During the year payments of £nil (2021: £nil) were made to the Trust.

The charity provided the land and buildings for the use of Loreto College (St Albans) and Loreto Grammar School (Altrincham) under supplementary agreements, rent free, throughout the year and previous year.

24 Capital commitments

Prior to the year end the charity was in dispute with a former contractor in relation to contracted works. Post year end the company received notice of an adjudicated final settlement of value of the contracts sum and compensation for liquidated damages. The total value of these costs, including the cost of adjudication, was £183,045 which were satisfied in 2023.

25 Post balance sheet events

In March 2023 the Trustees resolved to close the Preparatory School in Altrincham. Although due process was followed and appropriate legal advice taken, a parent group made allegations to the contrary and lodged their complaint with the Charities Commission. As a result, the Trustees have submitted a Serious Incident Report with the Commission.

26 Teachers' Pension Scheme

The Preparatory School previously participated in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff up until April 2021. From April 2021 the School left the TPS and now operates a defined contribution scheme with Aviva (Aviva Pension Trust for Independent Schools). Teachers who were members of the Teachers' Pension Scheme will retain the benefits of that scheme in addition to the benefits of the new private defined contribution scheme from April 2021.

The Teachers' Pension Scheme (TPS) was a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership was automatic for teachers in schools. All teachers had the option to opt out of the TPS following enrolment.

The TPS was an unfunded scheme and members contributed on a 'pay as you go' basis. These contributions along with those made by employers were credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

26 Teachers' Pension Scheme (continued)

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% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The 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 was due to be implemented from 1 April 2023 but as the Charity exited the scheme in April 2021, it is not applicable.

The employer's pension costs paid to the TPS in the period amounted to £nil (2021: £55,702) and at the year-end £nil (2021: £nil) was accrued in respect of contributions to this scheme.

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

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

Other pension contributions

The Charity also makes contributions to other employees defined contribution pension schemes, including the Aviva Pension Trust for Independent Schools), to which a total of £100,286 (2021: £44,357) was contributed in the year.

Congregation of Jesus (Loreto Sisters) English Province

England & Wales - Charity number 250607

Accounts



**Institute of the Blessed Virgin Mary
(English Province)
Loreto Sisters**

Accounts

**For The Year Ended
31 August 2021**

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

CONTENTS

	Page
Charity details	1
Trustees' report	2
Independent auditor's report	19
Group statement of financial activities	22
Group balance sheet	23
Parent charity balance sheet	24
Group statement of cash flows	25
Notes to the accounts	26

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

CHARITY DETAILS

Trustees

Miss Josette Zammit-Mangion
Miss Kathryn Keigher
Miss Bernadette Boland
Miss Una Coogan
Miss Kathleen Myers

Regional Leadership Team

Miss Bernadette Boland, Miss Kathleen Myers, Miss Jen Bromham

Province Treasurer

Miss Kathleen Hewitt

Finance Manager

Mr Gareth Maloney

Registered office

Loreto Province Offices
28 Hartley Road
Altrincham
Cheshire
WA14 4AY

Charity number

250607

Auditor

MHA Moore and Smalley
Chartered Accountants
& Statutory Auditor
Richard House
Winckley Square
Preston
PR1 3HP

Investment managers

Investec Wealth and Investment Limited	Hedley & Co
2 nd Floor, 3 Hardman Street	13b Winckley Square
Spinningfields	Preston
Manchester	PR1 3JJ
M3 3HF	

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their report and audit consolidated accounts for the year ended 31 August 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the trustees' report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Charitable Status



The Institute of the Blessed Virgin Mary (IBVM) referred to in this document as 'the Institute' is an International Roman Catholic Religious Congregation of women, present on five continents in twenty-five countries, and was founded in the seventeenth century by an English woman, the Venerable Mary Ward. The Loreto Branch of the Institute, established by Teresa Ball, has its origins in nineteenth century Ireland. The first English House of the Loreto branch of the Institute was founded in 1851 in Manchester. When writing to the community in Ireland Anne Hickey, the first Superior, when referring to the new venture stated, "This is a Glorious Mission". In 2021 we celebrate 170 years of "This Glorious Mission" and to mark the event we have decided to initiate an



ecological project. Loreto Communities have been invited to suggest appropriate ways to mark this significant year.

'This is a Glorious Mission ...'

Anne Hickey letter to Teresa Ball 1851

The accounts accompanying this Report are the accounts of a Charitable Trust, registered with the Charity Commission under a Trust Deed dated 2nd March 1965 in which the assets of the English Province of the Institute in the United Kingdom are held. The registered Charity Number is 250607.

Mission

The Institute's Charitable Trust aims to advance the religious and other works carried out by members of the Institute in collaboration with lay co-workers and to care for those members throughout their lives within the Institute. These works meet the public benefit criteria necessary under the Charities Act 2011 and the Institute operates as a public benefit entity.

The works we undertake are reviewed on a continuous basis to assess their effectiveness in the achievement of our aims and the benefits we have provided to those sectors of the community we set out to help. The most recent review was carried out in March 2015 when the majority of the members of the Province gathered to assess our mission. In conducting this review, we have given due regard to the guidance contained in the Charity Commissioner's General Guidance on Public Benefit.

The ministries carried out by the members of the Institute, both in the United Kingdom and overseas, in furtherance of our aims and the provision of public benefit fall into the following main areas:

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1. Education
2. Pastoral/Outreach Work
3. Nurturing Religious Faith and Provision of Retreats
4. Overseas Activity
5. Governance, Structure and Management

During this year all ministries have been affected by the COVID-19 restrictions and lockdown. For some, new skills were developed during this time. In some cases, but not all, social media presented an opportunity for Sisters to conduct their ministries. Alongside telephone calls and letter writing, the use of zoom moved to a new level especially for those known to live alone or those in shielding situations due to health issues. It was also the means of keeping in contact with our communities both here and across the world. We also saw an increase in requests for prayer during this time.

Whilst some work could be conducted on social platforms, there were many aspects where this was not possible and therefore had to be suspended due to Government guidance.

Whilst some restrictions have been lifted not all organisations have seen the return of volunteers. This can be due to the organisation's caution or on the part of the volunteers themselves.

1. Education

The main areas of responsibility now extend to four schools and a Sixth Form College in England.

One Academy for girls - comprehensive

One aided co-educational comprehensive school

One Academy for girls - grammar

One Sixth Form College supported by the Education Funding Authority

One independent preparatory school

(With the exception of the co-educational comprehensive school, which is under the jurisdiction of the local diocese, the premises for these schools/college belong to the Institute and are made available at no cost).

The work of the Institute in formal education is conducted through the Loreto Education Trust, a charitable company limited by guarantee established in 2011. The Trust embraces the need to involve lay management in the long-term development of the Institute's college and schools. The Institute has undertaken to provide for an IBVM member to act as Education Officer in the operation of the Loreto English Education Network (LEEN Group) whose management has now been adopted by the Loreto Education Trust. The Trust Board also organises training days for governors.

The LEEN Group is a body originally established by the Institute's Trustees 'to ensure that the Loreto vision and values continue to animate the lives of our schools and college' (LEEN Constitution). This link is necessary as all four schools and the sixth form college are led by lay principals. The body includes the Trustees' named Education Officer who provides pastoral support and management training to develop the Mary Ward ethos along with good educational practice. Since May 2020 this post has been held by Ms Ann Clynch, recently retired principal of Loreto Sixth Form College and long-time co-worker. She offers help where needed to the Heads/Principal in their role as 'carer of the faith' and upholder of the Loreto ethos within the schools and college and supports them as they deal with the constantly changing face of education, made progressively more difficult due to the constantly changing requirements relating to the management of Covid-19, which occur almost daily.

Each year new staff attend an induction weekend during which they are introduced to the history of the Institute and the ethos of Loreto Education. This is followed by on-going support through in-service training days. Sisters also provide much needed support for management in both Institute and diocesan schools where support and mentoring are offered to those who are looking to raise educational standards within their schools.

Additionally, at least two or more of the sisters continue to serve on both the schools'/college's governing bodies and their various committees.

Voluntary support is given in schools helping with music teaching and religious education, as well as supporting pupils who have fallen behind in their education.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Within our schools and college, we work to maintain and promote a happy, Christian community which will enable pupils and students to grow in understanding of their faith, enjoy relationships based on courtesy, kindness, and co-operation, and develop a joy in learning which will sustain them throughout their adult lives.

The schools and college involve themselves locally and globally in the empowerment of girls and women by marking awareness raising events such as International Women's Day, the International Day of the Girl, Child Labour etc. They also engage in all relevant global concerns, events and fund-raising activities, in particular having links with Loreto Schools across the world. This heightened awareness of social issues at home and abroad in turn influences career choices and the promotion of gender equality.

We also strive to pass on to our students the gospel values passed down to us through Mary Ward, values of sincerity, freedom, justice, truth, joy, excellence and internationality. To make this possible it is important that the buildings in which we carry out our educational ministry are kept in good repair and meet the needs of staff and students. Work to improve facilities is on-going to help achieve our aims of providing the best quality education in a Christian atmosphere and with good facilities. The Institute's Finance and Properties Committee continues to play a major role in assessing the needs of the establishments and works in collaboration with the Trustees.

The Institute achieves its educational aims and objectives by its presence on our School Governing Bodies and through the work undertaken by the Loreto Education Trust. This achievement is in turn measured not only by Ofsted Reports of 'Excellence' but also by year-on-year growth in demand for places at connected schools/college which in turn has led to Institute supported expansion and modernisation programmes. Unfortunately, the pandemic has led to the delay or cancellation of some of these programmes.

On March 21st 2021, all educational establishments were closed except for the children of 'key' workers and those considered vulnerable for a variety of reasons due to the COVID-19 pandemic. From the first indication of closure through to the present time our Heads, Principal and staff have worked tirelessly, without a substantial break and in a constantly changing and ever increasingly legislative environment, to deliver a standard of education which befits the historical reputation of success achieved by their respective schools and college. Much time, effort and money has gone into preparing for teaching on school premises and for 'virtual' lessons, as, even with schools open, many lessons still need to be given to 'bubbles' affected by the virus, and because staff themselves may be isolating. All this has made extra demands on existing staff or necessitated extra staff to help with the practical matters which arise each day as different staff members and students are absent. Additionally, our Heads and Principal have gone out of their way to ensure that students with few or no resources for home-learning have been given the help they need, and where necessary families have been supported in an appropriate way. They have also put student welfare ahead of their own concerns with many students experiencing anxiety about how their future would be affected.

The schools

Whilst the governors of each school continue to upgrade the facilities to ensure the best possible learning environment and continued attainment of ratings of excellence from their Ofsted reviews, the religious ethos of each school is now overseen by the Loreto Education Trust.



For the two schools operating under Academy status, the Institute has Supplemental Agreements in place whereby, whilst retaining ownership of the property, the Trustees undertake to the Secretary of State to make the land available for use by the Academy Trust.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

One sister is the JPIC (justice, peace and integrity of creation) representative for the Region and for the schools and works with them to promote these values, encouraging links between the schools and college at sixth form level, as well as encouraging partnerships with Institute schools internationally. In the last two years our JPIC work has developed more specifically through our new JPIC Office in Rome and through our NGO Office at the UN. This has led to our schools and communities adopting the Laudato Si' 7-year plan as the theological foundation for addressing the challenges of climate change in our own lives, our communities, schools, college, parishes and around the world. In terms of our global commitment we maintain links, through our UK schools, with Loreto schools in Kolkata, South Sudan and Peru. More recently our older students have been involved with our UN Office in New York through the Commission on the Status of Women. This involved zoom conversations and led to an international intergenerational webinar on Climate Change organized and led by young past pupils from Loreto Schools in the UK, Spain and India. We hope it will be the first of many new initiatives which challenge and encourage our young people to be advocates for change.

Sixth Form College, Manchester

The College continues to receive accolades for its excellence in educational provision and pastoral care across all levels of ability from the Pathways to Independent Living to Oxbridge entrance. Its last Ofsted report was outstanding in every area.

One of the key values of the College is that it should be an open access institution. In addition to providing sixth form places for A Level qualification it also provides vocational courses to students who benefit from a more hands-on approach to learning and a pathways department. The college also works to promote interfaith dialogue. The student body is made up of students from a variety of faith traditions, currently 63% of students are Christians, and of the remaining students the majority are Muslim.



The Trustees are also aware that there are some students in the College who are homeless and have worked in collaboration with the senior management team to help meet the needs of these students.

2. Pastoral/Outreach Work

The Trustees continue to make it a priority to reach out to the poor and marginalised in our society by moving personnel into areas of greater need and financing them to carry out social/pastoral work. This involves being advocates in support of the voiceless to enable them to secure the help they are entitled to, in justice, from the state and other agencies.

Several members of the Institute are involved in community-based programmes and support public institutions in the UK, including childcare and family support, community healthcare, general and mental health, hospital and hospice chaplaincy work, counselling, psychotherapy and helping with schemes to support children and adults in the community. Additionally, some members work closely in supporting refugees, asylum seekers and victims of international trafficking.

We have sisters working to promote interfaith/intercultural understanding and the Institute also supports a diocesan outreach programme in Wales.

Two sisters operate as part of an interfaith chaplaincy team at a hospital in Manchester whilst another is a volunteer chaplain at a hospice in Llandudno. The sister working as chaplain in a Manchester hospital has completed a two-stage training programme on the work against trafficking. This training was intended to raise awareness for staff in hospitals and medical establishments who will encounter trafficked people in the course of their work.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Two sisters are engaged in ministry overseas: one in Albania and the other in the Philippines

The Mary Ward Loreto Foundation in Albania is a non-profit organization working cross-border between the UK and Albania to eliminate human trafficking in Albania. MWL in Albania is ensuring that Albania is one of the countries trying its hardest to eradicate this obscene offence against human rights. In recent months MWL Albania has been developing a stronger presence for the work in Britain through the founding of two new CIO in the UK one called Anti Modern Slavery Alliance (AMSA), which is now an established UK charity with many board members having direct working contact with MWL Albania, and also Mary Ward Loreto UK which is still in process of being registered as a UK Charity. Its direct professional online counselling and support services, to discovered and recovered victims in Britain, result in hundreds of victims, (more often than not women and young girls dragged into prostitution, forced labour and drug mule work under the pretence of having been offered a "better life" in the UK,) being enabled to go back home. In Albania we have developed a substantial network of centres offering rehabilitation, educational and social business programmes as well as counselling.

Our sister in the Philippines has now completed three years as a formator with IFFA and is a member of the Management Team. Following the introduction of Covid restrictions in March 2020 all face-to-face teaching ceased, and teaching was conducted by Zoom. Strict lockdown due to COVID, confined all students and staff to the Compound and this posed a challenge for all staff and students. Fortunately, the majority of the students were able to return to their countries in December, whilst others only secured flights in April 2021. The new students for the Formation Course of 2021, were unable to travel to the Philippines, so all classes were conducted online via Zoom. This has been a very challenging experience for both students and IFFA staff.

Several Sisters are currently engaged in work with refugees, asylum seekers and migrants. This work involves meeting with, listening to, supporting and signposting clients to the appropriate staff or agencies best suited to address their needs. The work also involves some English teaching and helping with basic needs and providing translation services where needed. One sister currently works part time in a safe house for victims of people trafficking and modern-day slavery.

Some members have received training in teaching English -TEFOL- a much needed service if people are to integrate and find employment. One sister combines her catechetical and interfaith work with teaching English to refugees and asylum seekers and guiding them into how to access assistance. Another sister is a volunteer providing translation services at the French Speaking Refugee Centre.

One sister attends a local drop-in centre operated by the Charity Revive which receives direct contact or social worker referrals from refugees. When Covid hit the Country, the usual drop-in services were replaced for several months by phone advice and ESOL lessons were zoomed to more than a dozen students. Meanwhile, during the first lockdown, through our Facebook page, volunteers took parcels of food to the 16 families that Revive judged to be most vulnerable. Apart from paying for the food the volunteer often travelled at least a 20 miles round trip. During the second lockdown, again through Facebook, a different person coordinated looking after vulnerable families. It has led to long term links between the refugee family and the contact here in many cases. One fruit of this contact led to a refugee girl of 11yrs who had no laptop being given one to get lessons online and then having a couple of lessons for the 11 plus entrance Exam and subsequently getting a full scholarship to a local High School with fees, travel and uniform paid; the only pupil in her Primary school to do so.

Other sisters are active in the parishes in which they live, many as Eucharistic Ministers, Readers, Catechists, and through their support of many parish initiatives. Others may visit or keep in contact with the elderly or have contact with those in care homes. At an international level sisters engage with interest groups especially in the field of music, art and writing. (Call 1) They have a particular focus on highlighting current issues and exploring the spiritual embodied in art. Work is ongoing to raise awareness of Mary Ward and the work of the Institute. Information and visits to significant sites are facilitated. In addition, care is taken about information which is stored in our archives which gives insight into the lives of the sisters over many generations and we respond to requests from relatives, past pupils from our schools and research students.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

One sister runs the Loreto Drawn Together Parent-Infant Art Psychotherapy and Parent-Infant Psychotherapy Project in Harpenden and the surrounding area. The project offers parent-infant psychotherapy to parents and their babies who are struggling in their new relationship together. The project also offers Art Psychotherapy for under-fives. This service uses art as a way for young children to express themselves without the primary need for words. She also offers clinical supervision to art therapists working in Hospice settings. In addition, she also works with the Counselling Foundation in St Albans as a Personal Development Group Leader for the Certificate Course in Psychodynamic Counselling Skills. As with our other ministries requiring social interaction our sister's work in Harpenden has had to adapt to a changing environment. Additional equipment has been purchased and training taken to enable the ministry to continue by video link and social media. A wider range of meeting facilities has also been necessary to comply with social distancing requirements.



Our sisters' work is not just restricted to their chosen ministries. Throughout the year, the members of the Institute give their time to assist the poor and marginalised wherever that need arises. The sisters receive no financial reward for this work which contributes to the overall achievement of the charity's objectives. This can extend to past pupils from within the worldwide Loreto network who have frequently found solace from informal counselling with our members in times of personal bereavement or stress.

3. Nurturing of Religious beliefs and provision of Retreats

The Institute has owned and operated a retreat centre in North Wales since 1976, providing facilities for religious seminars, conferences, and individually guided and preached retreats. These facilities are accessible to people of varying needs and abilities. The Centre also supports those who come for rest and recuperation in a peaceful and supportive environment. Members also conduct retreats at other religious centres, and some take care of parishes where there are no resident priests providing not only liturgical support but also logistical help to parishioners wishing to attend services.

Following the completion of a new care facility for our older and frail sisters in 2018, the Trustees took the decision to relocate the Loreto Spirituality Centre in Llandudno, North Wales to the site of the recently vacated convent following its planned refurbishment. The Spirituality Centre moved into the newly refurbished building in



October 2019. The Centre offers people of all faiths and none a place of peace and tranquillity, for rest, relaxation and prayer. Two sisters work in the Centre supported by a team of dedicated staff. Our programme of retreats is led by our Loreto team, supported by guest directors. Our Centre also offers opportunity for on-going development to those recently trained in spiritual direction; these are given the opportunity to gain experience under the direction and supervision of our Retreat Director. We also work in collaboration with other Retreat Centres through our engagement in training workshops, and outreach work. Our Loreto House community also has several sisters experienced in Spiritual Direction who offer support and practical help, when needed.

The events on the programme include silent individually guided retreats, varying in length from a weekend to 30 days, preached retreats and themed retreats. Our Holy Week is specifically aimed at young people and families. The Theology Summer School is also a popular event in the Centre Calendar.

