



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

**Accounts**

**For The Year Ended  
31 August 2021**

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

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

**CHARITY DETAILS**

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**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 <sup>nd</sup> Floor, 3 Hardman Street	13b Winckley Square
Spinningfields	Preston
Manchester	PR1 3JJ
M3 3HF	

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

## TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

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**The Trustees** present their report and audit consolidated accounts for the year ended 31 August 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the trustees' report and financial statements of the charity.

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

### Charitable Status



The Institute of the Blessed Virgin Mary (IBVM) referred to in this document as 'the Institute' is an International Roman Catholic Religious Congregation of women, present on five continents in twenty-five countries, and was founded in the seventeenth century by an English woman, the Venerable Mary Ward. The Loreto Branch of the Institute, established by Teresa Ball, has its origins in nineteenth century Ireland. The first English House of the Loreto branch of the Institute was founded in 1851 in Manchester. When writing to the community in Ireland Anne Hickey, the first Superior, when referring to the new venture stated, "This is a Glorious Mission". In 2021 we celebrate 170 years of "This Glorious Mission" and to mark the event we have decided to initiate an



ecological project. Loreto Communities have been invited to suggest appropriate ways to mark this significant year.

*'This is a Glorious Mission ...'*

*Anne Hickey letter to Teresa Ball 1851*

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

### Mission

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

The works we undertake are reviewed on a continuous basis to assess their effectiveness in the achievement of our aims and the benefits we have provided to those sectors of the community we set out to help. The most recent review was carried out in March 2015 when the majority of the members of the Province gathered to assess our mission. In conducting this review, we have given due regard to the guidance contained in the Charity Commissioner's General Guidance on Public Benefit.

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

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

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

*During this year all ministries have been affected by the COVID-19 restrictions and lockdown. For some, new skills were developed during this time. In some cases, but not all, social media presented an opportunity for Sisters to conduct their ministries. Alongside telephone calls and letter writing, the use of zoom moved to a new level especially for those known to live alone or those in shielding situations due to health issues. It was also the means of keeping in contact with our communities both here and across the world. We also saw an increase in requests for prayer during this time.*

*Whilst some work could be conducted on social platforms, there were many aspects where this was not possible and therefore had to be suspended due to Government guidance.*

*Whilst some restrictions have been lifted not all organisations have seen the return of volunteers. This can be due to the organisation's caution or on the part of the volunteers themselves.*

### 1. Education

The main areas of responsibility now extend to four schools and a Sixth Form College in England.

One Academy for girls - comprehensive

One aided co-educational comprehensive school

One Academy for girls - grammar

One Sixth Form College supported by the Education Funding Authority

One independent preparatory school

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

The work of the Institute in formal education is conducted through the Loreto Education Trust, a charitable company limited by guarantee established in 2011. The Trust embraces the need to involve lay management in the long-term development of the Institute's college and schools. The Institute has undertaken to provide for an IBVM member to act as Education Officer in the operation of the Loreto English Education Network (LEEN Group) whose management has now been adopted by the Loreto Education Trust. The Trust Board also organises training days for governors.

The LEEN Group is a body originally established by the Institute's Trustees 'to ensure that the Loreto vision and values continue to animate the lives of our schools and college' (LEEN Constitution). This link is necessary as all four schools and the sixth form college are led by lay principals. The body includes the Trustees' named Education Officer who provides pastoral support and management training to develop the Mary Ward ethos along with good educational practice. Since May 2020 this post has been held by Ms Ann Clynch, recently retired principal of Loreto Sixth Form College and long-time co-worker. She offers help where needed to the Heads/Principal in their role as 'carer of the faith' and upholder of the Loreto ethos within the schools and college and supports them as they deal with the constantly changing face of education, made progressively more difficult due to the constantly changing requirements relating to the management of Covid-19, which occur almost daily.

Each year new staff attend an induction weekend during which they are introduced to the history of the Institute and the ethos of Loreto Education. This is followed by on-going support through in-service training days. Sisters also provide much needed support for management in both Institute and diocesan schools where support and mentoring are offered to those who are looking to raise educational standards within their schools.

Additionally, at least two or more of the sisters continue to serve on both the schools'/college's governing bodies and their various committees.

