

**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

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**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
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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.

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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.

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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.

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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

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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 lead 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.

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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.

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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.

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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

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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.

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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

		Restricted funds £	Unrestricted funds Ministry £	Province £	2020 Total £	2019 Total Restated £
	Note					
Fixed assets						
Tangible assets	12	-	6,837,614	8,576,969	15,414,583	15,069,070
Investments	13	552,002	1,001,293	2,241,332	3,794,627	5,050,784
		552,002	7,838,907	10,818,301	19,209,210	20,119,854
Current assets						
Debtors	14	9,457	42,126	297,325	348,908	377,304
Cash at bank and in hand	15	38,896	348,479	239,265	626,640	702,359
		48,353	390,605	536,590	975,548	1,079,663
Creditors: amounts falling due within one year	16	(2,250)	(201,636)	(194,991)	(398,877)	(556,429)
Inter-fund debtors / (creditors)		-	(1,249,321)	1,249,321	-	-
Net current assets		46,103	(1,060,352)	1,590,920	576,671	523,234
Net assets		598,105	6,778,555	12,409,221	19,785,881	20,643,088
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		-	6,778,555	-	6,778,555	7,066,582
Total funds	18	598,105	6,778,555	12,409,221	19,785,881	20,643,088

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	(2,250)	(201,636)	(148,006)	(351,892)	(416,549)
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>1,625,794</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>-</u>	<u>6,778,555</u>	<u>-</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>	<u>164,191</u>
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>	<u>168,805</u>
Bank interest	<u>2</u>	<u>31</u>
	<u>121,774</u>	<u>168,836</u>
Represented by:		
Restricted	12,497	15,494
Unrestricted – Province	56,855	75,079
Unrestricted – Ministry	52,422	78,263
	<u>121,774</u>	<u>168,836</u>

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
	<hr/>	<hr/>

7 Other Income

	2020 £	2019 £
Unrestricted – Province:		
Profit on disposal of tangible fixed assets	73,183	-
Coronavirus Job Retention Scheme Grants received	62,007	-
	<hr/>	<hr/>
	135,190	-
	<hr/>	<hr/>

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
	<hr/>	<hr/>
	33,701	39,474
	<hr/>	<hr/>

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)
	<u>(289,209)</u>	<u>3,765</u>

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	<u>11,894</u>	<u>50,759</u>	<u>19,199</u>	<u>12,497</u>	<u>94,349</u>
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	<u>8,480</u>	<u>47,205</u>	<u>21,371</u>	<u>2,675</u>	<u>79,731</u>
Net incoming/(outgoing) resources before transfers	<u>3,414</u>	<u>3,554</u>	<u>(2,172)</u>	<u>9,822</u>	<u>14,618</u>
Transfers (to)/from unrestricted					
Loss on investments:	-	-	-	(39,682)	(39,682)
Net movement in funds for the year	<u>3,414</u>	<u>3,554</u>	<u>(2,172)</u>	<u>(29,860)</u>	<u>(25,064)</u>
Total funds at 1 September 2019	<u>11,724</u>	<u>21,842</u>	<u>8,191</u>	<u>581,412</u>	<u>623,169</u>
Total funds at 31 August 2020	<u><u>15,138</u></u>	<u><u>25,396</u></u>	<u><u>6,019</u></u>	<u><u>551,552</u></u>	<u><u>598,105</u></u>

**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
At 1 September 2019 - <i>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
At 1 September 2019 - <i>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	-	-	-	-
	<u>3,679,102</u>	<u>3,583,733</u>	<u>4,352,105</u>	<u>4,727,201</u>
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	<u>48,399</u>	<u>48,399</u>	<u>87,840</u>	<u>87,840</u>
	<u>3,889,996</u>	<u>3,794,627</u>	<u>4,675,688</u>	<u>5,050,784</u>
	Market value 1 September 2019 £	Additions £	Investment gains and losses £	Market value 31 August 2020 £
Quoted investments	4,727,201	193,098	(1,047,357)	<u>3,583,733</u>

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	<u>1,569,824</u>	<u>656,823</u>	<u>1,562,717</u>	<u>586,571</u>
Gross debtors	1,598,229	687,886	1,591,122	6,696,919
Less inter-fund debtors	<u>(1,249,321)</u>	<u>(310,582)</u>	<u>(1,249,321)</u>	<u>(310,582)</u>
Total debtors (net of inter-fund debtor)	<u>348,908</u>	<u>377,304</u>	<u>341,801</u>	<u>6,386,337</u>

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
	623,169	(39,682)	-	14,618	598,105
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)
	7,066,582	(193,013)	-	(95,014)	6,778,555
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
	12,961,974	(56,514)	-	(485,733)	12,419,727
Total funds (parent charity)	20,651,725	(289,209)	-	(566,129)	19,796,387
Province					
Functional property	6,139,076	-	-	(6,114,708)	24,368
Other Province funds:					
General	(6,147,713)	-	-	6,112,839	(34,874)
	(8,637)	-	-	(1,869)	(10,506)
Total funds (group)	20,643,088	(289,209)	-	(567,998)	19,785,881

**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)
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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 Ministry £	Province £	2019 Total <i>Restated</i> £
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 Ministry £	Province £	2019 Total <i>Restated</i> £
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)
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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)
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**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	(5,821,318)	(5,821,318)
Funds restated	21,207,178	20,643,088

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	(5,821,318)	(5,821,318)
Funds restated	21,214,188	20,651,725

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.

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