We also offer hospitality to groups who wish to use the Centre. Several religious congregations used the Centre for meetings during the year, as well as individuals and groups of people in caring ministries who are looking for a period of respite. We also welcome groups such as the SPANNED (Supporting People with Additional Needs) group from the Diocese of Nottingham, who come annually for a break with their carer's. In addition, we have a limited number of rooms available for those wishing to avail of self-catering facilities.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

As with other similar residential Centres, COVID-19 and the resulting lockdown had a major impact on the work and development of the Centre. Whilst it was not possible for people to avail of our residential facilities it quickly became evident that during the extremely stressful time of the pandemic many people were looking for Spiritual support. The Spirituality work of the Centre quickly moved to online platforms and was therefore able to offer ongoing support throughout the crisis.

In response to Government announcements the Leadership Team had no alternative than to close the Spirituality Centre on 20th March 2020. All staff were advised promptly and were placed on Furlough leave as of that date. All bookings were cancelled and with the consent of most visitors, deposits rolled over to a future retreat. Several large conferences were unfortunately lost and the income for the year frozen at 60% of expected levels. With the easing of lockdown, the Centre did manage to provide a small number of personal retreats in July and August, but the income was modest. In expectation of a busier period in autumn all staff were released from Furlough in August to help with preparing a facility which had been largely unused for five months, but this proved to be in vain with more lockdowns and restrictions introduced in September by the government in Wales.

Our housekeeping and maintenance staff benefitted from the Government furlough scheme and were able to return to their posts and be ready to welcome visitors when Covid restrictions eased. Since the re-opening of the Centre, we have seen the return of many of our regular visitors and if anything, have seen an increase in visitors' numbers.

Another aspect of our ministry comes under the term 'Outreach'. The Loreto Spirituality Centre team works closely with the St Beuno's Outreach team, which seeks to promote retreats in daily life by going out to parishes to lead prayer groups and courses. One Sister belongs to the core group which coordinates and runs this work. Local parishes (Catholic and Church in Wales) also make use of the Centre for their own days of recollection, retreats and meetings. We look for opportunities to meet people in the local area, to engage on an ecumenical level to meet the spiritual needs of the local community. This has in turn led to more local people making use of the facilities of the Centre, both individually and as a community. Several sisters provide retreat direction upon request and are engaged as guest directors for other congregation. Many of the sisters are involved in offering spiritual direction on a regular basis. Our work in 'Outreach' and in local communities had to be suspended until adequate social distancing and safe environment measures could be put in place following the easing of lockdown restrictions. The success of our outreach work can be measured by reference to the continuing excellent relationship with the local diocese.

Others work in parishes providing religious education programmes for adults and young children and one sister works within the interfaith chaplaincy at the University of Birmingham and is resident chaplain at Newman House, Catholic Chaplaincy, providing liturgical and pastoral care to the student community. Another sister is responsible for a parish in North Wales which has no resident priest. In addition to the provision of spiritual support she also supports many initiatives in the local area.

Our work in this area of nurturing Religious Faith and provision of Retreats is mainly carried out through our schools, the local parishes where members of the Institute reside, retreat centres and through the various catholic dioceses.

As with our Pastoral works the successful achievements of our aims are more difficult to assess. However, many of those accessing the programme at the Loreto Spirituality Centre are returning visitors and the Centre has managed to continue to operate self-sufficiently whilst other similar venues have closed. This degree of loyalty has been achieved despite the operational difficulties experienced because of construction on the site. This loyalty was a major factor in our deciding to undertake our programme of refurbishment of the old convent building.

All aspects of our work involve the advancement of religion whether it is in the educational or pastoral fields. While this work is on-going, we have continued to reassess our work and to search for better ways of carrying out this ministry in today's world. One major aspect of this is the training of our lay co-workers so that the work can be carried on into the future when there will be fewer sisters. The Trustees have set aside some finance for this purpose.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

In common with many religious orders the Institute faces the dilemma of meeting ever rising costs from declining income. This shortfall has had to be met from existing funds, but action is being taken to ensure that this utilisation of resources is conducted in a manner which protects the future financial security of the works and membership. At the Province Congregation in April 2014 the membership received an eight-year report of both life and ministry as well as a financial report which helped all assess what had gone before and to plan ahead for the next eight years in the light of the strategic plan outlined.

4. Overseas Activity

The Institute globally has the aim to advance the religious and other charitable work in the Developing World. The work of the English Province in the Developing World is carried out mainly through the Teresa Ball International Solidarity Fund, registered charity no. 1080521 and Company no. 3914049, a charity under common control. The mission in Albania is part of the English Province mission.

5. Governance, Structure and Management

In terms of **Canon Law**, the Institute is governed at an international level by the Institute Leader and her Council in Rome. They are elected every eight years at a meeting of representatives of all the provinces and regions of the Institute. At every General Congregation the focus for the next eight years is mandated to General Leadership – these are generally referred to as 'The Calls'. The delegates at the General Congregation in 2014 gave a mandate to General Leadership for the following:

- ***Call 1: Reclaim the freshness of the Gospel, allowing Jesus to transform our lives***
- ***Call 2: Bring those forced to live in poverty to the centre of our life and ministry***
- ***Call 3: Go where the need is greatest***
- ***Call 4: Live sustainably discerning what is enough***
- ***Call 5: Create the oneness that moves us across boundaries***

In response to Call 5: Action (e) - *Evaluate different governance structures and leadership models*, General Leadership invited the English Province to participate in exploring different models, in the furtherance of this mandate and the English Province has operated as a Region since February 2020. The Region now has a different model of leadership and is governed by three Equal Co-Leaders (referred to in this document as the Leadership Team), appointed by the Institute Leader and Council in Rome, after extensive consultation with the membership in England. Members of the Leadership Team were chosen for their personal qualities, their understanding and experience of the ministries of the members throughout the United Kingdom and to secure a good skills mix.



The work in all these areas is of an on-going nature rather than short-term and the sisters and their co-workers work with skill and dedication.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

In terms of **civil law**, the charity is governed by a Trust Deed dated 2 March 1965 and is registered with the Charity Commission. The Charity Commission number is 250607. There is also a new Scheme approved by the Charity Commission dated 28 July 2003, which amends the governing document.

The governing document provides for ultimate decision making, including the appointment and retirement of trustees, at the sole discretion of the Province Leader. Under the new structure of leadership all canonical and civil governance decision making is conducted by the Leadership Team. The civil law implications of this new structure and the provisions of the governing document are therefore in conflict. To reconcile this conflict, the Leadership Team appoints one of its members to execute Leadership Team decisions on its behalf, as 'Provincial', where compliance with civil law is required.

The delegates at the General Congregation in 2014 gave a mandate to General Leadership to:
Initiate a process of Institute-wide education in participative leadership. Call 5: Action (b)

In the light of this mandate the Leadership Team in the Region has changed some structures in relation to community leadership and are currently experimenting with different models of rotational leadership within both resident communities and communities in dispersal. Members of the Leadership Team are in place to offer on-going support to these rotational leaders. This method of leadership will be monitored over a two-year period and evaluated during the Summer of 2022 in preparation for reporting to the General Congregation in the Autumn of 2022.

Under the new structure, the Leadership Team and two other members from the Region, based on their experience and detailed knowledge of the work of the Charity in their capacity as former council members, will be appointed trustees.

The Regional Treasurer is the finance officer, and the Region has a finance manager working full time. In assessing and supporting the province, the Leadership Team sits with the Finance and Properties Committee which includes an accountant, a lawyer and a surveyor. The pay and remuneration of the Institute's employees, including key management personnel, is reviewed annually by the Finance and Properties Committee which then makes its recommendations to the trustees.

The names of the Trustees on 31 August 2021 are set out on the attached schedule of legal and administrative details.

The trustees, treasurer and finance manager regularly attend seminars arranged by CoREW (Conference of Religious in England and Wales), The Association of Provincial Bursars and various professional bodies, including the Annual Catholic Conference, to keep abreast of current legislation and sector developments. As the Institute's main ministry has traditionally been educational all five trustees are currently fully qualified teachers. Some have later trained in other disciplines including pastoral/spiritual ministries and finance.

Statement of Trustees Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales/Northern Ireland 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts Report) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Structure and Management Reporting

The trustees are ultimately responsible for the policies, activities, and assets of the charity. The Leadership Team with two former council members are appointed as the trustees. The Region itself is administered by the Leadership team and local Leaders. The Leadership Team meets monthly to review developments and to make operational decisions. The finance manager reports quarterly to this meeting on the current financial state of the province and at other ad hoc intervals at the request of the Leadership Team to provide financial input to decision making.

The Leadership Team sits with the Finance and Properties Committee. The purpose of this committee is to advise the Leadership Team on all matters relating to finance, land and buildings. Once yearly it meets with all the Trustees and the Charity's auditors to confirm that all matters of discussion have been minuted and to assist in the process of approving the Annual Accounts and Trustees' Report. When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, investment managers, lawyers and accountants. The day-to-day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Institute and to senior staff.

The day-to-day responsibility for the schools lies with the head teachers and governors and members of the Institute are on all the governing bodies. Two members, with management qualifications and skills, are responsible for the day to day running of the pastoral/retreat centre.

Working with other organisations

Through its members the charity works closely with other charities and organisations which include the following:

- Roman Catholic Dioceses
- Local education authorities
- Educational establishments
- Other Religious Congregations
- Caritas Albania
- Caritas England and Wales
- Catholic Safeguarding Advisory Service
- Northwest Religious Network Support Group
- National Health Service
- NHS Mental Health Foundation Trust
- Fondacio Asia – Philippines

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Risk Assessment Statement

The trustees manage risk by reference to both long established, documented procedures and systems of control and current Charity Commission guidance on best practice. The trustees believe that all major risks have been identified and reviewed and that systems and procedures are in place to manage these risks. In carrying out their assessment the trustees have identified five main areas where risks may occur:

- 1: Governance and Management
- 2: Operational
- 3: Financial
- 4: Reputation
- 5: Laws, regulations, external and environment

- 1: **Governance and management** look at the structure of the Institute, and hence the charity, and the skills and training of its members and staff, and the good use of its resources.
- 2: **Operational** looks at the risks inherent in the charity's activities including the operation of its schools and pastoral/retreat centre – members engaging in inappropriate activities, the unsuitability of buildings, poor maintenance, shortcomings in the services provided, difficulties with staff, poor health and safety, lack of a disaster recovery policy etc. When acting in their capacity as school governors, the trustees and members are required to regularly attend training courses and seminars, particularly concerning safeguarding, but also risk assessment generally.
- 3: **Financial** risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies etc. Financial risk also extends to the security of the Institute's future income streams, in particular the receipt of pensions and salaries which currently account for 83% of Province Fund income. This aspect of risk is an important factor in the production of the Institute's strategic plan. The Institute manages its financial affairs by reference to an annual budget, performance against which is monitored by the trustees.
- 4: **Reputational** looks at possible damage to the Institute's and/or charity's reputation. We take the issue of safeguarding extremely seriously.
In line with statutory requirements, the trustees recognise the absolute necessity of ensuring the protection and safety of all those the charity serves. All sisters who are in any kind of ministry in the United Kingdom obtain Disclosure and Barring Service clearance as do the staff at Loreto House. The Institute representative keeps abreast of Institute policy and controls the DBS checks on members and employees. The representative also reports annually to the Leadership Team.

Safeguarding report

Due to on-going COVID-19 restrictions the greater part of the year has meant contact/meetings having to be arranged by zoom.

The restructuring of Safeguarding in the Catholic Church, with the 'One Church' approach, implementing the safeguarding recommendations from the Elliott Review as agreed by the Bishops' Conference, is well underway replacing CSAS with CSSA (Catholic Safeguarding Standards Agency) to which all will be accountable. To better serve the needs of Religious a new dedicated safeguarding service has been created – RLSS (Religious Life Safeguarding Service) – instead of Alignment to a Diocese. We will enter into a contractual arrangement with both the CSSA and the RLSS.

Since February six zoom meetings have taken place to explain key developments. The Safeguarding Lead as well as the Regional Safeguarding Representative/Trustee, have attended these along with the other members of the Leadership Team when they have been available. There have also been meetings with our Aligned Diocese Coordinator and our North West Religious Orders network group. Modular training has also continued from the Diocese which we have accessed.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

An initial contact has been received that would indicate some possible abuse, but the individual was unable, at the time of the contact, to provide further details and as such we cannot categorise the nature of the concern. We remain open to further contact and will progress the concern according to national procedures if we have sufficient information to do so.

- 5: **Laws, regulations, external and environment** look at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment in the charity's establishments.

The work of the trustees in assessing and minimising exposure to risk is supported by the Regional Treasurer and Finance Manager. They are both members of the Association of Provincial Bursars, an association set up over thirty years ago for Bursars of Religious Congregations both Catholic and Anglican, and through this Association they keep up to date with current legislation and developments. Furthermore, they and many of the sisters attend courses in support of their ministry or Institute management. These courses are either run by the professional bodies of which they are members or other appropriate organisations.

The Institute is GDPR compliant and annually reviews its Cyber Security Policy

In conducting their assessment, the trustees necessarily gave due regard to the declining numbers of Institute members and the rising average age of those who remain. The main sources of income to the Institute are the pensions and salaries of the sisters and as they grow older this income is inevitably declining.

Additionally, the payroll costs currently being incurred will increase as more people are employed to undertake work now being carried out on a voluntary basis by the sisters. The trustees have ensured that procedures and controls are in place to protect the property and investment assets of the Institute so that financial resources are available into the future to meet additional funding requirements resulting from this ageing process.

Activities, Specific Objectives and Relevant Policies

The global COVID-19 pandemic has affected all walks of life and our charity's activities have suffered accordingly. In addition to measures imposed by government guidance such as social distancing and travel restrictions we have also had to have regard to the vulnerability of our elderly sisters when carrying out ministries previously taken as read. In some instances, this had resulted in the curtailment of individual works, particularly where social contact is involved, and in others it has resulted in additional responsibilities and expense. Our objectives remain the same but our ability to achieve them limited. In describing our activities below, we also make note of our limitations.

Care for Members of the Institute

Those members of the Institute who earn salaries or receive pensions covenant them to the charity and therefore have no independent means of support. Many also give their services free in their various ministries and continue to do so well beyond retirement age. Hence the work of the charity includes the upkeep of the members so that they will be able to continue in their service to the public.

Additionally, the charity must also care for the elderly members of the Institute who are now themselves in need of care. These members have no resources of their own and have devoted their whole lives to the educational, pastoral, social and other ministries of the Institute, which now has a moral and legal obligation to provide for their care. In common with many religious congregations in the United Kingdom, the age profile of the members of the Institute is increasing as existing members grow older and the number of new vocations has reduced. As the age profile increases so too does the need to provide increasingly expensive care for the sisters, a cost which is borne almost exclusively by the charity since, as members of a religious community, we are not entitled to claim certain benefits from the state e.g. pension credit.

In the past twelve months four Sisters in our Region have died - their deaths were not Covid related.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

There are 38 sisters in the English Region, and they live and work in several locations across England, Scotland and Wales. Two sisters work overseas, one in Albania and one in the Philippines.

The introduction of lockdown in March 2020 and the advice given regarding safeguarding the elderly meant that we had to review access to all our convent accommodations as without exception they housed potentially vulnerable sisters. The manager of our care facility in Llandudno conducted an extensive health and safety review and quickly introduced protocols and procured PPE to keep the facility safe. Her staff were very supportive in this and where necessary volunteered to work additional hours rather than introduce agency workers and the incumbent extra risk. The facility, in a high-risk area of North Wales, experienced no cases of COVID-19. Two staff members were required to isolate as being at risk or being responsible for vulnerable people at home. We also operate two other smaller convent homes where residents were deemed at risk through age. Cleaning, cooking and maintenance staff were all placed on furlough and here also no COVID-19 cases were experienced. When lockdown was lifted procedures and equipment were put in place to ensure a safe working environment and the staff invited to return to work.

The Institute has established Powers of Attorney for all its members to ensure that their wishes continue to be followed should they become incapacitated through ill health and unable to make decisions for themselves.

Over the next decade the trustees expect the number requiring care to increase. Consequently, the trustees are carefully considering the impact of this on the work of individual members of the Institute, the property requirements and the financial implications. The aims of the trustees are as follows:

- To ensure that all members receive the care that they require to provide them with a quality of life we consider to be right.
- To review the charity's properties used as community houses and assess their suitability as homes for the frail elderly. Those identified as being unsuitable will need to be adapted or, if this is not possible, sold and replaced with more appropriate properties.
- To enable all members of the Institute to continue with their ministries and live independently for as long as possible after their official retirement age.



A measure of our continuing success in achieving our aims in this area was the completion of our new convent building in Llandudno. Loreto House provides fit for purpose accommodation for fourteen elderly and frail sisters. In addition, there are six self-contained apartments offering independent living accommodation for more-able sisters. Under the direction of our experienced Matron and her dedicated team, sisters receive around the clock care, tailored to their needs, aimed at enabling independence for as long as possible. Situated as it is close to our Retreat Centre it enables our elderly sisters to connect with ministry which is central to the mission of the Institute. The building was handed over for occupation in March 2018.

Employees, Volunteers and Members of the Institute

The Trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and those members of the Institute who are involved with its administration – without their contribution the charity would not be able to function as effectively or fully as it does. Their dedication, enthusiasm and active participation in our ministry is very much appreciated.

Grants, Donations and Support of Missionary Work and Ministry

Grants, donations and other payments in support of ministry are decided on by the trustees in consultation with the members of the Institute as appropriate. While the trustees give occasional support to United Kingdom based organisations and to individuals within the objects of the charity, the charity does not regard itself as a grant making entity and applications for grants and donations are not invited.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Fundraising Policy

The charity has undertaken some small-scale fundraising activities during the year. All fundraising activities have been undertaken in accordance with the applicable regulations. The charity does not work with commercial partners and has received no complaints in relation to its fundraising activities.

Investment Policy

The charity has a portfolio of investments with a market value of £3,854,545 managed by two long established stockbroker firms with much experience in investing funds for charitable organisations – Investec Wealth and Investment Limited and Hedley & Co. Both firms operate within specific guidelines, which are set out and regularly reviewed by the Trustee appointed Investment Committee. The Investment Committee in turn reports twice annually to the trustees. There are no restrictions on the charity's power to invest.

The investment strategy is to achieve a balanced return from income and capital growth by reference to recognised charity sector benchmarks subject to a medium risk portfolio structure. As well as these investments a further £124,890 is held on special deposits to be recalled when needed to meet our contingent liabilities and planned works.

The Charity requires the investment managers to have regard to its ethical screening policy when making investment decisions. In addition to specifically excluding some areas of investment (for example in any companies having significant profits from armaments, gambling or life determination) the policy also requires the managers to avoid investment in companies with continuing issues of exploitation of its workforce or deprivation of human rights, being activities contrary to Christian objectives. The screening process adopted by the Charity is an independent service provided by Ethical Screening Services Ltd but operated by Investec Wealth and Investment Limited. The adoption of this screening process is applied to both investment portfolios.

The investment committee meets several times during the year to review the performance of the portfolio and the continued appropriateness of the charity's investment strategy. The investment managers attend these meetings to present a formal report on an ad hoc basis but at least annually. The Charity has selected the FTSE WMA Balanced Portfolio as the benchmark against which the performance of its investment managers is assessed. Although market uncertainty remains due to many factors, (post-Brexit supply chain issues, Covid-19 variants, regulatory crackdowns in China causing problems with outputs, gas supply issues), the performance of our investment portfolios returned around 15% (benchmark 16%) in 2021.