Voluntary support is given in schools helping with music teaching and religious education, as well as supporting pupils who have fallen behind in their education.

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

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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Within our schools and college, we work to maintain and promote a happy, Christian community which will enable pupils and students to grow in understanding of their faith, enjoy relationships based on courtesy, kindness, and co-operation, and develop a joy in learning which will sustain them throughout their adult lives.

The schools and college involve themselves locally and globally in the empowerment of girls and women by marking awareness raising events such as International Women's Day, the International Day of the Girl, Child Labour etc. They also engage in all relevant global concerns, events and fund-raising activities, in particular having links with Loreto Schools across the world. This heightened awareness of social issues at home and abroad in turn influences career choices and the promotion of gender equality.

We also strive to pass on to our students the gospel values passed down to us through Mary Ward, values of sincerity, freedom, justice, truth, joy, excellence and internationality. To make this possible it is important that the buildings in which we carry out our educational ministry are kept in good repair and meet the needs of staff and students. Work to improve facilities is on-going to help achieve our aims of providing the best quality education in a Christian atmosphere and with good facilities. The Institute's Finance and Properties Committee continues to play a major role in assessing the needs of the establishments and works in collaboration with the Trustees.

The Institute achieves its educational aims and objectives by its presence on our School Governing Bodies and through the work undertaken by the Loreto Education Trust. This achievement is in turn measured not only by Ofsted Reports of 'Excellence' but also by year-on-year growth in demand for places at connected schools/college which in turn has led to Institute supported expansion and modernisation programmes. Unfortunately, the pandemic has led to the delay or cancellation of some of these programmes.

On March 21<sup>st</sup> 2021, all educational establishments were closed except for the children of 'key' workers and those considered vulnerable for a variety of reasons due to the COVID-19 pandemic. From the first indication of closure through to the present time our Heads, Principal and staff have worked tirelessly, without a substantial break and in a constantly changing and ever increasingly legislative environment, to deliver a standard of education which befits the historical reputation of success achieved by their respective schools and college. Much time, effort and money has gone into preparing for teaching on school premises and for 'virtual' lessons, as, even with schools open, many lessons still need to be given to 'bubbles' affected by the virus, and because staff themselves may be isolating. All this has made extra demands on existing staff or necessitated extra staff to help with the practical matters which arise each day as different staff members and students are absent. Additionally, our Heads and Principal have gone out of their way to ensure that students with few or no resources for home-learning have been given the help they need, and where necessary families have been supported in an appropriate way. They have also put student welfare ahead of their own concerns with many students experiencing anxiety about how their future would be affected.

### **The schools**

Whilst the governors of each school continue to upgrade the facilities to ensure the best possible learning environment and continued attainment of ratings of excellence from their Ofsted reviews, the religious ethos of each school is now overseen by the Loreto Education Trust.



For the two schools operating under Academy status, the Institute has Supplemental Agreements in place whereby, whilst retaining ownership of the property, the Trustees undertake to the Secretary of State to make the land available for use by the Academy Trust.

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

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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One sister is the JPIC (justice, peace and integrity of creation) representative for the Region and for the schools and works with them to promote these values, encouraging links between the schools and college at sixth form level, as well as encouraging partnerships with Institute schools internationally. In the last two years our JPIC work has developed more specifically through our new JPIC Office in Rome and through our NGO Office at the UN. This has led to our schools and communities adopting the Laudato Si' 7-year plan as the theological foundation for addressing the challenges of climate change in our own lives, our communities, schools, college, parishes and around the world. In terms of our global commitment we maintain links, through our UK schools, with Loreto schools in Kolkata, South Sudan and Peru. More recently our older students have been involved with our UN Office in New York through the Commission on the Status of Women. This involved zoom conversations and led to an international intergenerational webinar on Climate Change organized and led by young past pupils from Loreto Schools in the UK, Spain and India. We hope it will be the first of many new initiatives which challenge and encourage our young people to be advocates for change.

#### **Sixth Form College, Manchester**

The College continues to receive accolades for its excellence in educational provision and pastoral care across all levels of ability from the Pathways to Independent Living to Oxbridge entrance. Its last Ofsted report was outstanding in every area.