Achievements and Performance

Financial Review

The charity's financial performance has continued to be significantly affected by the COVID-19 pandemic. In summarising the individual components making up the total deficit for the year, the trustees have indicated the approximate costs/revenues relating to the pandemic and possible future implications.

Results for the year

During 2020/21 incoming resources amounted to £1,916,484 (2020: £2,130,933). Of this total, £1,029,371 (2020: £1,114,201) related to the fee's receivable and other income of the charity's establishments and £66,963 (2020: £88,646) was received by way of donations. No legacies were received (2020: £nil). Salaries and pensions of the sisters covenanted to the charity amounted to £653,383 (2020: £671,122) representing a fall of 2.6% compared to 8% in 2020. Investment income and interest received totalled £82,617 (2020: £121,774). This is a 32% decline in investment income.

Income from charitable activities and investment income continue to be significantly affected by COVID-19. Further lockdown restrictions in Wales meant the retreat centre had to remain closed until June 2021. As a result, donation levels for 2021 were only approximately 42% of the norm.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Low interest rates on bonds and reduced dividend payments continue to add to the fall in investment income associated with investment realisations. Investment income in 2021 fell by 32% compared to 2020.

Other income includes £25,545 (2020: £62,007) received from the government Coronavirus Job Retention Scheme and £20,000 in Welsh government business rate support grants. It also includes the Welsh government 'bonus to carers' payment of £21,730 and £16,875 received from the UK government 'challenger bank' switch incentive scheme.

Resources expended totalled £2,546,075 (2020: £2,698,931) a decrease of 5.7%. Staff costs at the school and retreat centre still represent a significant proportion (30%) of total expenditure, amounting to £811,127 (2020: £855,028).

Expenditure on maintaining the members of the Institute and supporting them in their pastoral work and ministry remained stable in total at £1,276,988 (2020: £1,278,814). Of this, the running costs and maintenance of buildings were £267,765 (2020: £290,788) and carers' payroll and nursing costs were £467,988 (2020: £429,016). Expenditure on governance and the fees paid to the charity's investment managers amounted to £72,120 (2020: £71,104). Whilst the increase in nursing costs experienced in 2020 due to COVID-19 continue to apply, along with many care facilities in the local community, we have experienced increasing difficulties with staff retention and recruitment due to growing pressure from local NHS establishments offering pay rates in excess of 40% above prevailing local rates.

Investment values recovered strongly as markets began to recover from the impact of COVID-19 giving rise to gains of £679,036 (2020: £289,209 loss).

Net movement of funds for the year was an inflow of £49,445 (2020: £857,207 net outflow).

Funds to carry out the works of the charity come from various sources:

- School fees in the case of the remaining independent school
- SFA and YPLA in the Sixth Form College
- LEA and DfE in the two aided schools
- Donations from those who come to the retreat centre
- Donations received specifically for the mission in Albania
- The salaries and pensions of the members of the Institute
- Income from investments

We are not a fundraising charity although parents in the schools do raise some funds for particular projects. Our mission in Albania also seeks funds from individual donors based on generating awareness but does not undertake general advertising campaigns.

The Institute has a commitment to make contributions to the schools and college, particularly regarding the maintenance of their chapels where other sources of funding are not available, and some of the funds on deposit are reserved for this purpose.

Functional property belonging to the Institute has been included on the Balance Sheet at Trustees' valuation in 1996, which was achieved with help from professional advisers. The school's element of this valuation has now been revalued. (notes to the accounts 1)

Reserves Policy

The reader will see from the information given that the charity carries out a diverse range of activities and is responsible for the care and support of sisters whose average age is increasing and whose needs are changing. The trustees have examined the need for free reserves i.e., those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. For several years the charity has looked to its assets to make good shortfalls of income from expenditure by providing the necessary funding to maintain

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

liquidity. The trustees consider that, given the nature of the charity's work, its commitments and the age profile of its members, this funding requirement will continue into the foreseeable future and therefore it is unlikely that uncommitted reserves will become available.

Financial Position

The group balance sheet shows total reserves of £19,835,326 (2020: £19,785,881). Of this £15,416,942 (2020: £15,414,583) is represented by properties, assets under construction and other tangible fixed assets essential for the support and work of the sisters.

The Institute has divided its unrestricted assets into two designated funds:

1. Province Fund – to support the Sisters in their work as they give their services voluntarily and to care for them when they are sick and aged. The value of this fund is £12,401,522 (2020: £12,409,221) of which £8,579,328 (2020: £8,576,969) represents tangible fixed assets. The net current assets of the fund are £547,237 (2019: £1,590,920). As at 31 August 2021 assets under construction totalled £36,691 (2020: £24,368). Shortfalls of income to meet short term operating requirements continue to be met from investment realisations
2. Ministry Development Fund – to support our schools, establishments and other charitable donations made for the public benefit within the terms of our governing document. The value of this fund is £6,691,050 (2020: £6,778,555) of which £6,837,614 (2020: £6,837,614) represents tangible fixed assets. The net current assets of the fund are £146,922 in deficit (2019: £1,060,352 in deficit). The reduction in deficit is due to an on-going review of the fund and the subsequent transfer of investment assets to the Province Fund. The transfer provides support to the Province Fund and its investment realisations to meet funding deficits and provides improved visibility over the remaining property assets.

The asset base of the Institute has been its strength for a considerable period of time. Shortfalls of income to meet expenditure are such that asset realisations are an essential part of financial planning. Our investment managers are aware of our cashflow requirements for at least the next 12 month period and our Leadership team regularly reviews property needs not only in terms of ministry but also in regard to the increasing vulnerability of our members. These reviews have recognised that properties within the Llandudno site are now surplus to our needs and discussions are in progress to determine the best way for re-purposing or disposal.

Future Plans

Whilst the trustees do not anticipate any significant change to the charity or its activities over the next two to five years they are constantly reviewing works of the Institute in the light of a changing world and its own ageing membership. To that end the membership continues to review its ministry works for the next ten years and how they will be achieved and provide public benefit. The Trustees opinion is that the Charity will continue to provide public benefit by continuing to meet the following objectives:

- To continue to be trustees for three Loreto schools and a Loreto sixth form college;
- To continue the development of Loreto ethos at Loreto Chorlton;
- To continue to provide training for its school governors;
- To continue to support other schools;
- To continue to control Loreto Education Trust, a company limited by guarantee and established to manage the operations of the schools and college whilst at the same time continuing the ethos of Mary Ward into the future;
- To continue to develop new projects which deliver public benefit such as the mother and infant project;
- To continue with its pastoral/outreach work at several locations across the country;
- To continue to explore interfaith work and to train new members to degree level in religious studies and theology to prepare them for future ministry in a multi-cultural/multi-faith society;
- To continue the development of its Loreto Spirituality Centre in Llandudno;
- To maintain and increase awareness of the religious tenets of its founder, The Venerable Mary Ward;

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

- To continue to care for the sisters and enable them to carry out their various ministries where they will continue to reach out to the poor and marginalised and the victims of trafficking;
- To meet the requirements of the various statutory bodies;
- To continue to employ high quality staff and to ensure they are given appropriate and relevant training;
- To support the work of the English Province in Albania;
- To monitor the needs of the sisters as they grow older and, if necessary, adapt the charity's plans in respect of property needs and the provision of care to elderly members.
- To continue to encourage new membership

The Trustees re-appointed MHA Moore and Smalley as auditor and the firm has indicated its willingness to continue in office for the coming year.

Compliance

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland..

This report was approved by the Trustees of the Charity on 07/01/2022 and signed on their behalf by:

B. Boland

.....
B Boland - Trustee

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the financial statements of The Institute of the Blessed Virgin Mary (English Province) Loreto Sisters (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Group Statement of Financial Activities, the Group and Parent Charity Balance Sheet, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 parent charity's affairs as at 31 August 2021, and of the group's incoming resources and application of resources, 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 Charities Act 2011.

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 and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group and parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Other information (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 10-11, the trustees are responsible for the preparation of financial statements which 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 parent charity'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 parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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:

- Enquiries with management about any known or suspect instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to future performance of the group;
- An evaluation of the risk of management override of controls and subsequent testing, including through testing journal entries and other adjustments for appropriateness;
- An evaluation of the company's internal control environment; and
- Reviewing board minutes and resolutions.

Because of the nature of the charities operations, we identified the following areas as those most likely to have a material impact on the financial statements: health and safety and compliance with the UK Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor s to become aware of it or to recognise the non-compliance.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Moore and Smalley

.....
MHA Moore and Smalley
Chartered Accountants
and Statutory Auditor

Richard House
Winckley Square
Preston
PR1 3HP

12/01/2022
.....

MHA Moore and Smalley is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

GROUP STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Restricted Funds £	Unrestricted funds Ministry £	Province £	2021 Total £	2020 Total £
Income from:						
Donations and legacies	4	57,974	-	662,372	720,346	759,768
Investments	5	13,055	3	69,559	82,617	121,774
Charitable activities	6	-	1,029,371	-	1,029,371	1,114,201
Other	7	-	45,545	38,605	84,150	135,190
Total income		71,029	1,074,919	770,536	1,916,484	2,130,933
Expenditure on:						
Raising funds	8	2,993	-	28,726	31,719	33,701
Charitable activities	9	63,888	1,162,425	1,288,043	2,514,356	2,665,230
Total expenditure		66,881	1,162,425	1,316,769	2,546,075	2,698,931
Net gain/(loss) on investments	10	142,057	-	536,979	679,036	(289,209)
Net (expenditure)		146,205	(87,506)	(9,254)	49,445	(857,207)
Transfers between funds		(1,555)	-	1,555	-	-
Net movement in funds		144,650	(87,506)	(7,699)	49,445	(857,207)
Reconciliation of funds:						
Total funds brought forward		598,105	6,778,555	12,409,221	19,785,881	20,643,088
Total funds carried forward		742,755	6,691,049	12,401,522	19,835,326	19,785,881

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

GROUP BALANCE SHEET

AS AT 31 AUGUST 2021

	Note	Restricted funds £	Unrestricted funds Ministry £	Unrestricted funds Province £	2021 Total £	2020 Total £
Fixed assets						
Tangible assets	12	-	6,837,614	8,579,328	15,416,942	15,414,583
Investments	13	<u>704,121</u>	<u>357</u>	<u>3,274,957</u>	<u>3,979,435</u>	<u>3,794,627</u>
		<u>704,121</u>	<u>6,837,971</u>	<u>11,854,285</u>	<u>19,396,377</u>	<u>19,209,210</u>
Current assets						
Debtors	14	5,778	32,650	77,804	116,232	348,908
Cash at bank and in hand	15	<u>53,782</u>	<u>350,552</u>	<u>259,328</u>	<u>663,662</u>	<u>626,640</u>
		59,560	383,202	337,132	779,894	975,548
Creditors: amounts falling due within one year	16	<u>(20,926)</u>	<u>(140,655)</u>	<u>(179,364)</u>	<u>(340,945)</u>	<u>(398,877)</u>
Inter-fund debtors / (creditors)		<u>-</u>	<u>(389,469)</u>	<u>389,469</u>	<u>-</u>	<u>-</u>
Net current assets		<u>38,634</u>	<u>(146,922)</u>	<u>547,237</u>	<u>438,949</u>	<u>576,671</u>
Net assets		<u>742,755</u>	<u>6,691,049</u>	<u>12,401,522</u>	<u>19,835,326</u>	<u>19,785,881</u>
Funds						
Restricted funds		742,755	-	-	742,755	598,105
Unrestricted funds:						
Designated - Province fund		-	-	12,401,521	12,401,521	12,409,221
Designated - Ministry fund		-	<u>6,691,050</u>	-	<u>6,691,050</u>	<u>6,778,555</u>
Total funds	18	<u>742,755</u>	<u>6,691,050</u>	<u>12,401,521</u>	<u>19,835,326</u>	<u>19,785,881</u>

Certificate of trustees

These financial statements were approved by the trustees on 07/01/2022

Kate Myers

.....
K Myers - Trustee

B. Boland

.....
B Boland - Trustee

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

PARENT CHARITY BALANCE SHEET

AS AT 31 AUGUST 2021

	Note	Restricted funds £	Unrestricted funds Ministry £	Unrestricted funds Province £	2021 Total £	2020 Total £
Fixed assets						
Tangible assets	12	-	6,837,614	8,542,637	15,380,251	15,390,215
Investments	13	704,121	357	3,274,957	3,979,435	3,794,627
		704,121	6,837,971	11,817,594	19,359,686	19,184,842
Current assets						
Debtors	14	5,778	32,650	73,510	111,938	341,801
Cash at bank and in hand	15	53,782	350,552	256,603	660,937	621,636
		59,560	383,202	330,113	772,875	963,437
Creditors: amounts falling due within one year	16	(20,926)	(140,655)	(123,280)	(284,861)	(351,892)
Inter-fund debtors / (creditors)		-	(389,469)	389,469	-	-
Net current assets		38,634	(146,922)	596,302	488,014	611,545
Net assets		742,755	6,691,049	12,413,896	19,847,700	19,796,387
Funds						
Restricted funds		742,755	-	-	742,755	598,105
Unrestricted funds:						
Designated - Province fund		-	-	12,413,895	12,413,895	12,419,727
Designated - Ministry fund		-	6,691,050	-	6,691,050	6,778,555
Total funds	18	742,755	6,691,050	12,413,895	19,847,700	19,796,387

Certificate of trustees

These financial statements were approved by the trustees on 07/01/2022

Kate Myers

.....
K Myers - Trustee

B. Boland

.....
B Boland - Trustee

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

**GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021**

	2021 £	2020 £
Net cash outflow from operating activities	(527,804)	(601,789)
Cash flow from investing activities		
Payments to acquire tangible fixed assets	(12,323)	(463,815)
Receipts from sales of tangible fixed assets	275	(86,473)
Payments to acquire investments	(409,276)	(193,098)
Receipts from sales of investments	817,500	1,047,357
Investment income	82,646	109,410
Net cash flow from investing activities	478,822	413,381
Net (decrease) in cash and cash equivalents	(48,982)	(188,408)
Cash and cash equivalents b/fwd	837,534	1,025,942
Cash and cash equivalents c/fwd	788,552	837,534
Consisting of:		
Monies held for investment	124,890	210,894
Cash at bank and in hand	663,662	626,640
	788,552	837,534
Reconciliation of net (expenditure) for the year to net cash flow from operating activities		
Net (expenditure) for the year	49,445	(857,207)
Investment income received	(82,646)	(109,410)
(Gain)/Loss on disposal of tangible fixed assets	(201)	(71,987)
Loss/(Gain) on investments	(679,036)	289,209
Depreciation of tangible assets	9,890	11,486
Decrease/(Increase) in debtors, net of capital debtors	232,676	(644,868)
Increase/(Decrease) in creditors, net of capital creditors	(57,932)	780,988
Net cash flow from operating activities	(527,804)	(601,789)

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The Statement of Financial Activities, Balance Sheet and Statement of Cash Flows consolidate the financial statements of the charity and its subsidiary undertaking, Loreto Developments Limited. Loreto Developments Limited is a company limited by guarantee (company no. 08809375) and its principal activities are that of property development. The trustees of the charity are the directors and guarantors of Loreto Developments Limited.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist notwithstanding the impact of COVID-19. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure together with funds available from investment and property realisations are sufficient for the charity to be able to continue as a going concern.

Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objects of the charity and which have not been designated for other reserves.

Where unrestricted funds have been earmarked for a particular project, they have been designated as a separate fund, but the designation has an administrative purpose only and does not legally restrict the trustees' discretion to apply the fund. The aim and use of each designated fund is set out in the notes to the accounts.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the accounts.

The accounts comprise:

Restricted funds

- Patrimony Fund
- Loreto College St Albans Appeal Fund
- Loreto Sisters Albania Fund

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Restricted funds (continued)

- Loreto Sisters Drawn Together Fund

Ministry (unrestricted)

- Ministry Development Fund
- Loreto Preparatory School, Altrincham
- Loreto Retreat Centre

Province (unrestricted)

- Province Fund
- Houses

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Legacies received by members of the Institute are credited to the Patrimony Fund unless the legator indicated a specific bequest.

Covenanted salaries and pensions

Covenanted salaries and pensions are received under deeds of covenant from members of the Institute and are stated inclusive of income tax but net of any deductions for national insurance and occupational pension schemes' contributions.

Resources expended

Expenditure is included on an accruals basis and consists of all expenditure directly relating to the objects of the charity.

Investment management and governance costs include expenditure incurred in the management of the portfolio and for compliance with constitutional and statutory requirements.

Irrecoverable VAT is included with the category of expense to which it relates.

All expenditure is written off in the year in which it is incurred, including major property renovations, unless the expenditure is deemed to increase the charity's fund value.

Governance costs

Comprises audit fees, legal and professional fees and a contribution to payroll.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the exchange rate ruling at the balance sheet date. All differences are taken to the SOFA.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable within one year are recorded at transaction price. Balances include funds due to and from two unrestricted designated funds from within the Charity which are separately identified in notes 14 and 16 to the financial statements.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Pension schemes

Retirement benefits to employees of the Preparatory School are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit scheme, contracted out of the State Earnings-Related Pension Scheme, and the assets are held separately from those of the School.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the School is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each period.

Contributions for other staff are made to their personal pension schemes.

Tangible fixed assets

Land, buildings and fixtures: To date the charity has opted to adopt a policy of not revaluing its tangible fixed assets as permitted under the transitional provisions of FRS 15. On transition to SORP 2015 (FRS 102), similar transitional provisions were adopted to carry these amounts as deemed cost. The book value of the land and buildings was based on a Trustees' valuation made in 1996, based on insurance valuation at a discounted rate, plus cost of acquisitions since 1996.

Whilst this policy still holds true for the charity's community housing assets and property assets still actively managed in direct ministry by the sisters, it is no longer as valid in relation to the college and schools buildings now managed by the respective governors under the terms of supplemental agreements. The school buildings included in the 1996 valuations will now have been extensively renovated and modernised or demolished to create space for more up to date facilities. Any value attributed to buildings in 1996 is now of doubtful provenance. The most important factor for the charity is continued recognition that ownership of the land remains with the trust. It is expected that the schools will continue to occupy the land for some considerable time into the future and therefore any valuation would be little more than a guess. The trustees are therefore of the opinion that these properties should remain on the trust's Balance Sheet at a nominal value to avoid the need to speculate over value and to continue to demonstrate the trust's ownership.

No depreciation has been charged on the remaining land and buildings as the trustees consider that the amount involved would be immaterial after taking into account both the remaining useful life of the properties and their residual value. No depreciation is charged on assets under construction until they are available for use.

The trustees have considered the current market value of the properties and are of the opinion that there has been no impairment to the value shown in the accounts.

Motor vehicles: Depreciation is calculated at 20% on reducing balance.

Computer equipment: Computer equipment is not capitalised, as the trustees believe that values are not material when taking into account estimated useful economic lives.

Investments

Quoted investments are valued at their closing middle market price on the balance sheet date. Realised and unrealised gains (or losses) are reflected in the Statement of Financial Activities in the year in which they occur.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key assumptions, judgements and estimates

Valuation of land and buildings

The Trustees make an annual assessment of the valuation of properties held within the Charity against their current book value and determine whether there is any signs of impairment which may indicate that the valuation is overstated. The Trustees have confirmed that there is no impairment to the valuation of properties held at the balance sheet date.

There have been no other key assumptions concerning future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Staff costs and trustees' remuneration

	2021	2020
	£	£
Staff costs during the year were as follows:		restated
Wages and salaries	1,182,036	1,169,503
Social security costs	92,584	88,457
Pension costs	100,059	107,050
	1,374,679	1,365,010

The average number of employees during the year was 70 (2020: 70). The number of employees earning over £60,000 per annum excluding pension contributions was 1 (2020: 1).

As members of the Institute, the Trustees' living expenses during the year were borne by the Trust, but the Trustees received no remuneration or other benefits in connection with their duties as Trustees during the year.

The Finance Manager and Matron are considered to be key management personnel. Their aggregate remuneration for the year was as follows:

	2021	2020
	£	£
Aggregate remuneration of key management personnel	119,524	115,612

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Auditor's remuneration

	2021	2020
	£	£
Amounts payable to the auditor (including VAT) was as follows:		
Audit services	16,740	16,800
Other services	19,836	20,814
	36,576	37,614

4 Income from donations and legacies

Current Year	Restricted Funds £	Unrestricted funds Ministry	Unrestricted funds Province £	Total 2021 £
Donations and gifts	57,974	-	8,989	66,963
Legacies	-	-	-	-
Covenanted salaries and pensions (see below)	-	-	653,383	653,383
	57,974	-	662,372	720,346
	57,974	-	662,372	720,346
Prior Year	Restricted Funds £	Unrestricted funds Ministry	Unrestricted funds Province £	Total 2020 £
Donations and gifts	81,852	520	6,274	88,646
Legacies	-	-	-	-
Covenanted salaries and pensions (see below)	-	-	671,122	671,122
	81,852	520	677,396	759,768
	81,852	520	677,396	759,768

Covenanted salaries and pensions represent salaries and pensions of members, including those paid to the Trustees, of the charity payable to the charity under deeds of covenant or gift aid declarations.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Income from investments

	2021	2020
	£	£
Gilt edged securities	-	-
Other fixed interest	16,299	23,948
Europe fixed interest	-	-
Equities: UK	44,317	56,206
European	12,080	16,286
Global	9,950	12,970
	82,646	109,410
Monies held for investment in the UK		
National Savings	3	42
Monies held by stockbroker	92	11,872
Treasury Deposits	(124)	448
	82,617	121,772
Bank interest	-	2
	82,617	121,774
Represented by:	2021	2020
Restricted	13,055	12,497
Unrestricted – Province	69,559	56,855
Unrestricted – Ministry	3	52,422
	82,617	121,774

6 Income from charitable activities

	2021	2020
	£	£
Unrestricted – Ministry:		
School fees and retreat centre	1,029,371	1,114,201

Income from charitable activities was entirely unrestricted in the current and prior year.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

7 Other Income

	2021	2020
	£	£
Challenger Bank switch incentive	16,875	-
Welsh Government bonus for carers	21,730	-
Profit on disposal of tangible fixed assets	-	73,183
CJRS and Business Rates support grants received	45,545	62,007
	84,150	135,190

Other income was entirely unrestricted in both the current and prior year.

8 Expenditure on raising funds

	2021	2020
	£	£
Restricted - Patrimony	2,993	2,675
Unrestricted - Province	28,726	24,071
Unrestricted - Ministry	-	6,955
	31,719	33,701

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Expenditure on charitable activities

	Restricted Funds £	Unrestricted funds Ministry	Unrestricted funds Province £	Total 2021 £
Salaries for the school and retreat centre	-	811,127	-	811,127
Running costs and maintenance of buildings	-	284,053	267,765	551,818
Depreciation of fixed assets	-	-	9,890	9,890
Losses on disposal of properties	-	-	-	-
Community expenses	-	-	352,924	352,924
Nursing fees and medical care	-	-	467,988	467,988
Formation and ministry	50,503	40,736	11,055	102,294
Levy paid to the Generalate	-	26,509	-	26,509
Grants and expenditure on supported schools	13,385	-	-	13,385
Governance costs - payroll	-	-	20,626	20,626
Governance costs - audit	-	-	19,775	19,775
Support costs	-	-	138,020	138,020
	63,888	1,162,425	1,288,043	2,514,356

	Restricted Funds £	Unrestricted funds Ministry	Unrestricted funds Province £	Total 2020 £
Salaries for the school and retreat centre	-	855,028	-	855,028
Running costs and maintenance of buildings	-	356,558	290,788	647,346
Depreciation of fixed assets	-	-	11,486	11,486
Losses on disposal of properties	-	-	13,576	13,576
Community expenses	-	-	354,600	354,600
Nursing fees and medical care	-	-	429,016	429,016
Formation and ministry	55,685	73,175	-	128,860
Levy paid to the Generalate	-	24,599	-	24,599
Grants and expenditure on supported schools	21,371	-	-	21,371
Governance costs - payroll	-	-	20,238	20,238
Governance costs - audit	-	-	13,825	13,825
Support costs	-	-	145,285	145,285
	77,056	1,309,360	1,278,814	2,665,230

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Net gain/(loss) on investments

	2021	2020
	£	£
Restricted	142,057	(39,682)
Unrestricted – Province	536,979	(193,013)
Unrestricted – Ministry	-	(56,514)
	679,036	(289,209)

11 Analysis of movement in restricted funds

	Drawn together	Albania	Appeal funds	Patrimony Fund	Total restricted funds
	£	£	£	£	£
Incoming resources					
Other income	6,772	37,436	2,432	-	46,640
Legacies received	-	-	-	-	-
Loreto College, St Albans Appeal	-	-	11,334	-	11,334
Investment income	-	-	-	13,055	13,055
Total incoming resources	6,772	37,436	13,766	13,055	71,029
Resources expended					
Raising Funds	-	-	-	2,993	2,993
Costs of activities in furtherance of charitable objects:					
Ministry	8,629	41,874	-	-	50,503
Expenditure on schools	-	-	13,385	-	13,385
Total resources expended	8,629	41,874	13,385	2,993	66,881
Net incoming/(outgoing) resources before transfers	(1,857)	(4,438)	381	10,062	4,148
Transfers (to)/from unrestricted				(1,555)	(1,555)
Gain on investments:	-	-	-	142,057	142,057
Net movement in funds for the year	(1,857)	(4,438)	381	150,564	144,650
Total funds at 1 September 2020	15,138	25,396	6,019	551,552	598,105
Total funds at 31 August 2021	13,281	20,958	6,400	702,116	742,755

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Fixed assets

GROUP	Assets under construction	Land and buildings inc. fixtures	Motor vehicles	Total
	£	£	£	£
Cost or deemed cost				
Balance at 1 September 2020	24,368	15,344,271	176,304	15,544,943
Additions	12,323	-	-	12,323
Disposals	-	-	(12,509)	(12,509)
Completions/Transfers	-	-	-	-
Balance at 31 August 2021	36,691	15,344,271	163,795	15,544,757
Depreciation and impairment				
Balance at 1 September 2020	-	-	130,361	130,360
Charge for the year	-	-	9,890	9,890
On disposals	-	-	(12,435)	(12,435)
Balance at 31 August 2021	-	-	127,816	127,815
Net book value				
At 31 August 2021	36,691	15,344,271	35,980	15,416,942
At 1 September 2020	24,368	15,344,271	45,943	15,414,583
PARENT CHARITY		Land and buildings inc. fixtures	Motor vehicles	Total
		£	£	£
Cost or deemed cost				
Balance at 1 September 2020		15,344,271	176,304	15,520,575
Additions		-	-	-
Disposals		-	(12,509)	(12,509)
Balance at 31 August 2021		15,344,271	163,795	15,508,066
Depreciation and impairment				
Balance at 1 September 2020		-	130,361	130,361
Charge for the year		-	9,890	9,890
On disposals		-	(12,435)	(12,435)
Balance at 31 August 2021		-	127,816	127,816
Net book value				
At 31 August 2021		15,344,271	35,980	15,380,251
At 1 September 2020		15,344,271	45,943	15,390,215

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

13 Investments

GROUP AND PARENT CHARITY	2021		2020		
	Cost £	Market value £	Cost £	Market value £	
Gilt edged securities	-	-	-	-	
Other fixed interest	520,941	560,854	516,604	548,692	
Europe fixed interest	-	-	-	-	
Equities: UK	1,595,707	1,630,755	1,733,874	1,466,299	
European	665,345	808,942	633,647	653,056	
Global	676,231	853,994	794,977	915,686	
Unit trusts	-	-	-	-	
	<u>3,458,224</u>	<u>3,854,545</u>	<u>3,679,102</u>	<u>3,583,733</u>	
Monies held for investment in UK:					
National Savings	2,473	2,473	2,456	2,456	
Monies held by stockbroker	73,988	73,988	160,039	160,039	
Treasury Deposits	48,429	48,429	48,399	48,399	
	<u>3,583,114</u>	<u>3,979,435</u>	<u>3,889,996</u>	<u>3,794,627</u>	
	Market value 1 September 2020 £	Additions £	(Disposals) £	Investment gains and losses £	Market value 31 August 2021 £
Quoted investments	3,583,733	409,276	817,500	679,036	3,854,545

14 Current assets

	Group		Parent Charity	
	2021 £	2020 £	2021 £	2020 £
Debtors				
Amounts owed by group undertakings	-	-	-	-
Prepayments and accrued income	23,256	25,148	23,256	25,148
Income tax recoverable	5,688	3,257	5,688	3,257
Other debtors	476,757	1,569,824	472,463	1,562,717
Gross debtors	<u>505,701</u>	<u>1,598,229</u>	<u>501,407</u>	<u>1,591,122</u>
Less inter-fund debtors	<u>(389,469)</u>	<u>(1,249,321)</u>	<u>(389,469)</u>	<u>(1,249,321)</u>
Total debtors (net of inter-fund debtor)	<u>116,232</u>	<u>348,908</u>	<u>111,938</u>	<u>341,801</u>

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

15 Cash at bank and in hand

	Group		Parent Charity	
	2021	2020	2021	2020
	£	£	£	£
Cash at bank and in hand				
Interest bearing accounts	659,876	619,229	659,876	619,229
Cash balances	3,786	7,411	1,061	2,406
	663,662	626,640	660,937	621,636

16 Liabilities

	Group		Parent Charity	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year				
Creditors	267,938	230,247	129,583	91,112
Amounts due to group undertakings	-	-	83,784	93,674
Deferred income	34,258	40,643	34,258	40,643
Payroll	19,712	25,826	19,712	25,826
Accruals	408,506	1,351,482	406,993	1,349,958
Gross liabilities	730,414	1,648,198	674,330	1,601,213
Less inter-fund creditor	(389,469)	(1,249,321)	(389,469)	(1,249,321)
Total liabilities (net of inter-fund creditor)	340,945	398,877	284,861	351,892

17 Borrowings and contingencies

During the year ended 31 August 2003, the trustees donated funds to Loreto College, Manchester in order for the College to invest in capital expenditure. These funds were generated by the disposal of a portion of land at the College which was subject to covenants by Manchester City Council. The Council allowed the disposal of the land to take place in exchange for a covenant on the remaining land, such that the City Council would be entitled to a payment of £1,050,000 should the College land and buildings be disposed of during a period of 40 years from the date of sale of the surplus land.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Movement in funds

Year ended 31 August 2021

	Balance 1 September 2020 £	Change in investment valuation £	Fund transfers £	Activity in year £	Balance 31 August 2021 £
Restricted funds					
Patrimony	551,552	142,057	(1,555)	10,062	702,116
Ministry – Appeal funds	6,019	-	-	381	6,400
Ministry – Drawn Together	15,138	-	-	(1,857)	13,281
Ministry – Albania	25,396	-	-	(4,438)	20,958
	<u>598,105</u>	<u>142,057</u>	<u>(1,555)</u>	<u>4,148</u>	<u>742,755</u>
Designated funds					
Ministry					
Functional property	6,837,614	-	-	-	6,837,614
Other Ministry funds:					
Investments	1,001,293	-	-	(1,000,936)	357
General	(1,060,352)	-	-	913,430	(146,922)
	<u>6,778,555</u>	<u>-</u>	<u>-</u>	<u>(87,506)</u>	<u>6,691,049</u>
Province					
Functional property	8,506,658	-	-	-	8,506,658
Transport	45,943	-	-	(9,964)	35,979
Other Province funds:					
Investments	2,241,332	536,979	-	496,646	3,274,957
General	1,625,794	-	1,555	(1,031,047)	596,302
	<u>12,419,727</u>	<u>536,979</u>	<u>1,555</u>	<u>(544,365)</u>	<u>12,413,896</u>
Total funds (parent charity)	<u>19,796,387</u>	<u>679,036</u>	<u>-</u>	<u>(627,723)</u>	<u>19,847,700</u>
Province					
Functional property	24,368	-	-	12,323	36,691
Other Province funds:					
General	(34,874)	-	-	(14,191)	(49,065)
	<u>(10,506)</u>	<u>-</u>	<u>-</u>	<u>(1,868)</u>	<u>(12,374)</u>
Total funds (group)	<u>19,785,881</u>	<u>679,036</u>	<u>-</u>	<u>(629,591)</u>	<u>19,835,326</u>

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Movement in funds (continued)

Year ended 31 August 2021

	Balance 1 September 2020 £	Change in investment valuation £	Fund transfers £	Activity in year £	Balance 31 August 2021 £
Restricted	598,105	142,057	(1,555)	4,148	742,755
Ministry	6,778,555	-	-	(87,506)	6,691,049
Province total of charity and subsidiary	<u>12,409,221</u>	<u>536,979</u>	<u>1,555</u>	<u>(546,233)</u>	<u>12,401,522</u>
Total funds (group)	<u>19,785,881</u>	<u>679,036</u>	<u>-</u>	<u>(629,591)</u>	<u>19,835,326</u>

Restricted funds

- **Patrimony**
This fund comprises the dowers made by individual sisters and any legacies received by sisters during their lifetime. When a sister dies, the dower/legacy is released to the Province Fund.
- **Loreto College St Albans Appeal Fund**
Income consists of donations received to assist in funding the on-going development of the school site. The fund is used to fund the trustees' contribution to small building works.
- **Loreto Sisters Albania Fund**
This fund supports the work of the English Province in Albania.
- **Loreto Sisters Drawn Together Fund**
This fund supports the work of the English Province at Harpenden Childrens' Centre.

Designated Unrestricted funds

- **Province**
To support the sisters and to care for them when they are sick and aged.
- **Ministry**
To support the works of the members in their ministries.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Movement in funds (continued)

Year ended 31 August 2020	Balance 1 September 2019 <i>Restated</i> £	Change in investment valuation £	Fund transfers £	Activity in year £	Balance 31 August 2020 <i>Restated</i> £
Restricted funds					
Patrimony	581,412	(39,682)	-	9,822	551,552
Ministry - Appeal funds	8,191	-	-	(2,172)	6,019
Ministry – Drawn Together	11,724	-	-	3,414	15,138
Ministry – Albania	21,842	-	-	3,554	25,396
	<u>623,169</u>	<u>(39,682)</u>	<u>-</u>	<u>14,618</u>	<u>598,105</u>
Designated funds					
Ministry					
Functional property	5,554,927	-	-	1,282,687	6,837,614
Other Ministry funds:					
Investments	1,585,038	(193,013)	-	(390,732)	1,001,293
General	(73,383)	-	-	(986,969)	(1,060,352)
	<u>7,066,582</u>	<u>(193,013)</u>	<u>-</u>	<u>(95,014)</u>	<u>6,778,555</u>
Province					
Functional property	3,326,341	-	-	5,180,317	8,506,658
Transport	48,726	-	-	(2,783)	45,943
Other Province funds:					
Investments	2,883,884	(56,514)	-	(586,038)	2,241,332
General	6,703,023	-	-	(5,077,229)	1,625,794
	<u>12,961,974</u>	<u>(56,514)</u>	<u>-</u>	<u>(485,733)</u>	<u>12,419,727</u>
Total funds (parent charity)	<u>20,651,725</u>	<u>(289,209)</u>	<u>-</u>	<u>(566,129)</u>	<u>19,796,387</u>
Province					
Functional property	6,139,076	-	-	(6,114,708)	24,368
Other Province funds:					
General	(6,147,713)	-	-	6,112,839	(34,874)
	<u>(8,637)</u>	<u>-</u>	<u>-</u>	<u>(1,869)</u>	<u>(10,506)</u>
Total funds (group)	<u>20,643,088</u>	<u>(289,209)</u>	<u>-</u>	<u>(567,998)</u>	<u>19,785,881</u>

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Movement in funds (continued)

Year ended 31 August 2020	Balance 1 September 2019 <i>Restated</i> £	Change in investment valuation £	Fund transfers £	Activity in year £	Balance 31 August 2020 <i>Restated</i> £
Restricted	623,169	(39,682)	-	14,618	598,105
Ministry	7,066,582	(193,013)	-	(95,014)	6,778,555
Province total of charity and subsidiary	<u>12,953,337</u>	<u>(56,514)</u>	<u>-</u>	<u>(487,602)</u>	<u>12,409,221</u>
Total funds (group)	<u>20,643,088</u>	<u>(289,209)</u>	<u>-</u>	<u>(567,998)</u>	<u>19,785,881</u>

19 Analysis of net assets between funds

Group

	Restricted funds £	Unrestricted funds		2021 Total £
		Ministry £	Province £	
Fixed assets	704,121	6,837,971	11,854,285	19,396,377
Current assets	59,560	383,202	337,132	779,894
Creditors: amounts falling due within one year	(20,926)	(140,655)	(179,364)	(340,945)
Inter-fund debtors / (creditors)	-	(389,469)	389,469	-
	<u>742,755</u>	<u>6,691,049</u>	<u>12,401,522</u>	<u>19,835,326</u>

Parent charity

	Restricted funds £	Unrestricted funds		2021 Total £
		Ministry £	Province £	
Fixed assets	704,121	6,837,971	11,817,594	19,359,686
Current assets	59,560	383,202	330,113	772,875
Creditors: amounts falling due within one year	(20,926)	(140,655)	(123,280)	(284,861)
Inter-fund debtors / (creditors)	-	(389,469)	389,469	-
	<u>742,755</u>	<u>6,691,049</u>	<u>12,413,896</u>	<u>19,847,700</u>

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Deferred income

	Group £	Charity £
Balance at 1 September 2020	40,643	40,643
Amounts deferred in the year	34,258	34,258
Amounts released to incoming resources	(40,643)	(40,643)
Balance at 31 August 2021	34,258	34,258

Deferred income comprises prep school fees received in advance and retreat centre deposits received in advance.

21 Legacies

Legacies received in the year amounted to £nil (2020: £nil).

22 Related Parties

As noted in the trustees' report, Loreto Education Trust is an associated charity. Loreto Education Trust provides services to Loreto Preparatory School (Altrincham). During the year payments of £nil (2020: £1,000) were made to the Trust.

The charity provided the land and buildings for the use of Loreto College (St Albans) and Loreto Grammar School (Altrincham) under supplementary agreements, rent free, throughout the year and previous year.

23 Capital commitments

At the year end contractual commitments for capital projects amounted to £132,509 (2020: £132,509).

24 Post balance sheet events

There were no post balance sheet events.

25 Teachers' Pension Scheme

The Preparatory School previously participated in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff up until April 2021. From April 2021 the School left the TPS and now operates a defined contribution scheme with Aviva (Aviva Pension Trust for Independent Schools).

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership was automatic for teachers in schools. All teachers have the option to opt out of the TPS following enrolment.

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

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

25 Teachers' Pension Scheme (continued)

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% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The 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 the TPS in the period amounted to £55,702 (2020: £88,116) and at the year-end £nil (2020: £nil) was accrued in respect of contributions to this scheme.

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

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 above the information available on the scheme.