One of the key values of the College is that it should be an open access institution. In addition to providing sixth form places for A Level qualification it also provides vocational courses to students who benefit from a more hands-on approach to learning and a pathways department. The college also works to promote interfaith dialogue. The student body is made up of students from a variety of faith traditions, currently 63% of students are Christians, and of the remaining students the majority are Muslim.



The Trustees are also aware that there are some students in the College who are homeless and have worked in collaboration with the senior management team to help meet the needs of these students.

## **2. Pastoral/Outreach Work**

The Trustees continue to make it a priority to reach out to the poor and marginalised in our society by moving personnel into areas of greater need and financing them to carry out social/pastoral work. This involves being advocates in support of the voiceless to enable them to secure the help they are entitled to, in justice, from the state and other agencies.

Several members of the Institute are involved in community-based programmes and support public institutions in the UK, including childcare and family support, community healthcare, general and mental health, hospital and hospice chaplaincy work, counselling, psychotherapy and helping with schemes to support children and adults in the community. Additionally, some members work closely in supporting refugees, asylum seekers and victims of international trafficking.

We have sisters working to promote interfaith/intercultural understanding and the Institute also supports a diocesan outreach programme in Wales.

Two sisters operate as part of an interfaith chaplaincy team at a hospital in Manchester whilst another is a volunteer chaplain at a hospice in Llandudno. The sister working as chaplain in a Manchester hospital has completed a two-stage training programme on the work against trafficking. This training was intended to raise awareness for staff in hospitals and medical establishments who will encounter trafficked people in the course of their work.

# **INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)**

## **LORETO SISTERS**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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Two sisters are engaged in ministry overseas: one in Albania and the other in the Philippines

The Mary Ward Loreto Foundation in Albania is a non-profit organization working cross-border between the UK and Albania to eliminate human trafficking in Albania. MWL in Albania is ensuring that Albania is one of the countries trying its hardest to eradicate this obscene offence against human rights. In recent months MWL Albania has been developing a stronger presence for the work in Britain through the founding of two new CIO in the UK one called Anti Modern Slavery Alliance (AMSA), which is now an established UK charity with many board members having direct working contact with MWL Albania, and also Mary Ward Loreto UK which is still in process of being registered as a UK Charity. Its direct professional online counselling and support services, to discovered and recovered victims in Britain, result in hundreds of victims, (more often than not women and young girls dragged into prostitution, forced labour and drug mule work under the pretence of having been offered a "better life" in the UK,) being enabled to go back home. In Albania we have developed a substantial network of centres offering rehabilitation, educational and social business programmes as well as counselling.

Our sister in the Philippines has now completed three years as a formator with IFFA and is a member of the Management Team. Following the introduction of Covid restrictions in March 2020 all face-to-face teaching ceased, and teaching was conducted by Zoom. Strict lockdown due to COVID, confined all students and staff to the Compound and this posed a challenge for all staff and students. Fortunately, the majority of the students were able to return to their countries in December, whilst others only secured flights in April 2021. The new students for the Formation Course of 2021, were unable to travel to the Philippines, so all classes were conducted online via Zoom. This has been a very challenging experience for both students and IFFA staff.

Several Sisters are currently engaged in work with refugees, asylum seekers and migrants. This work involves meeting with, listening to, supporting and signposting clients to the appropriate staff or agencies best suited to address their needs. The work also involves some English teaching and helping with basic needs and providing translation services where needed. One sister currently works part time in a safe house for victims of people trafficking and modern-day slavery.

Some members have received training in teaching English -TEFOL- a much needed service if people are to integrate and find employment. One sister combines her catechetical and interfaith work with teaching English to refugees and asylum seekers and guiding them into how to access assistance. Another sister is a volunteer providing translation services at the French Speaking Refugee Centre.

One sister attends a local drop-in centre operated by the Charity Revive which receives direct contact or social worker referrals from refugees. When Covid hit the Country, the usual drop-in services were replaced for several months by phone advice and ESOL lessons were zoomed to more than a dozen students. Meanwhile, during the first lockdown, through our Facebook page, volunteers took parcels of food to the 16 families that Revive judged to be most vulnerable. Apart from paying for the food the volunteer often travelled at least a 20 miles round trip. During the second lockdown, again through Facebook, a different person coordinated looking after vulnerable families. It has led to long term links between the refugee family and the contact here in many cases. One fruit of this contact led to a refugee girl of 11yrs who had no laptop being given one to get lessons online and then having a couple of lessons for the 11 plus entrance Exam and subsequently getting a full scholarship to a local High School with fees, travel and uniform paid; the only pupil in her Primary school to do so.