Other pension contributions

The Charity also makes contributions to other employees defined contribution pension schemes, including the Aviva Pension Trust for Independent Schools), to which a total of £44,357 (2020: £18,934) was contributed in the year.

Congregation of Jesus (Loreto Sisters) English Province

England & Wales - Charity number 250607

Accounts

**Institute of the Blessed Virgin Mary
(English Province)
Loreto Sisters**

Accounts

**For The Year Ended
31 August 2020**

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

CONTENTS

	Page
Charity details	1
Trustees' report	2
Independent auditor's report	18
Group statement of financial activities	21
Group balance sheet	22
Parent charity balance sheet	23
Group statement of cash flows	24
Notes to the accounts	25

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

CHARITY DETAILS

Trustees

Miss Josette Zammit-Mangion
Miss Kathryn Keigher
Miss Bernadette Boland
Miss Una Coogan
Miss Kathleen Myers

Regional Leadership Team

Miss Bernadette Boland, Miss Kathleen Myers, Miss Jen Bromham

Province Treasurer

Miss Kathleen Hewitt

Finance Manager

Mr Gareth Maloney

Registered office

Loreto Province Offices
28 Hartley Road
Altrincham
Cheshire
WA14 4AY

Charity number

250607

Auditor

MHA Moore and Smalley
Chartered Accountants
& Statutory Auditor
Richard House
Winckley Square
Preston
PR1 3HP

Investment managers

Investec Wealth and Investment Limited	Hedley & Co
2 nd Floor, 3 Hardman Street	13b Winckley Square
Spinningfields	Preston
Manchester	PR1 3JJ
M3 3HF	

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their report and audited consolidated accounts for the year ended 31 August 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the trustees' report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Charitable Status

The Institute of the Blessed Virgin Mary (IBVM) referred to in this document as 'the Institute' is an international Roman Catholic Religious Congregation, present on five continents in 25 countries. It was founded in the seventeenth century by an English woman, the Venerable Mary Ward. The Loreto Branch of the Institute, established by Teresa Ball, has its origins in nineteenth century Ireland and will celebrate its bicentenary in 2022. The Central Administration of the Institute is situated in Rome.

The accounts accompanying this Report are the accounts of a Charitable Trust, registered with the Charity Commission under a Trust Deed dated 2nd March 1965 in which the assets of the English Province of the Institute in the United Kingdom are held. The registered Charity Number is 250607.

Mission

The Institute's Charitable Trust aims to advance the religious and other works carried out by members of the Institute in collaboration with lay helpers and to care for those members throughout their lives within the Institute. These works meet the public benefit criteria necessary under the Charities Act 2011 and the Institute operates as a public benefit entity.

The works we undertake are reviewed on a continuous basis to assess their effectiveness in the achievement of our aims and the benefits we have provided to those sectors of the community we set out to help. The most recent review was carried out in March 2015 when the majority of the members of the Province gathered to assess our mission. In conducting this review we have given due regard to the guidance contained in the Charity Commissioner's General Guidance on Public Benefit.

The ministries carried out by the members of the Institute, both in the United Kingdom and overseas, in furtherance of our aims and the provision of public benefit fall into the following main areas:

1. Education

The main areas of responsibility now extend to four schools and a Sixth Form College in England and Wales:

- One Academy for girls - comprehensive
- One aided co-educational comprehensive school
- One Academy for girls - grammar
- One Sixth Form College supported by the Education Funding Authority
- One independent preparatory school

(With the exception of the co-educational comprehensive school which is under the jurisdiction of the local diocese, the premises for these schools/college belong to the Institute and are made available at no cost).

2. Pastoral/Outreach Work

Several members of the Institute are involved in community- based programmes and support public institutions in the UK, including childcare and family support, community healthcare, general and mental health, hospital and hospice chaplaincy work, counselling, psychotherapy and helping with schemes to support children and adults in the community. Additionally, some members work closely in supporting refugees and asylum seekers and victims of international trafficking.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

We have sisters working to promote interfaith/intercultural understanding and the Institute also supports a diocesan outreach programme in Wales.

3. Nurturing of Religious beliefs and provision of Retreats

The Institute has owned and operated a retreat centre in North Wales since 1976, providing facilities for religious seminars, conferences, and individually guided retreats. These facilities are accessible to people of varying needs and abilities. The Centre also supports those who come for rest and recuperation in a peaceful and supportive environment. Members also conduct retreats at other religious centres and some take care of parishes where there are no resident priests providing not only liturgical support but also logistical help to parishioners wishing to attend services. Others work in dioceses providing religious education programmes for adults and young children and one member operates within the interfaith chaplaincy at the University of Birmingham.

In common with many religious orders the Institute faces the dilemma of meeting ever rising costs from declining income. This shortfall has had to be met from existing funds but action is being taken to ensure that this utilisation of resources is conducted in a manner which protects the future financial security of the works and membership. At the Province Congregation in April 2014 the membership received an eight year report of both life and ministry as well as a financial report which helped all assess what has gone before and to plan ahead for the next eight years in the light of the strategic plan outlined. The Loreto Retreat Centre was successfully relocated to the fully refurbished old convent building in Llandudno in October 2019

4. Overseas Activity

The Institute as a whole has the aim to advance the religious and other charitable work in the Developing World. The work of the English Province in the Developing World is carried out mainly through the Teresa Ball International Solidarity Fund, registered charity no. 1080521 and Company no. 3914049, a charity under common control. The mission in Albania is part of the English Province mission.

Governance, Structure and Management

In terms of Canon Law, the Institute is governed at an international level by the Institute Leader and her Council in Rome. They are elected every eight years at a meeting of representatives of all the provinces and regions of the Institute. At the request of the General Leadership in Rome, the English Province has operated as a Region since February 2020. The Region has a different model of leadership and is governed by three Equal Co-Leaders (referred to in this document as the Leadership Team), appointed by the Institute Leader and Council in Rome, after extensive consultation with the membership in England. Members of the Leadership Team were chosen for their personal qualities, their understanding and experience of the ministries of the members throughout the United Kingdom and to secure a, good skills mix. Each community within the Region is governed by a local leader who is appointed by the Leadership team following consultation with the membership. The Leadership team is in contact with each community on a regular basis and there is a system of accountability operational throughout the Region to ensure the progress and development of Regional ministries.

In terms of civil law, the charity is governed by a Trust Deed dated 2 March 1965 and is registered with the Charity Commission. The Charity Commission number is 250607. There is also a new Scheme approved by the Charity Commission dated 28 July 2003, which amends the governing document.

The governing document provides for ultimate decision making, including the appointment and retirement of trustees, at the sole discretion of the Province Leader. Under the new structure of leadership all canonical and civil governance decision making is conducted by the leadership team. The civil law implications of this new structure and the provisions of the governing document are therefore in conflict. To reconcile this conflict, the Leadership team is to appoint one of its members to execute leadership team decisions on its behalf, as 'Provincial', where compliance with civil law is required.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Under the new structure the Leadership team and two other members from the Region, based on their experience and detailed knowledge of the work of the Charity in their capacity as former council members, will be appointed trustees.

The Regional Treasurer is the finance officer and the Region has a finance manager working full time. In assessing and supporting the province, the Leadership team sits with the Finance and Properties Committee which includes an accountant, a lawyer and a surveyor. The pay and remuneration of the Institute's employees, including key management personnel, is reviewed annually by the Finance and Property Committee which then makes its recommendations to the trustees.

The names of the Trustees on 31 August 2020 are set out on the attached schedule of legal and administrative details.

The trustees, treasurer and finance manager regularly attend seminars arranged by CoREW (Conference of Religious in England and Wales), The Association of Provincial Bursars and various professional bodies, including the Annual Catholic Conference, in order to keep abreast of current legislation and sector developments.

As the Institute's main ministry has traditionally been educational all five trustees are currently fully qualified teachers. Some have later trained in other disciplines including pastoral/spiritual ministries and finance.

Statement of Trustees Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales/Northern Ireland 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts Report) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Structure and Management Reporting

The trustees are ultimately responsible for the policies, activities, and assets of the charity. The Leadership team with two former council members are appointed as the trustees. The Region itself is administered by the Leadership team and local Leaders. The Leadership Team meets monthly to review developments and to make operational decisions. The finance manager reports quarterly to this meeting on the current financial state of the province and at other ad hoc intervals at the request of the Leadership Team to provide financial input to decision making.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Leadership team sits with the Finance and Properties Committee. The purpose of this committee is to advise the Leadership team on all matters relating to finance, land and buildings. Once yearly it meets with all the Trustees and the Charity's auditors to confirm that all matters of discussion have been minuted and to assist in the process of approving the Annual accounts and Trustees report. When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, investment managers, lawyers and accountants. The day to day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Institute and to senior staff.

There are 41 sisters in the English Region and they live and work in several different locations around the country, mainly clustered in the following areas – Greater Manchester, North Wales and the south east. One sister works in Edinburgh and another is working in Birmingham. We also have two sisters working overseas, one is working in Albania and the other in The Philippines. For each group of sisters, as already stated, there is a community leader who is responsible for the works and the care of the sisters in her community and she liaises regularly with the Leadership team. All community leaders meet regularly with the Leadership team to discuss developments and future plans and strategy.

The day to day responsibility for the schools lies with the head teachers and governors and members of the Institute are on all the governing bodies. Two members, with management qualifications and skills, are responsible for the day to day running of the pastoral/retreat centre.

Working with other organisations

Through its members the charity works closely with other charities and organisations which include the following:

Roman Catholic Dioceses
Local education authorities
Educational establishments
Other Religious Congregations
CAFOD and Caritas Albania
Catholic Safeguarding Advisory Service
North West Religious Network Support Group
National Health Service
NHS Mental Health Foundation Trust
Fondacio Asia – Phillipines
The Medaille Trust
Caritas Westminster

Risk Assessment Statement

The trustees manage risk by reference to both long established, documented procedures and systems of control and current Charity Commission guidance on best practice. The trustees believe that all major risks have been identified and reviewed and that systems and procedures are in place to manage these risks. In carrying out their assessment the trustees have identified five main areas where risks may occur:

- Governance and Management
- Operational
- Financial
- Reputation
- Laws, regulations, external and environment

Governance and management looks at the structure of the Institute, and hence the charity, and the skills and training of its members and staff, and the good use of its resources.

Operational looks at the risks inherent in the charity's activities including the operation of its schools and pastoral/retreat centre – members engaging in inappropriate activities, the unsuitability of buildings, poor maintenance, shortcomings in the services provided, difficulties with staff, poor health and safety, lack of a disaster recovery policy etc. When acting in their capacity as school governors, the trustees and members are

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

required to regularly attend training courses and seminars, particularly concerning safeguarding, but also risk assessment generally.

Financial risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies etc. Financial risk also extends to the security of the Institute's future income streams, in particular the receipt of pensions and salaries which currently account for 83% of Province Fund income. This aspect of risk is an important factor in the production of the Institute's strategic plan. The Institute manages its financial affairs by reference to an annual budget, performance against which is monitored by the trustees.

Reputational looks at possible damage to the Institute's and/or charity's reputation. In response to the Independent Inquiry into Child Sexual Abuse (IICSA) the trustees arranged for an independent audit of all members' personnel files and there were no findings to report. The Institute is aligned to the Salford Diocese Safeguarding Commission. The Region's Safeguarding Representative, Lay Safeguarding Lead and Trustees have attended online training and discussion sessions organised by the Conference of Religious and CSAS. There have been no allegations or concerns expressed in the year.

Laws, regulations, external and environment look at the effects of government policies, the consequences of non-compliance with laws and regulations and poor risk assessment in the charity's establishments.

The work of the trustees in assessing and minimising exposure to risk is supported by the Regional Treasurer and Finance Manager. They are both members of the Association of Provincial Bursars, an association set up over thirty years ago for Bursars of Religious Congregations both Catholic and Anglican, and through this Association they are able to keep up to date with current legislation and developments. Furthermore, they and many of the Sisters attend courses in support of their ministry or Institute management. These courses are either run by the professional bodies of which they are members or other appropriate organisations.

In line with statutory requirements, the trustees recognise the absolute necessity of ensuring the protection and safety of all those the charity serves. All sisters who are in any kind of ministry in the United Kingdom obtain Disclosure and Barring Service clearance. The Institute representative keeps abreast of Institute policy and controls the DBS checks on members and employees. The representative also reports annually to the Province Council. The Institute is aligned to the Salford Diocese Safeguarding Commission and it was agreed in 2018 that all religious congregations should adopt the policy and procedures of the National Catholic Safeguarding Commission under a 'One Church' approach to safeguarding. The trustees have implemented this action by trust deed in compliance with civil law.

The Institute is GDPR compliant and annually reviews its Cyber Security Policy

In conducting their assessment, the trustees necessarily gave due regard to the declining numbers of Institute members and the rising average age of those who remain. The main sources of income to the Institute are the pensions and salaries of the sisters and as they grow older this income is inevitably declining.

Additionally, the payroll costs currently being incurred will increase as more people are employed to undertake work now being carried out on a voluntary basis by the sisters. The trustees have ensured that procedures and controls are in place to protect the property and investment assets of the Institute so that financial resources are available into the future to meet additional funding requirements resulting from this ageing process.

Activities, Specific Objectives and Relevant Policies

The global COVID-19 pandemic has affected all walks of life and our charity's activities have suffered accordingly. In addition to measures imposed by government guidance such as social distancing and travel restrictions we have also had to have regard to the vulnerability of our elderly sisters when carrying out ministries previously taken as read. In some instances this had led to the curtailment of individual works, particularly where social contact is involved, and in others it has resulted in additional responsibilities and expense. Our objectives remain the same but our ability to achieve them limited. In describing our activities below we also make note of our limitations.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

As stated above under "Mission", the activities of the charity can be divided into five principal areas:

- Education
- Pastoral/Outreach work
- Raising awareness of Religious beliefs and provision of Retreats
- Conduct of overseas missionary work
- Caring for members of the Institute

The work in all of these areas is of an on-going nature rather than short-term and the Sisters and their collaborators work with skill and dedication. Each of these is considered in turn below:

• Education

The work of the Institute in formal education is conducted through the Loreto Education Trust, a charitable company limited by guarantee established in 2011. The Trust embraces the need to involve lay management in the long term development of the Institute's college and schools. The Institute has undertaken to provide for an IBVM member to act as Education Officer in the operation of the Loreto English Education Network (LEEN Group) whose management has now been adopted by the Trust. The Trust Board also organises training days for governors.

The LEEN Group is a body originally established by the Institute's Trustees to assist in ensuring that the ethos of Mary Ward, the Institute's founder, is preserved in its educational establishments. This link is necessary as all four schools and the sixth form college are led by lay principals. The body includes the Trustees' named Education Officer who provides pastoral support and management training to develop the Mary Ward Ethos along with good educational practice. Since May 2020 this post has been held by Mrs Anne Clynch, recently retired principal of Loreto Sixth Form College and long-time co-worker. She offers help where needed to the Heads/Principal in their role as 'carer of the faith' and upholder of the Loreto Ethos within the schools and college and supports them as they deal with the constantly changing face of education, made progressively more difficult because of the on-going political changes and the 'unknown' of Brexit. Each year new staff attend a weekend induction into our ethos and are then supported by in-service training days.

Additionally, at least two and more often three sisters continue to serve on both the schools' governing body and their finance and premises committees.

Currently, several sisters are providing voluntary support in schools helping with music teaching and religious education as well as supporting pupils who have fallen behind in their education. Sisters also provide much needed support for management in both Institute schools and in diocesan schools where support is needed to bring them up to standard.

Within our schools and college, we work to maintain and promote a happy, Christian community which will enable pupils and students to grow in understanding of their faith, enjoy relationships based on courtesy, kindness and co-operation, and develop a joy in learning which will sustain them throughout their adult lives.

The schools and college involve themselves locally and globally in the empowerment of girls and women by marking International Women's Day and the International Day of the Girl. This in turn influences career choices and the promotion of gender equality.

We also strive to pass on to our students the gospel values passed down to us through Mary Ward, values of sincerity, freedom, justice, truth, joy, excellence and internationality. To make this possible it is important that the buildings in which we carry out our educational ministry are kept in good repair and meet the needs of staff and students. Work to improve facilities is on-going to help achieve our aims of providing the best quality education in a Christian atmosphere and with good facilities. The Institute's Finance and Properties Committee continues to play a major role in assessing the needs of the establishments and works in collaboration with the Trustees.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Institute achieves its educational aims and objectives by its presence on our School Governing Bodies and through the work undertaken by the Loreto Education Trust. This achievement is in turn measured not only by Ofsted Reports of 'Excellence' but also by year on year growth in demand for places at connected schools/colleges which in turn has led to Institute supported expansion and modernisation programmes. Unfortunately the pandemic has led to the delay or cancellation of some of these programmes

On March 21st 2020 all educational establishments were closed except for the children of 'essential' workers due to the COVID-19 pandemic. From the first indication of closure through to the present time our Heads, Principal and staff have worked tirelessly, without a substantial break and in a constantly changing and ever increasingly legislative environment, to deliver a standard of education which befits the historical reputation of success achieved by their respective schools and college. Much time, effort and money has gone into preparing for teaching on premise and for 'virtual' lessons, as, even with schools open, many lessons still need to be given to 'bubbles' affected by the virus, and because staff themselves may be isolating. All this has made extra demands on existing staff or necessitated extra staff to help with the practical matters which arise each day as different staff members and students are absent. Additionally, our Heads and Principal have gone out of their way to ensure that students with few or no resources for home-learning have been given the help they need, and where necessary families have been supported in an appropriate way. They have also put student welfare ahead of their own concerns with many students experiencing anxiety about how their future would be affected.

a) Sixth Form College, Manchester:

The College continues to receive accolades for its excellence in educational provision and pastoral care across all levels of ability from the Pathways to Independent Living to Oxbridge entrance. Its last Ofsted report was outstanding in every area.

One of the key values of the College is that it should be an open access institution. In addition to providing places for 14-16 education it also offers A'S' Level qualifications and vocational courses to students who benefit from a more hands-on approach to learning. The college also works to promote interfaith dialogue. The student body is made up of students from a variety of faith traditions, currently 63% of students are Christians, of the remaining students the majority are Muslim.

The Trustees are also aware that there are some students in the College who are homeless and have worked in collaboration with the senior management team to help meet the needs of these students.

b) The schools:

Whilst the governors of each school continue to upgrade the facilities to ensure the best possible learning environment and continued attainment of ratings of excellence from their Ofsted reviews, the religious ethos of each school is now overseen by the Loreto Education Trust.

For the two schools operating under Academy status, the Institute has Supplemental Agreements in place whereby, whilst retaining ownership of the property, the Trustees undertake to the Secretary of State to make the land available for use by the Academy Trust.

One sister is the JPIC (justice, peace and integrity of creation) representative for the schools and works with them to promote these values, encouraging links between the schools and college at Sixth Form level, as well as encouraging partnerships with Institute schools internationally. Sixth Form pupils from two of the schools and the College have visited schools in Kolkata and further trips are planned. Our co-educational comprehensive school has strong links with our Loreto School in South Sudan. Students have organised and supported fund - raising events to support development projects at the school.

• Pastoral Work

Sisters have continued to work within their local communities in a variety of ministries but their ability to carry out this work has been disrupted by lockdown and social distancing measures. In some cases, but not all, social media presented an opportunity to conduct their ministry.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Two sisters operate as part of an interfaith chaplaincy team at a hospital in Manchester whilst, another is a volunteer chaplain at a hospice in Llandudno. Whilst two of the sisters act voluntarily one of them is a team leader and provision was made for remote working until a 'safe' working environment was put in place at the hospital. Unfortunately all voluntary work was suspended.

One member of the Institute, who works in the Albanian mission, speaks regularly at International meetings on trafficking in her capacity as President of RENATE (Religious in Europe Networking Against Trafficking). Her work continues to involve obtaining funding to set up training for doctors and nurses for a terminal healthcare facility under the auspices of Caritas. She is involved with rural healthcare, especially for the Roma children and her work also includes the preparation of Roma children for schooling. Travel restrictions have prevented our sister from conducting much of the international aspects of her ministry, together with a period of extended stay in the UK until travel was resumed to Albania in July following a visit here in April

Other sisters are active in the parishes in which they live, many as Eucharistic Ministers, Readers, Catechetics and through their support of many parish initiatives. Since all churches were closed it was not possible for these sisters to continue with their ministries

The Trustees continue to make it a priority to reach out to the poor and marginalised in our society by moving personnel into areas of greater need and financing them to carry our social/pastoral work. This involves being a voice which will enable them to secure the help they need, in justice, from the state and other agencies.

We note below the activities carried out by our sisters in this area but as is clear, much of this work requires direct social contact with those our sisters are trying to help. All our sisters conducting these ministries fall into the vulnerable category of government guidance. Whilst some of their work could be conducted by social media, there were many aspects where this was not possible and therefore had to be suspended in order to follow social distancing guidance and to keep our sisters safe.

Six Sisters are currently engaged in work with refugees, asylum seekers, and migrants, one working in a centre in London and another in Salford. This work involves meeting with, listening to, supporting and signposting clients to the appropriate staff or agencies best suited to address their needs. The work also involves some English teaching and helping with basic needs. One sister works in a safe house for the Medaille Trust. The trust acts to support the victims of people trafficking and modern-day slavery.

The Facebook page "Altrincham Friends of Refugees" established by one of our sisters in 2017 continues to produce promising results. Working in a team of 3 our sister attends a local drop-in centre operated by Charity Revive and receives direct contact or social worker referrals from refugees. A contact list of approximately 150 people and a further 30 email contacts has been developed. In addition to the successful provision of furniture items and child welfare equipment to several refugee families setting up home in the area the local community has also embraced the scheme and created a general welcoming feeling towards them including a family day out and a football match. Additionally, a Syrian refugee family contact of our sister was given a week's holiday at our Llandudno facility, including transport to and from Altrincham.

Work with refugees and migrants inevitably draws people into the work against trafficking. Today safe migration is not a reality for thousands of people and many refugees coming into the UK have been duped by traffickers and promised illegal work. One of our members, working as chaplain in a Manchester hospital has completed a two stage training programme on the work against trafficking. This training was intended raise awareness for staff in hospitals and medical establishments who will encounter trafficked people in the course of their work.

Some members have received training in teaching English – TEFOL-, a much needed, service if people are to integrate and find employment. One sister combines her liturgical and interfaith work with teaching English to refugees and asylum seekers and guiding them into how to access assistance. Another sister works two days a week as a volunteer for Caritas Shrewsbury. Based at the Well Project, St Aidan's church Northern Moor, the work primarily involves helping refugees and asylum seekers to learn English

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Additionally, we have sisters who teach English locally or provide translation services where needed. One sister is a volunteer providing translation services at the French Speaking Refugee Centre in London.

Our sisters' work is not just restricted to their chosen ministries. Throughout the year, the members of the Institute give their time to assist the poor and marginalised wherever that need arises. The sisters receive no financial reward for this work which contributes to the overall achievement of the charity's objectives. This can extend to past pupils from within the worldwide Loreto network who have frequently found solace from informal counselling with our members in times of personal bereavement or stress.

One sister runs the Loreto Drawn Together Parent-Infant Art Psychotherapy and Parent-Infant Psychotherapy Project in Harpenden and the surrounding area. The project offers parent-infant psychotherapy to parents and their babies who are struggling in their new relationship together. The project also offers Art Psychotherapy for under-fives. This service uses art as a way for young children to express themselves without the primary need for words. She also offers clinical supervision to art therapists working in Hospice settings. In addition, she also works with the Counselling Foundation in St Albans as a Personal Development Group Leader for the Certificate Course in Psychodynamic Counselling Skills. As with our other ministries requiring social interaction our sister's work in Harpenden has had to adapt to a changing environment. Additional equipment has been purchased and training taken to enable the ministry to continue by video link and social media. A wider range of meeting facilities has also been necessary to comply with social distancing requirements

We also have a sister who divides her ministry between voluntary work for a local British Heart Foundation shop and companionship for attendees at a day care centre for the elderly and lonely in Partington, Manchester. Much time is spent in personal interaction with individuals, some of whom are in the early stages of dementia, who often comment how nice it is to be listened to. Unfortunately this ministry has also been suspended

Pastoral works are more difficult to assess but their success can be measured by reference to the number of local government bodies and dioceses which continue to avail themselves of the pastoral services provided year after year.

- **Nurturing Religious faith and provision of Retreats**

All aspects of our work involve the advancement of religion whether it is in the educational or pastoral fields. While this work is on-going, we have continued to reassess our work and to search for better ways of carrying out this ministry in today's world. One major aspect of this is the training of our lay collaborators so that the work can be carried on into the future when there will be fewer sisters. The Trustees have set aside some finance for this purpose.

Our work in this area is mainly carried out through our schools, the local parishes where members of the Institute reside, retreat centres and through the various catholic dioceses. For example, one sister is responsible for a parish in North Wales which has no resident priest. In addition to the provision of spiritual support she also supports many initiatives in the local area. Sadly this ministry has had to be suspended during periods of local restrictions and closures

Our primary retreat facility is the Loreto Centre in Llandudno, North Wales which we have run since 1976. Following the completion of a new care facility for our older and frail sisters in 2018 the Trustees took the decision to relocate the Retreat Centre to the site of the recently vacated convent, following its planned refurbishment. The Retreat Centre moved into the newly refurbished building in November 2019. The Loreto Centre offers people of all faiths and none a place of peace and tranquillity, for rest, relaxation, and prayer. Two sisters work in the Centre supported by a team of dedicated staff. Our programme of retreats is led by our Loreto team, supported by guest directors. Our Centre also offers opportunity for ongoing development to those recently trained in spiritual direction, these are given the opportunity to gain experience under the direction and supervision of our Retreat Director. We also work in collaboration with, other Retreat Centres through our engagement in training- workshops, and outreach work. Our Loreto House community also has several Sisters experienced in Spiritual Direction who are able to offer support and practical help, when needed.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The events on the programme include silent individually guided retreats, varying in length from a weekend to 30 days. There are also themed retreats, such as 'The Spirit of the Lord is Upon Us' and 'Silence beside the Sea'. Our Holy Week is specifically aimed at young people and families and the Theology Summer School is also a popular event in the Centre Calendar.

We also offer hospitality to other groups who wish to use the Centre. Several religious congregations use the Centre for meetings, as well as groups of people in the caring ministries who are looking for a period of respite. We also welcome groups such as the SPANNED (Supporting People with Additional Needs) group from the Diocese of Nottingham, who come annually for a break with their carers. Many people also come individually for quiet time and we have facilities for these to cater for themselves.

In response to Government announcements the Leadership team had no alternative than to close the retreat centre on 20th March 2020. All staff were advised promptly and were placed on Furlough leave as at that date. All bookings were cancelled and with the consent of most visitors, deposits rolled over to a future retreat. Several large conferences were unfortunately lost and the income for the year frozen at 60% of expected levels. With the easing of lockdown the centre did manage to provide a small number of personal retreats in July and August but the income was modest. In expectation of a busier period in autumn all staff were released from Furlough in August to help with preparing a facility which had been largely unused for 5 months but this proved to be in vain with more lockdowns and restrictions introduced in September by the government in Wales.

Another aspect of our ministry comes under the term 'Outreach'. The Loreto Centre team work closely with the St Beuno's Outreach team, which seeks to promote retreats in daily life by going out to parishes to lead prayer groups and courses. One Sister belongs to the core group which coordinates and runs this work. Local parishes (Catholic and Church in Wales) also make use of the Centre for their own days of recollection or other meetings.

We look for opportunities to meet people in the local area, to engage on an ecumenical level so as to meet the spiritual needs of the local community. This has in turn led to more local people making use of the facilities of the Centre, both individually and as a community.

Several sisters provide retreat services upon request including a London based sister who provides retreats as part of working with young adults and one sister has worked in a retreat centre operated by another religious congregation. Many of the sisters are involved in offering spiritual direction on a regular basis.

Our work in 'Outreach' and all the above local communities had to be suspended until adequate social distancing and safe environment measures could be put in place

Our sister operating at the interfaith chaplaincy team at the University of Birmingham has pastoral responsibility for students at Newman Hall and is also studying Canon Law at Ku Leuven in Belgium.

We also have a sister who recently retired from acting as bursar to another congregation.

As with our Pastoral works the successful achievements of our aims are more difficult to assess. However, many attendees at the centre are regular annual visitors and the Centre has managed to continue to operate self-sufficiently whilst others have closed. This degree of loyalty has been achieved despite the operational difficulties experienced in consequence of the new convent construction and was a major factor in deciding to undertake our programme of refurbishment of the old convent building. The success of our outreach work can be measured by reference to the continuing excellent relationship with the local diocese.

• Overseas Activities

Two sisters are engaged in ministry overseas. One in Albania and one in the Philippines.

The mission in Albania continues to operate under the auspices of the Mary Ward Loreto Foundation (MWL) with our sister acting as President. The sister is supported by a member of the Leadership team who visited the ministry in September 2019. In order to sustain the mission's success in Albania our sister is now helping MWL to raise awareness in the United Kingdom that London is the world's largest target destination for Albanian

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

people traffickers. Several events have been planned and such is her success in a relatively short period of time that plans are already advanced for the creation of a new charity, based in the UK and sponsored by high profile personalities and philanthropists, to act cross-border against people trafficking.

Our sister also continues to be involved with RENATE (Religious in Europe Networking Against Trafficking and Exploitation) and regularly attends conferences on their behalf.

As mentioned earlier our sister has suffered significant travel disruption. To assist in her mission our sister has applied for dual UK and Albanian citizenship which required a visit to the UK. To facilitate the visit she had to undergo 14 days quarantine at both ends of her journey.

Our sister in The Philippines has now entered her second year as a member of the Fondacio Asia formation team. The Centre programmes were able to continue despite our sister being unable to leave her accommodation compound throughout a strict March to October lockdown. Following an increasingly demanding timetable all tuition was initially conducted virtually but in time face to face teaching resumed following the implementation of government guidelines.

• Care for Members of the Institute

Those members of the Institute who earn salaries or receive pensions covenant them to the charity and therefore have no independent means of support. Many also give their services free in their various ministries and continue to do so well beyond retirement age. Hence the work of the charity includes the upkeep of the members so that they will be able to continue in their service to the public.

Additionally, the charity must also care for the elderly members of the Institute who are now themselves in need of care. These members have no resources of their own and have devoted a significant part of their lives to the educational, pastoral, social and other ministries of the Institute, which now has a moral and legal obligation to provide for their care. In common with many religious congregations in the United Kingdom, the age profile of the members of the Institute is increasing as existing members grow older and the number of new vocations has reduced. As the age profile increases so too does the need to provide increasingly expensive care for the sisters, a cost which is borne almost exclusively by the charity since, as members of a religious community, we are not entitled to claim certain benefits from the state e.g. pension credit.

The introduction of lockdown in March 2020 and the advice given regarding safeguarding the elderly meant that we had to review access to all our convent accommodations as without exception they housed potentially vulnerable sisters. The manager of our care facility in Llandudno conducted an extensive health and safety review and quickly introduced protocols and procured PPE to keep the facility safe. Her staff were very supportive in this and where necessary volunteered to work additional hours rather than introduce agency workers and the incumbent extra risk. The facility, in a high risk area of North Wales experienced no cases of COVID-19. Two staff members were required to isolate as being at risk or being responsible for vulnerable people at home. We also operate two other smaller convent homes where residents were deemed at risk through age. Cleaning, cooking and maintenance staff were all placed on Furlough and here also no COVID-19 cases were experienced. When lockdown was lifted procedures and equipment were put in place to ensure a safe working environment and the staff invited to return to work.

The Institute has established Powers of Attorney for all its members to ensure that their wishes continue to be followed should they become incapacitated through ill health to make decisions for themselves.

Over the next decade the trustees expect the number requiring care to increase. Consequently, the trustees are carefully considering the impact of this on the work of individual members of the Institute, the property requirements and the financial implications. The aims of the trustees are as follows:

- To ensure that all members receive the quality of care that they require to provide them with a quality of life we consider to be right.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

- To review the charity's properties used as community houses and assess their suitability as homes for the frail elderly. Those identified as being unsuitable will need to be adapted or, if this is not possible, sold and replaced with more appropriate properties.
- To enable all members of the Institute to continue with their ministries and live independently for as long as possible after their official retirement age.

A measure of our continuing success in achieving our aims in this area was the completion of our new convent building in Llandudno. Loreto House provides fit for purpose accommodation for 14 elderly and frail sisters. In addition, there are six self-contained apartments offering independent living accommodation for more-able sisters. Under the direction of our experienced Matron and her dedicated team, sisters receive around the clock care, tailored to their needs, aimed at enabling independence for as long as possible. Situated as it is close to our Retreat Centre it enables our elderly sisters to connect with ministry which is central to the mission of the Institute. The building was handed over for occupation in March 2018.

Employees, Volunteers and Members of the Institute

The Trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and those members of the Institute who are involved with its administration – without their contribution the charity would not be able to function as effectively or fully as it does. Their dedication, enthusiasm and active participation in our ministry is very much appreciated.

Grants, Donations and Support of Missionary Work and Ministry

Grants, donations and other payments in support of ministry are decided on by the trustees in consultation with the members of the Institute as appropriate. While the trustees give occasional support to United Kingdom based organisations and to individuals within the objects of the charity, the charity does not regard itself as a grant making entity and applications for grants and donations are not invited.

Fundraising Policy

The charity has undertaken some small-scale fundraising activities during the year. All fundraising activities have been undertaken in accordance with the applicable regulations. The charity does not work with commercial partners and has received no complaints in relation to its fundraising activities.

Investment Policy

The charity has a portfolio of investments with a market value of £3,583,733 managed by two long established stockbroker firms with much experience in investing funds for charitable organisations – Investec Wealth and Investment Limited and Hedley & Co. Both firms operate within specific guidelines, which are set out and regularly reviewed by the Trustee appointed Investment Committee. The Investment Committee in turn reports twice annually to the trustees. There are no restrictions on the charity's power to invest.

The investment strategy is to achieve a balanced return from income and capital growth by reference to recognised charity sector benchmarks subject to a medium risk portfolio structure. As well as these investments a further £210,894 is held on special deposits to be recalled when needed to meet our contingent liabilities and planned works.

The Charity requires the investment managers to have regard to its ethical screening policy when making investment decisions. In addition to specifically excluding some areas of investment (for example in any companies having significant profits from armaments, gambling or life determination) the policy also requires the managers to avoid investment in companies with continuing issues of exploitation of its workforce or deprivation of human rights, being activities contrary to Christian objectives. The screening process adopted by the Charity is an independent service provided by Ethical Screening Services Ltd but operated by Investec Wealth and Investment Limited. The adoption of this screening process is applied to both investment portfolios.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The investment committee meets several times during the year to review the performance of the portfolio and the continued appropriateness of the charity's investment strategy. The investment managers attend these meetings to present a formal report on an ad hoc basis but at least annually. The Charity has selected the FTSE WMA Balanced Portfolio as the benchmark against which the performance of its investment managers is assessed. The investment reviews conducted in 2020 indicated that global markets were already under pressure due to disputes relating to oil production before the virus outbreak became pandemic. However, once a pandemic was declared, markets crashed over night resulting in significant valuation losses. At 31st August 2020 our portfolios were around -4% compared to a benchmark of -7%

Achievements and Performance

Financial Review

The charity's financial performance has been significantly affected by the COVID-19 pandemic. In summarising the individual components making up the total deficit for the year, the trustees have indicated the approximate costs/revenues relating to the pandemic and possible future implications

- **Results for the year**

During 2019/20 incoming resources amounted to £2,130,933 (2019: £2,379,353). Of this total, £1,114,201 (2019: £1,240,706) related to the fees receivable and other income of the charity's establishments and £88,646 (2019: £144,873) was received by way of donations. No legacies were received (2019: £94,655). Salaries and pensions of the sisters covenanted to the charity amounted to £671,122 (2019: £730,283) representing a fall of 8% compared to 2019. Investment income and interest received totalled £121,774 (2019: £168,836). This is a 28% decline in investment income.

The two items most significantly affected by COVID-19 are income from charitable activities and investment income. When lockdown was announced in March 2020 the retreat centre in Wales had to close overnight and remained closed beyond the end of the financial year. As a result donations received in the year fell by 39%. Whilst investment income had been expected to fall in line with continued investment realisations (2019 a fall of 9%) the pandemic has had a significant effect on income as many historic income generators have cut or stopped their dividends.

Other income includes £62,007 received from the government Coronavirus Job Retention Scheme

Resources expended totalled £2,698,931 (2019: £2,947,208) a decrease of 9%. Staff costs at the school and retreat centre still represent a significant proportion (32%) of total expenditure, amounting to £855,028 (2019: £959,043).

Expenditure on maintaining the members of the Institute and supporting them in their pastoral work and ministry amounted to £1,278,814 (2019: £1,355,682) representing a 6% reduction. Of this, the running costs and maintenance of buildings were £290,788 (2019: £260,022) and carers' payroll and nursing costs were £429,016 (2019: £400,323). Expenditure on governance and the fees paid to the charity's investment managers amounted to £71,104 (2019: £76,877).

The most significant cost movements due to COVID-19 are an 11% reduction in staff costs, a 15% reduction in community expenses and an increase of 7% in nursing costs. Staff costs fell significantly at the preparatory school where staff who were not furloughed accepted a 15% pay reduction whilst continuing to work. Community expenses reduced in part through restrictions in movement and ministries having to be carried out remotely. Nursing costs increased due to the acquisition of PPE and additional working hours incumbent on increased efforts to maintain a safe environment for our elderly.

Investment losses of £289,209 (2019: £3,765 gain) were incurred. These losses were almost entirely due to the impact of COVID-19 on the world economy. In 2020 a change in accounting policy (notes to the accounts 1) has given rise to a revaluation loss of £5,821,318 (2019: £nil) Net movement of funds for the year was an outflow of £857,207 (2019: £564,090 net outflow).

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Funds to carry out the works of the charity come from various sources:

- School fees in the case of the remaining independent school
- SFA and YPLA in the Sixth Form College
- LEA and DfE in the two aided schools
- Donations from those who come to the retreat centre
- Donations received specifically for the mission in Albania
- The salaries and pensions of the members of the Institute
- Income from investments

We are not a fundraising charity although parents in the schools do raise some funds for particular projects. Our mission in Albania also seeks funds from individual donors based on generating awareness but does not undertake general advertising campaigns.

The Institute has a commitment to make contributions to the schools and college, particularly regarding the maintenance of their chapels where other sources of funding are not available, and some of the funds on deposit are reserved for this purpose.

Functional property belonging to the Institute has been included on the Balance Sheet at Trustees' valuation in 1996, which was achieved with help from professional advisers. The schools element of this valuation has now been revalued. (notes to the accounts 1)

Reserves Policy

The reader will see from the information given that the charity carries out a diverse range of activities and is responsible for the care and support of sisters whose average age is increasing and whose needs are changing. The trustees have examined the need for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. For several years the charity has looked to its assets to make good shortfalls of income from expenditure by providing the necessary funding to maintain liquidity. The trustees consider that, given the nature of the charity's work, its commitments and the age profile of its members, this funding requirement will continue into the foreseeable future and therefore it is unlikely that uncommitted reserves will become available.