Other sisters are active in the parishes in which they live, many as Eucharistic Ministers, Readers, Catechists, and through their support of many parish initiatives. Others may visit or keep in contact with the elderly or have contact with those in care homes. At an international level sisters engage with interest groups especially in the field of music, art and writing. (Call 1) They have a particular focus on highlighting current issues and exploring the spiritual embodied in art. Work is ongoing to raise awareness of Mary Ward and the work of the Institute. Information and visits to significant sites are facilitated. In addition, care is taken about information which is stored in our archives which gives insight into the lives of the sisters over many generations and we respond to requests from relatives, past pupils from our schools and research students.



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

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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One sister runs the Loreto Drawn Together Parent-Infant Art Psychotherapy and Parent-Infant Psychotherapy Project in Harpenden and the surrounding area. The project offers parent-infant psychotherapy to parents and their babies who are struggling in their new relationship together. The project also offers Art Psychotherapy for under-fives. This service uses art as a way for young children to express themselves without the primary need for words. She also offers clinical supervision to art therapists working in Hospice settings. In addition, she also works with the Counselling Foundation in St Albans as a Personal Development Group Leader for the Certificate Course in Psychodynamic Counselling Skills. As with our other ministries requiring social interaction our sister's work in Harpenden has had to adapt to a changing environment. Additional equipment has been purchased and training taken to enable the ministry to continue by video link and social media. A wider range of meeting facilities has also been necessary to comply with social distancing requirements.



Our sisters' work is not just restricted to their chosen ministries. Throughout the year, the members of the Institute give their time to assist the poor and marginalised wherever that need arises. The sisters receive no financial reward for this work which contributes to the overall achievement of the charity's objectives. This can extend to past pupils from within the worldwide Loreto network who have frequently found solace from informal counselling with our members in times of personal bereavement or stress.

### 3. Nurturing of Religious beliefs and provision of Retreats

The Institute has owned and operated a retreat centre in North Wales since 1976, providing facilities for religious seminars, conferences, and individually guided and preached retreats. These facilities are accessible to people of varying needs and abilities. The Centre also supports those who come for rest and recuperation in a peaceful and supportive environment. Members also conduct retreats at other religious centres, and some take care of parishes where there are no resident priests providing not only liturgical support but also logistical help to parishioners wishing to attend services.

Following the completion of a new care facility for our older and frail sisters in 2018, the Trustees took the decision to relocate the Loreto Spirituality Centre in Llandudno, North Wales to the site of the recently vacated convent following its planned refurbishment. The Spirituality Centre moved into the newly refurbished building in



October 2019. The Centre offers people of all faiths and none a place of peace and tranquillity, for rest, relaxation and prayer. Two sisters work in the Centre supported by a team of dedicated staff. Our programme of retreats is led by our Loreto team, supported by guest directors. Our Centre also offers opportunity for on-going development to those recently trained in spiritual direction; these are given the opportunity to gain experience under the direction and supervision of our Retreat Director. We also work in collaboration with other Retreat Centres through our engagement in training workshops, and outreach work. Our Loreto House community also has several sisters experienced in Spiritual Direction who offer support and practical help, when needed.

The events on the programme include silent individually guided retreats, varying in length from a weekend to 30 days, preached retreats and themed retreats. Our Holy Week is specifically aimed at young people and families. The Theology Summer School is also a popular event in the Centre Calendar.

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

# **INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)**

## **LORETO SISTERS**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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As with other similar residential Centres, COVID-19 and the resulting lockdown had a major impact on the work and development of the Centre. Whilst it was not possible for people to avail of our residential facilities it quickly became evident that during the extremely stressful time of the pandemic many people were looking for Spiritual support. The Spirituality work of the Centre quickly moved to online platforms and was therefore able to offer ongoing support throughout the crisis.