Financial Position

The group balance sheet shows total reserves of £19,785,881 (2019: £20,643,088). Of this £15,414,583 (2019: £15,069,070) is represented by properties, assets under construction and other tangible fixed assets essential for the support and work of the sisters.

The Institute has divided its unrestricted assets into two designated funds:

1. Province Fund – to support the Sisters in their work as they give their services voluntarily and to care for them when they are sick and aged. The value of this fund is £12,409,221 (2019: £12,953,337) of which £8,576,969 (2019: £9,514,143) represents tangible fixed assets. The net current assets of the fund are £1,590,920 (2019: £555,311). As at 31 August 2020 assets under construction totalled £24,368 (2019: £6,139,076) with a further expected spend in 2020/21 of approximately £133k being contractors retentions and architects fees. Shortfalls of income to meet short term operating requirements continue to be met from investment realisations
2. Ministry Development Fund – to support our schools, establishments and other charitable donations made for the public benefit within the terms of our governing document. The value of this fund is £6,778,555 (2019: £7,066,582) of which £6,837,614 (2019: £7,139,966) represents tangible fixed assets. The net current assets of the fund are £1,060,352 in deficit (2019: £73,384 in deficit). The increase in deficit is due to property movements between funds as a result of moving the

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

retreat centre into the old convent building. The structure of the unrestricted funds is to be reviewed in 2021.

The asset base of the Institute has been its strength for a considerable period of time. Shortfalls of income to meet expenditure are such that asset realisations are an essential part of financial planning. Our investment managers are aware of our cashflow requirements for at least the next 12 month period and our Leadership team regularly reviews property needs not only in terms of ministry but also in regard to the increasing vulnerability of our members. The importance of this planning has been demonstrated during the COVID-19 pandemic. At the commencement of the crisis we had two property sales in progress, both of which collapsed. This did not impact on cashflow as our investment managers held cash balances based on our advanced notice of requirements. As at 31st August 2020 our investment losses of £289,209 consisted of just £4,661 actual losses incurred, the balance being year end revaluation losses. The two property sales finally materialised in September 2020 at lower values than expected due to the pandemic but these shortfalls were offset as the Institute was able to cease investment draw downs from the investment managers which coincided with stock market recovery. At the time of this report our portfolios have returned 11% against a benchmark of 8% since the end of our financial year.

Future Plans

Whilst the trustees do not anticipate any significant change to the charity or its activities over the next two to five years they are constantly reviewing works of the Institute in the light of a changing world and its own ageing membership. To that end the membership continues to review its ministry works for the next ten years and how they will be achieved and provide public benefit. The Trustees opinion is that the Charity will continue to provide public benefit by continuing to meet the following objectives:

- To continue to be trustees for three Loreto schools and a Loreto sixth form college;
- To continue the development of Loreto ethos at Loreto Chorlton;
- To continue to provide training for its school governors;
- To continue to support other schools;
- To continue to control Loreto Education Trust, a company limited by guarantee and established to manage the operations of the schools and college whilst at the same time continuing the ethos of Mary Ward into the future;
- To continue to develop new projects which deliver public benefit such as the mother and infant project;
- To continue with its pastoral/outreach work at several locations across the country;
- To continue to explore interfaith work and to train new members to degree level in religious studies and theology to prepare them for future ministry in a multi-cultural/multi-faith society;
- To continue the development of its Retreat Centre in Llandudno;
- To maintain and increase awareness of the religious tenets of its founder, The Venerable Mary Ward;
- To continue to care for the sisters and enable them to carry out their various ministries where they will continue to reach out to the poor and marginalised and the victims of trafficking;
- To meet the requirements of the various statutory bodies;
- To continue to employ high quality staff and to ensure they are given appropriate and relevant training;
- To support the work of the English Province in Albania;
- To monitor the needs of the sisters as they grow older and, if necessary, adapt the charity's plans in respect of property needs and the provision of care to elderly members.
- To continue to encourage new membership

The Trustees re-appointed MHA Moore and Smalley as auditor and the firm has indicated its willingness to continue in office for the coming year.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Compliance

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

This report was approved by the Trustees of the Charity on

and signed on their behalf by:

B. Boland

18/02/2021

.....
B Boland - Trustee

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the financial statements of The Institute of the Blessed Virgin Mary (English Province) Loreto Sisters (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the Group Statement of Financial Activities, the Group and Parent Charity Balance Sheet, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 parent charity's affairs as at 31 August 2020, and of the group's incoming resources and application of resources, 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 Charities Act 2011.

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 and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group and parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Other information (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees are responsible for the preparation of financial statements which 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 parent charity'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 parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Moore and Smalley

.....
MHA Moore and Smalley
Chartered Accountants
and Statutory Auditor

Richard House
Winckley Square
Preston
PR1 3HP

.....
25/03/2021
.....

MHA Moore and Smalley is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

GROUP STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Restricted Funds £	Unrestricted funds Ministry £	Province £	2020 Total £	2019 Total <i>Restated</i> £
Income from:						
Donations and legacies	4	81,852	520	677,396	759,768	969,811
Investments	5	12,497	52,422	56,855	121,774	168,836
Charitable activities	6	-	1,114,201	-	1,114,201	1,240,706
Other	7	-	54,158	81,032	135,190	-
Total income		94,349	1,221,301	815,283	2,130,933	2,379,353
Expenditure on:						
Raising funds	8	2,675	6,955	24,071	33,701	39,474
Charitable activities	9	77,056	1,309,360	1,278,814	2,665,230	2,907,734
Total expenditure		79,731	1,316,315	1,302,885	2,698,931	2,947,208
Net gain/(loss) on investments	10	(39,682)	(193,013)	(56,514)	(289,209)	3,765
Net (expenditure)		(25,064)	(288,027)	(544,116)	(857,207)	(564,090)
Transfers between funds		-	-	-	-	-
Net movement in funds		(25,064)	(288,027)	(544,116)	(857,207)	(564,090)
Reconciliation of funds:						
Total funds brought forward		623,169	7,066,582	12,953,337	20,643,088	21,207,178
Total funds carried forward		598,105	6,778,555	12,409,221	19,785,881	20,643,088

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

GROUP BALANCE SHEET

AS AT 31 AUGUST 2020

	Note	Restricted funds £	Unrestricted funds Ministry £	Unrestricted funds Province £	2020 Total £	2019 Total Restated £
Fixed assets						
Tangible assets	12	-	6,837,614	8,576,969	15,414,583	15,069,070
Investments	13	<u>552,002</u>	<u>1,001,293</u>	<u>2,241,332</u>	<u>3,794,627</u>	<u>5,050,784</u>
		<u>552,002</u>	<u>7,838,907</u>	<u>10,818,301</u>	<u>19,209,210</u>	<u>20,119,854</u>
Current assets						
Debtors	14	9,457	42,126	297,325	348,908	377,304
Cash at bank and in hand	15	<u>38,896</u>	<u>348,479</u>	<u>239,265</u>	<u>626,640</u>	<u>702,359</u>
		48,353	390,605	536,590	975,548	1,079,663
Creditors: amounts falling due within one year	16	<u>(2,250)</u>	<u>(201,636)</u>	<u>(194,991)</u>	<u>(398,877)</u>	<u>(556,429)</u>
Inter-fund debtors / (creditors)		<u>-</u>	<u>(1,249,321)</u>	<u>1,249,321</u>	<u>-</u>	<u>-</u>
Net current assets		<u>46,103</u>	<u>(1,060,352)</u>	<u>1,590,920</u>	<u>576,671</u>	<u>523,234</u>
Net assets		<u>598,105</u>	<u>6,778,555</u>	<u>12,409,221</u>	<u>19,785,881</u>	<u>20,643,088</u>
Funds						
Restricted funds		598,105	-	-	598,105	623,169
Unrestricted funds:						
Designated - Province fund		-	-	12,409,221	12,409,221	12,953,337
Designated - Ministry fund		-	<u>6,778,555</u>	-	<u>6,778,555</u>	<u>7,066,582</u>
Total funds	18	<u>598,105</u>	<u>6,778,555</u>	<u>12,409,221</u>	<u>19,785,881</u>	<u>20,643,088</u>

Certificate of trustees

These financial statements were approved by the trustees on 18/02/2021

Kate Myers

.....
K Myers - Trustee

B. Boland

.....
B Boland - Trustee

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

PARENT CHARITY BALANCE SHEET

AS AT 31 AUGUST 2020

	Note	Restricted funds £	Unrestricted funds Ministry £	Province £	2020 Total £	2019 Total Restated £
Fixed assets						
Tangible assets	12	-	6,837,614	8,552,601	15,390,215	8,929,994
Investments	13	<u>552,002</u>	<u>1,001,293</u>	<u>2,241,332</u>	<u>3,794,627</u>	<u>5,050,784</u>
		<u>552,002</u>	<u>7,838,907</u>	<u>10,793,933</u>	<u>19,184,842</u>	<u>13,980,778</u>
Current assets						
Debtors	14	9,457	42,126	290,218	341,801	6,386,337
Cash at bank and in hand	15	<u>38,896</u>	<u>348,479</u>	<u>234,261</u>	<u>621,636</u>	<u>701,159</u>
		48,353	390,605	524,479	963,437	7,087,496
Creditors: amounts falling due within one year	16	<u>(2,250)</u>	<u>(201,636)</u>	<u>(148,006)</u>	<u>(351,892)</u>	<u>(416,549)</u>
Inter-fund debtors / (creditors)		-	<u>(1,249,321)</u>	<u>1,249,321</u>	-	-
Net current assets		<u>46,103</u>	<u>(1,060,352)</u>	<u>1,625,794</u>	<u>611,545</u>	<u>6,670,947</u>
Net assets		<u>598,105</u>	<u>6,778,555</u>	<u>12,419,727</u>	<u>19,796,387</u>	<u>20,651,725</u>
Funds						
Restricted funds		598,105	-	-	598,105	623,169
Unrestricted funds:						
Designated - Province fund		-	-	12,419,727	12,419,727	12,961,974
Designated - Ministry fund		-	<u>6,778,555</u>	-	<u>6,778,555</u>	<u>7,066,582</u>
Total funds	18	<u>598,105</u>	<u>6,778,555</u>	<u>12,419,727</u>	<u>19,796,387</u>	<u>20,651,725</u>

Certificate of trustees

These financial statements were approved by the trustees on 18/02/2021

Kate Myers

.....
K Myers - Trustee

B. Boland

.....
B Boland - Trustee

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

**GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020**

	2020 £	2019 £
Net cash flow from operating activities	(601,789)	(568,157)
Cash flow from investing activities		
Payments to acquire tangible fixed assets	(463,815)	(857,765)
Receipts from sales of tangible fixed assets	(86,473)	2,770
Payments to acquire investments	(193,098)	(499,935)
Receipts from sales of investments	1,047,357	1,741,949
Investment income	109,410	164,191
Net cash flow from investing activities	413,381	551,210
Net (decrease) in cash and cash equivalents	(188,408)	(16,947)
Cash and cash equivalents b/fwd	1,025,942	1,042,889
Cash and cash equivalents c/fwd	837,534	1,025,942
Consisting of:		
Monies held for investment	210,894	323,583
Cash at bank and in hand	626,640	702,359
	837,534	1,025,942
Reconciliation of net (expenditure) for the year to net cash flow from operating activities		
Net (expenditure) for the year	(857,207)	(564,090)
Investment income received	(109,410)	(164,191)
(Gain)/Loss on disposal of tangible fixed assets	(71,987)	61,058
Loss/(Gain) on investments	289,209	(3,765)
Depreciation of tangible assets	11,486	12,181
Decrease/(Increase) in debtors, net of capital debtors	(644,868)	1,471,486
Increase/(Decrease) in creditors, net of capital creditors	780,988	(1,380,836)
Net cash flow from operating activities	(601,789)	(568,157)

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The Statement of Financial Activities, Balance Sheet and Statement of Cash Flows consolidate the financial statements of the charity and its subsidiary undertaking, Loreto Developments Limited. Loreto Developments Limited is a company limited by guarantee (company no. 08809375) and its principal activities are that of property development. The trustees of the charity are the directors and guarantors of Loreto Developments Limited.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist notwithstanding the impact of COVID-19. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure together with funds available from investment and property realisations are sufficient for the charity to be able to continue as a going concern.

Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objects of the charity and which have not been designated for other reserves.

Where unrestricted funds have been earmarked for a particular project, they have been designated as a separate fund, but the designation has an administrative purpose only and does not legally restrict the trustees' discretion to apply the fund. The aim and use of each designated fund is set out in the notes to the accounts.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the accounts.

The accounts comprise:

Restricted funds

- Patrimony Fund
- Loreto College St Albans Appeal Fund
- Loreto Sisters Albania Fund

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Restricted funds (continued)

- Loreto Sisters Drawn Together Fund

Ministry

- Ministry Development Fund
- Loreto Preparatory School, Altrincham
- Loreto Retreat Centre

Province

- Province Fund
- Houses

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Legacies received by members of the Institute are credited to the Patrimony Fund unless the legator indicated a specific bequest.

Covenanted salaries and pensions

Covenanted salaries and pensions are received under deeds of covenant from members of the Institute and are stated inclusive of income tax but net of any deductions for national insurance and occupational pension schemes' contributions.

Resources expended

Expenditure is included on an accruals basis and consists of all expenditure directly relating to the objects of the charity.

Investment management and governance costs include expenditure incurred in the management of the portfolio and for compliance with constitutional and statutory requirements.

Irrecoverable VAT is included with the category of expense to which it relates.

All expenditure is written off in the year in which it is incurred, including major property renovations, unless the expenditure is deemed to increase the charity's fund value.

Governance costs

Comprises audit fees, legal and professional fees and a contribution to payroll.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the exchange rate ruling at the balance sheet date. All differences are taken to the SOFA.

Pension schemes

Retirement benefits to employees of the Preparatory School are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit scheme, contracted out of the State Earnings-Related Pension Scheme, and the assets are held separately from those of the School.

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Pension schemes (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the School is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each period.

Contributions for other staff are made to their personal pension schemes.

Tangible fixed assets

Land, buildings and fixtures: To date the charity has opted to adopt a policy of not revaluing its tangible fixed assets as permitted under the transitional provisions of FRS 15. On transition to SORP 2015 (FRS 102), similar transitional provisions were adopted to carry these amounts as deemed cost. The book value of the land and buildings was based on a Trustees' valuation made in 1996, based on insurance valuation at a discounted rate, plus cost of acquisitions since 1996.

Whilst this policy still holds true for the charity's community housing assets and property assets still actively managed in direct ministry by the sisters, it is no longer as valid in relation to the college and schools buildings now managed by the respective governors under the terms of supplemental agreements. The school buildings included in the 1996 valuations will now have been extensively renovated and modernised or demolished to create space for more up to date facilities. Any value attributed to buildings in 1996 is now of doubtful provenance. The most important factor for the charity is continued recognition that ownership of the land remains with the trust. It is expected that the schools will continue to occupy the land for some considerable time into the future and therefore any valuation would be little more than a guess. The trustees are therefore of the opinion that these properties should remain on the trust's Balance Sheet at a nominal value to avoid the need to speculate over value and to continue to demonstrate the trust's ownership.

No depreciation has been charged on the remaining land and buildings as the trustees consider that the amount involved would be immaterial after taking into account both the remaining useful life of the properties and their residual value. No depreciation is charged on assets under construction until they are available for use.

The trustees have considered the current market value of the properties and are of the opinion that there has been no impairment to the value shown in the accounts.

Motor vehicles: Depreciation is calculated at 20% on reducing balance.

Computer equipment: Computer equipment is not capitalised, as the trustees believe that values are not material when taking into account estimated useful economic lives.

Investments

Quoted investments are valued at their closing middle market price on the balance sheet date. Realised and unrealised gains (or losses) are reflected in the Statement of Financial Activities in the year in which they occur.

Prior year adjustment

The accounts for the prior year have been re-stated with land and buildings which are occupied by the respective schools and college under supplemental agreements revalued to a nominal value. Details of the prior year adjustment are included in Note 26.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Staff costs and trustees' remuneration

	2020	2019
	£	£
Staff costs during the year were as follows:		
Wages and salaries	1,169,503	1,250,608
Social security costs	136,445	102,505
Pension costs	59,062	96,336
	1,365,010	1,449,449

The average number of employees during the year was 70 (2019: 70). The number of employees earning over £60,000 per annum excluding pension contributions was 1 (2019: 1).

As members of the Institute, the Trustees' living expenses during the year were borne by the Trust, but the Trustees received no remuneration or other benefits in connection with their duties as Trustees during the year.

The Finance Manager and Matron are considered to be key management personnel. Their aggregate remuneration for the year was as follows:

	2020	2019
	£	£
Aggregate remuneration of key management personnel	115,612	113,384

3 Auditor's remuneration

	2020	2019
	£	£
Amounts payable to the auditor (including VAT) was as follows:		
Audit services	16,800	17,485
Other services	20,814	25,798
	37,614	43,283

4 Income from donations and legacies

	Restricted Funds	Unrestricted funds Ministry	Unrestricted funds Province	Total 2020
	£		£	£
Donations and gifts	81,852	520	6,274	88,646
Legacies	-	-	-	-
Covenanted salaries and pensions (see below)	-	-	671,122	671,122
	81,852	520	677,396	759,768

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Income from donations and legacies

	Restricted Funds £	Unrestricted funds Ministry	Unrestricted funds Province £	Total 2019 £
Donations and gifts	87,068	-	57,805	144,873
Legacies	950	-	93,705	94,655
Covenanted salaries and pensions (see below)	-	-	730,283	730,283
	<u>88,018</u>	<u>-</u>	<u>881,793</u>	<u>969,811</u>

Covenanted salaries and pensions represent salaries and pensions of members, including those paid to the Trustees, of the charity payable to the charity under deeds of covenant or gift aid declarations.

5 Income from investments

	2020 £	2019 £
Gilt edged securities	-	-
Other fixed interest	23,948	29,673
Europe fixed interest	-	-
Equities: UK	56,206	90,840
European	16,286	27,680
Global	12,970	15,998
	<u>109,410</u>	164,191
Monies held for investment in the UK		
National Savings	42	196
Monies held by stockbroker	11,872	3,853
Treasury Deposits	448	565
	<u>121,772</u>	168,805
Bank interest	2	31
	<u>121,774</u>	168,836
Represented by:		
Restricted	12,497	15,494
Unrestricted – Province	56,855	75,079
Unrestricted – Ministry	52,422	78,263
	<u>121,774</u>	168,836

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Income from charitable activities

	2020	2019
	£	£
Unrestricted – Ministry:		
School fees and retreat centre	1,114,201	1,240,706
	<u> </u>	<u> </u>

7 Other Income

	2020	2019
	£	£
Unrestricted – Province:		
Profit on disposal of tangible fixed assets	73,183	-
Coronavirus Job Retention Scheme Grants received	62,007	-
	<u> </u>	<u> </u>
	135,190	-
	<u> </u>	<u> </u>

8 Expenditure on raising funds

	2020	2019
	£	£
Restricted - Patrimony	2,675	3,135
Unrestricted - Province	24,071	27,361
Unrestricted - Ministry	6,955	8,978
	<u> </u>	<u> </u>
	33,701	39,474
	<u> </u>	<u> </u>

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Expenditure on charitable activities

	Restricted Funds £	Unrestricted funds Ministry	Unrestricted funds Province £	Total 2020 £
Salaries for the school and retreat centre	-	855,028	-	855,028
Running costs and maintenance of buildings	-	356,558	290,788	647,346
Depreciation of fixed assets	-	-	11,486	11,486
Losses on disposal of properties	-	-	13,576	13,576
Community expenses	-	-	354,600	354,600
Nursing fees and medical care	-	-	429,016	429,016
Formation and ministry	55,685	73,175	-	128,860
Levy paid to the Generalate	-	24,599	-	24,599
Grants and expenditure on supported schools	21,371	-	-	21,371
Governance costs - payroll	-	-	20,238	20,238
Governance costs - audit	-	-	13,825	13,825
Support costs	-	-	145,285	145,285
	77,056	1,309,360	1,278,814	2,665,230

	Restricted Funds £	Unrestricted funds Ministry	Unrestricted funds Province £	Total 2019 £
Salaries for the school and retreat centre	-	959,043	-	959,043
Running costs and maintenance of buildings	-	327,820	260,022	587,842
Depreciation of fixed assets	-	-	12,181	12,181
Losses on disposal of properties	-	-	60,729	60,729
Community expenses	-	-	417,626	417,626
Nursing fees and medical care	-	-	400,323	400,323
Formation and ministry	125,506	75,393	16,771	217,670
Levy paid to the Generalate	-	28,290	-	28,290
Grants and expenditure on supported schools	36,000	-	-	36,000
Governance costs - payroll	-	-	19,918	19,918
Governance costs - audit	-	-	17,485	17,485
Support costs	-	-	150,627	150,627
	161,506	1,390,546	1,355,682	2,907,734

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Net gain/(loss) on investments

	2020	2019
	£	£
Restricted	(39,682)	(18,919)
Unrestricted – Province	(193,013)	71,669
Unrestricted – Ministry	(56,514)	(48,985)
	(289,209)	3,765

11 Analysis of movement in restricted funds

	Drawn together	Albania	Appeal funds	Patrimony Fund	Total restricted funds
	£	£	£	£	£
Incoming resources					
Other income	11,894	50,759	3,272	-	65,925
Legacies received	-	-	-	-	-
Loreto College, St Albans Appeal	-	-	15,927	-	15,927
Investment income	-	-	-	12,497	12,497
Total incoming resources	11,894	50,759	19,199	12,497	94,349
Resources expended					
Raising Funds	-	-	-	2,675	2,675
Costs of activities in furtherance of charitable objects:					
Ministry	8,480	47,205	-	-	55,685
Expenditure on schools	-	-	21,371	-	21,371
Total resources expended	8,480	47,205	21,371	2,675	79,731
Net incoming/(outgoing) resources before transfers	3,414	3,554	(2,172)	9,822	14,618
Transfers (to)/from unrestricted					
Loss on investments:	-	-	-	(39,682)	(39,682)
Net movement in funds for the year	3,414	3,554	(2,172)	(29,860)	(25,064)
Total funds at 1 September 2019	11,724	21,842	8,191	581,412	623,169
Total funds at 31 August 2020	15,138	25,396	6,019	551,552	598,105

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Fixed assets

GROUP	Assets under construction	Land and buildings inc. fixtures	Motor vehicles	Total
	£	£	£	£
Cost or deemed cost				
Balance at 1 September 2019 - <i>restated</i>	6,139,076	8,881,268	183,759	15,204,103
Additions	229,668	216,446	17,900	464,014
Disposals	-	(97,818)	(25,356)	(123,174)
Completions/Transfers	(6,344,376)	6,344,376	-	-
Balance at 31 August 2020	24,368	15,344,272	176,303	15,544,943
Depreciation and impairment				
Balance at 1 September 2019	-	-	135,033	135,033
Charge for the year	-	-	11,486	11,486
On disposals	-	-	(16,159)	(16,159)
Balance at 31 August 2020	-	-	130,360	130,360
Net book value				
At 31 August 2020	24,368	15,344,272	45,943	15,414,583
<i>At 1 September 2019 - restated</i>	6,139,076	8,881,268	48,726	15,069,070
PARENT CHARITY		Land and buildings inc. fixtures	Motor vehicles	Total
		£	£	£
Cost or deemed cost				
Balance at 1 September 2019 - <i>restated</i>		8,881,268	183,759	9,065,027
Additions		6,560,822	17,900	6,578,722
Disposals		(97,818)	(25,356)	(123,174)
Balance at 31 August 2020		15,344,272	176,303	15,520,575
Depreciation and impairment				
Balance at 1 September 2019		-	135,033	135,033
Charge for the year		-	11,486	11,486
On disposals		-	(16,159)	(16,159)
Balance at 31 August 2020		-	130,360	130,360
Net book value				
At 31 August 2020		15,344,272	45,943	15,390,215
<i>At 1 September 2019 - restated</i>		8,881,268	48,726	8,929,994

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

13 Investments

GROUP AND PARENT CHARITY	2020		2019	
	Cost £	Market value £	Cost £	Market value £
Gilt edged securities	-	-	-	-
Other fixed interest	516,604	548,692	678,514	754,589
Europe fixed interest	-	-	-	-
Equities: UK	1,733,874	1,466,299	1,839,308	1,982,695
European	633,647	653,056	918,919	958,230
Global	794,977	915,686	915,364	1,031,687
Unit trusts	-	-	-	-
	3,679,102	3,583,733	4,352,105	4,727,201
Monies held for investment in UK:				
National Savings	2,456	2,456	2,331	2,331
Monies held by stockbroker	160,039	160,039	233,412	233,412
Treasury Deposits	48,399	48,399	87,840	87,840
	3,889,996	3,794,627	4,675,688	5,050,784
	Market value 1 September 2019 £	Additions £	(Disposals) £	Investment gains and losses £
Quoted investments	4,727,201	193,098	(1,047,357)	(289,209)
	4,727,201	193,098	(1,047,357)	(289,209)
				3,583,733

14 Current assets

	Group		Parent Charity	
	2020 £	2019 £	2020 £	2019 £
Debtors				
Amounts owed by group undertakings	-	-	-	6,079,285
Prepayments and accrued income	25,148	26,242	25,148	26,242
Income tax recoverable	3,257	4,821	3,257	4,821
Other debtors	1,569,824	656,823	1,562,717	586,571
Gross debtors	1,598,229	687,886	1,591,122	6,696,919
Less inter-fund debtors	(1,249,321)	(310,582)	(1,249,321)	(310,582)
Total debtors (net of inter-fund debtor)	348,908	377,304	341,801	6,386,337

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Current assets (continued)

	Group		Parent Charity	
	2020	2019	2020	2019
	£	£	£	£
Cash at bank and in hand				
Interest bearing accounts	619,229	697,887	619,229	697,887
Cash balances	7,411	4,472	2,406	3,272
	626,640	702,359	621,636	701,159

16 Liabilities

	Group		Parent Charity	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year				
Creditors	230,247	369,520	91,112	231,165
Amounts due to group undertakings	-	-	93,674	-
Deferred income	40,643	62,362	40,643	62,362
Payroll	25,826	40,653	25,826	40,653
Accruals	1,351,482	394,476	1,349,958	392,951
Gross liabilities	1,648,198	867,011	1,601,213	727,131
Less inter-fund creditor	(1,249,321)	(310,582)	(1,249,321)	(310,582)
Total liabilities (net of inter-fund creditor)	398,877	556,429	351,892	416,549

17 Borrowings and contingencies

During the year ended 31 August 2003, the trustees donated funds to Loreto College, Manchester in order for the College to invest in capital expenditure. These funds were generated by the disposal of a portion of land at the College which was subject to covenants by Manchester City Council. The Council allowed the disposal of the land to take place in exchange for a covenant on the remaining land, such that the City Council would be entitled to a payment of £1,050,000 should the College land and buildings be disposed of during a period of 40 years from the date of sale of the surplus land.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Movement in funds

Year ended 31 August 2020	Balance 31 August 2019 <i>Restated</i> £	Change in investment valuation £	Fund transfers £	Activity in year £	Balance 31 August 2020 £
Restricted funds					
Patrimony	581,412	(39,682)	-	9,822	551,552
Ministry - Appeal funds	8,191	-	-	(2,172)	6,019
Ministry – Drawn Together	11,724	-	-	3,414	15,138
Ministry – Albania	21,842	-	-	3,554	25,396
	<u>623,169</u>	<u>(39,682)</u>	<u>-</u>	<u>14,618</u>	<u>598,105</u>
Designated funds					
Ministry					
Functional property	5,554,927	-	-	1,282,687	6,837,614
Other Ministry funds:					
Investments	1,585,038	(193,013)	-	(390,732)	1,001,293
General	(73,383)	-	-	(986,969)	(1,060,352)
	<u>7,066,582</u>	<u>(193,013)</u>	<u>-</u>	<u>(95,014)</u>	<u>6,778,555</u>
Province					
Functional property	3,326,341	-	-	5,180,317	8,506,658
Transport	48,726	-	-	(2,783)	45,943
Other Province funds:					
Investments	2,883,884	(56,514)	-	(586,038)	2,241,332
General	6,703,023	-	-	(5,077,229)	1,625,794
	<u>12,961,974</u>	<u>(56,514)</u>	<u>-</u>	<u>(485,733)</u>	<u>12,419,727</u>
Total funds (parent charity)	<u>20,651,725</u>	<u>(289,209)</u>	<u>-</u>	<u>(566,129)</u>	<u>19,796,387</u>
Province					
Functional property	6,139,076	-	-	(6,114,708)	24,368
Other Province funds:					
General	(6,147,713)	-	-	6,112,839	(34,874)
	<u>(8,637)</u>	<u>-</u>	<u>-</u>	<u>(1,869)</u>	<u>(10,506)</u>
Total funds (group)	<u>20,643,088</u>	<u>(289,209)</u>	<u>-</u>	<u>(567,998)</u>	<u>19,785,881</u>

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Movement in funds (continued)

Year ended 31 August 2020	Balance 31 August 2019 <i>Restated</i> £	Change in investment valuation £	Fund transfers £	Activity in year £	Balance 31 August 2020 £
Restricted	623,169	(39,682)	-	14,618	598,105
Ministry	7,066,582	(193,013)	-	(95,014)	6,778,555
Province total of charity and subsidiary	<u>12,953,337</u>	<u>(56,514)</u>	<u>-</u>	<u>(487,602)</u>	<u>12,409,221</u>
Total funds (group)	<u>20,643,088</u>	<u>(289,209)</u>	<u>-</u>	<u>(567,998)</u>	<u>19,785,881</u>

Restricted funds

- **Patrimony**
This fund comprises the dowers made by individual sisters and any legacies received by sisters during their lifetime. When a sister dies, the dower/legacy is released to the Province Fund.
- **Loreto College St Albans Appeal Fund**
Income consists of donations received to assist in funding the on-going development of the school site. The fund is used to fund the trustees' contribution to small building works.
- **Loreto Sisters Albania Fund**
This fund supports the work of the English Province in Albania.
- **Loreto Sisters Drawn Together Fund**
This fund supports the work of the English Province at Harpenden Childrens' Centre.

Designated funds

- **Province**
To support the sisters and to care for them when they are sick and aged.
- **Ministry**
To support the works of the members in their ministries.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Movement in funds (continued)

Year ended 31 August 2019	Balance 31 August 2018 <i>Restated</i> £	Change in investment valuation £	Fund transfers £	Activity in year £	Balance 31 August 2019 <i>Restated</i> £
Restricted funds					
Patrimony	587,022	(18,919)	-	13,309	581,412
Ministry - Appeal funds	16,500	-	-	(8,309)	8,191
Ministry – Drawn Together	8,491	-	-	3,233	11,724
Ministry – Albania	91,204	-	-	(69,362)	21,842
	<u>703,217</u>	<u>(18,919)</u>	<u>-</u>	<u>(61,129)</u>	<u>623,169</u>
Designated funds					
Ministry					
Functional property	2,992,758	-	-	2,562,169	5,554,927
Other Ministry funds:					
Investments	2,143,359	(48,985)	-	(509,336)	1,585,038
General	2,060,005	-	-	(2,133,388)	(73,383)
	<u>7,196,122</u>	<u>(48,985)</u>	<u>-</u>	<u>(80,555)</u>	<u>7,066,582</u>
Province					
Functional property	5,880,688	-	-	(2,554,347)	3,326,341
Transport	42,861	-	-	5,865	48,726
Other Province funds:					
Investments	3,613,466	71,669	-	(801,251)	2,883,884
General	3,777,834	-	-	2,925,189	6,703,023
	<u>13,314,849</u>	<u>71,669</u>	<u>-</u>	<u>(424,544)</u>	<u>12,961,974</u>
Total funds (parent charity)	<u>21,214,188</u>	<u>3,765</u>	<u>-</u>	<u>(566,228)</u>	<u>20,651,725</u>
Province					
Functional property	5,491,107	-	-	647,969	6,139,076
Other Province funds:					
General	(5,498,117)	-	-	(649,596)	(6,147,713)
	<u>(7,010)</u>	<u>-</u>	<u>-</u>	<u>(1,627)</u>	<u>(8,637)</u>
Total funds (group)	<u>21,207,178</u>	<u>3,765</u>	<u>-</u>	<u>(567,855)</u>	<u>20,643,088</u>

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Movement in funds (continued)

Year ended 31 August 2019	Balance 31 August 2018 <i>Restated</i> £	Change in investment valuation £	Fund transfers £	Activity in year £	Balance 31 August 2019 <i>Restated</i> £
Restricted	703,217	(18,919)	-	(61,129)	623,169
Ministry	7,196,122	(48,985)	-	(80,555)	7,066,582
Province total of charity and subsidiary	<u>13,307,839</u>	<u>71,669</u>	<u>-</u>	<u>(426,171)</u>	<u>12,953,337</u>
Total funds (group)	<u>21,207,178</u>	<u>3,765</u>	<u>-</u>	<u>(567,855)</u>	<u>20,643,088</u>

19 Analysis of net assets between funds – year ended 31 August 2019

Group

	Restricted funds £	Unrestricted funds		2019 Total <i>Restated</i> £
		Ministry £	Province £	
Fixed assets	581,862	7,139,966	12,398,026	20,119,854
Current assets	72,292	399,817	607,554	1,079,663
Creditors: amounts falling due within one year	(30,985)	(473,201)	(52,243)	(556,429)
	<u>623,169</u>	<u>7,066,582</u>	<u>12,953,337</u>	<u>20,643,088</u>

Parent charity

	Restricted funds £	Unrestricted funds		2019 Total <i>Restated</i> £
		Ministry £	Province £	
Fixed assets	581,862	7,139,966	6,258,950	13,980,778
Current assets	72,292	399,817	6,615,387	7,087,496
Creditors: amounts falling due within one year	(30,985)	(473,201)	87,637	(416,549)
	<u>623,169</u>	<u>7,066,582</u>	<u>12,961,974</u>	<u>20,651,725</u>

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20	Deferred income		
		Group	Charity
		£	£
	Balance at 1 September 2019	62,362	62,362
	Amounts deferred in the year	40,643	40,643
	Amounts released to incoming resources	(62,362)	(62,362)
	Balance at 31 August 2020	40,643	40,643

Deferred income comprises prep school fees received in advance and retreat centre deposits received in advance.

21 Legacies

Legacies received in the year amounted to £nil (2019: £94,655).

22 Related Parties

As noted in the trustees' report, Loreto Education Trust is an associated charity. Loreto Education Trust provides services to Loreto Preparatory School (Altrincham). During the year payments of £1,000 (2019: £3,000) were made to the Trust.

The charity provided the land and buildings for the use of Loreto College (St Albans) and Loreto Grammar School (Altrincham) under supplementary agreements, rent free, throughout the year and previous year.

23 Capital commitments

At the year end contractual commitments for capital projects amounted to £132,509 (2019: £132,509).

24 Post balance sheet events

There were no post balance sheet events.

25 Teachers' Pension Scheme

The Preparatory School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for teachers in schools. All teachers have the option to opt out of the TPS following enrolment.

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

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

25 Teachers' Pension Scheme (continued)

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% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The 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 the TPS in the period amounted to £88,116 (2019: £81,692) and at the year-end £nil (2019: £9,435) was accrued in respect of contributions to this scheme.

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

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 above the information available on the scheme.

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)
LORETO SISTERS**

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

26 Prior period adjustment

Group

Reconciliation of funds	1 Jan 2019 £	31 Dec 2019 £
Funds previously reported	27,028,496	26,464,406
Adjustments arising:		
Revaluation of land and buildings	<u>(5,821,318)</u>	<u>(5,821,318)</u>
Funds restated	<u>21,207,178</u>	<u>20,643,088</u>

Company

Reconciliation of funds	1 Jan 2019 £	31 Dec 2019 £
Funds previously reported	27,035,506	26,473,043
Adjustments arising:		
Revaluation of land and buildings	<u>(5,821,318)</u>	<u>(5,821,318)</u>
Funds restated	<u>21,214,188</u>	<u>20,651,725</u>

The trustees have considered the requirements of the recently updated Occupation of School Premises Document, prepared by the Catholic Education Service and have concluded that as the college and schools buildings owned by the charity are now managed by the respective governors under the terms of supplemental agreements and the school buildings included in the 1996 valuations will now have been extensively renovated and modernised or demolished to create space for more up to date facilities; any value attributed to buildings in 1996 is now of doubtful provenance. The most important factor for the charity is continued recognition that ownership of the land remains with the trust. It is expected that the schools will continue to occupy the land for some considerable time into the future and therefore any valuation would be little more than a guess. The trustees are therefore of the opinion that these properties should remain on the trust's Balance Sheet at a nominal value to avoid the need to speculate over value and to continue to demonstrate the trust's ownership. As a result these buildings have been revalued to £1 each as a prior period adjustment.

📍 Offices in: Preston, Blackpool, East Midlands, Kendal, Kirkby Lonsdale, Lancaster, Liverpool, Manchester and Southport

🌐 mooreandsmalley.co.uk

🐦 @MooreandSmalley



Moore and Smalley LLP is a limited liability partnership that is registered in England and Wales under registration number OC313896 whose registered office is Richard House, 9 Winckley Square, Preston, Lancashire, PR1 3HP. The term "partner" indicates a member of the LLP who is not in partnership for the purposes of the Partnership Act 1890 and a list of members is available from the registered office. The LLP trades as MHA Moore and Smalley and is registered to carry on audit work in the UK by The Institute of Chartered Accountants in England and Wales and is authorised and regulated by the Financial Conduct Authority. Moore and Smalley LLP trading as MHA Moore and Smalley is a member of MHA, an independent member of Baker Tilly International Limited, the members of which are separate and independent legal entities. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity, and each describes itself as such. Moore and Smalley LLP is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Moore and Smalley LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. Arrandco Investments Limited is the registered owner of the UK trade mark for the name Baker Tilly. The associated logo is used under licence from Baker Tilly International Limited.

Moore and Smalley C.A. Limited is a limited company that is registered in England and Wales under company number 5373155. Its directors are Deborah Wood FCA and Christine Wilson FCA and its registered office is Richard House, 9 Winckley Square, Preston, Lancashire, PR1 3HP. Moore and Smalley C.A. Limited is a wholly owned subsidiary of Moore and Smalley LLP and trades as MHA Moore and Smalley.

Moore and Smalley LLP (Blackpool) is a member of AISMA, Association of Independent Specialist Medical Accountants.

Moore and Smalley C.A. Limited (Nottingham) is a member of AISMA, Association of Independent Specialist Medical Accountants.