In response to Government announcements the Leadership Team had no alternative than to close the Spirituality Centre on 20<sup>th</sup> March 2020. All staff were advised promptly and were placed on Furlough leave as of that date. All bookings were cancelled and with the consent of most visitors, deposits rolled over to a future retreat. Several large conferences were unfortunately lost and the income for the year frozen at 60% of expected levels. With the easing of lockdown, the Centre did manage to provide a small number of personal retreats in July and August, but the income was modest. In expectation of a busier period in autumn all staff were released from Furlough in August to help with preparing a facility which had been largely unused for five months, but this proved to be in vain with more lockdowns and restrictions introduced in September by the government in Wales.

Our housekeeping and maintenance staff benefitted from the Government furlough scheme and were able to return to their posts and be ready to welcome visitors when Covid restrictions eased. Since the re-opening of the Centre, we have seen the return of many of our regular visitors and if anything, have seen an increase in visitors' numbers.

Another aspect of our ministry comes under the term 'Outreach'. The Loreto Spirituality Centre team works closely with the St Beuno's Outreach team, which seeks to promote retreats in daily life by going out to parishes to lead prayer groups and courses. One Sister belongs to the core group which coordinates and runs this work. Local parishes (Catholic and Church in Wales) also make use of the Centre for their own days of recollection, retreats and meetings. We look for opportunities to meet people in the local area, to engage on an ecumenical level to meet the spiritual needs of the local community. This has in turn led to more local people making use of the facilities of the Centre, both individually and as a community. Several sisters provide retreat direction upon request and are engaged as guest directors for other congregation. Many of the sisters are involved in offering spiritual direction on a regular basis. Our work in 'Outreach' and in local communities had to be suspended until adequate social distancing and safe environment measures could be put in place following the easing of lockdown restrictions. The success of our outreach work can be measured by reference to the continuing excellent relationship with the local diocese.

Others work in parishes providing religious education programmes for adults and young children and one sister works within the interfaith chaplaincy at the University of Birmingham and is resident chaplain at Newman House, Catholic Chaplaincy, providing liturgical and pastoral care to the student community. Another sister is responsible for a parish in North Wales which has no resident priest. In addition to the provision of spiritual support she also supports many initiatives in the local area.

Our work in this area of nurturing Religious Faith and provision of Retreats is mainly carried out through our schools, the local parishes where members of the Institute reside, retreat centres and through the various catholic dioceses.

As with our Pastoral works the successful achievements of our aims are more difficult to assess. However, many of those accessing the programme at the Loreto Spirituality Centre are returning visitors and the Centre has managed to continue to operate self-sufficiently whilst other similar venues have closed. This degree of loyalty has been achieved despite the operational difficulties experienced because of construction on the site. This loyalty was a major factor in our deciding to undertake our programme of refurbishment of the old convent building.

All aspects of our work involve the advancement of religion whether it is in the educational or pastoral fields. While this work is on-going, we have continued to reassess our work and to search for better ways of carrying out this ministry in today's world. One major aspect of this is the training of our lay co-workers so that the work can be carried on into the future when there will be fewer sisters. The Trustees have set aside some finance for this purpose.

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

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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In common with many religious orders the Institute faces the dilemma of meeting ever rising costs from declining income. This shortfall has had to be met from existing funds, but action is being taken to ensure that this utilisation of resources is conducted in a manner which protects the future financial security of the works and membership. At the Province Congregation in April 2014 the membership received an eight-year report of both life and ministry as well as a financial report which helped all assess what had gone before and to plan ahead for the next eight years in the light of the strategic plan outlined.

#### 4. Overseas Activity

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

#### 5. Governance, Structure and Management

In terms of **Canon Law**, the Institute is governed at an international level by the Institute Leader and her Council in Rome. They are elected every eight years at a meeting of representatives of all the provinces and regions of the Institute. At every General Congregation the focus for the next eight years is mandated to General Leadership – these are generally referred to as 'The Calls'. The delegates at the General Congregation in 2014 gave a mandate to General Leadership for the following:

- ***Call 1: Reclaim the freshness of the Gospel, allowing Jesus to transform our lives***
- ***Call 2: Bring those forced to live in poverty to the centre of our life and ministry***
- ***Call 3: Go where the need is greatest***
- ***Call 4: Live sustainably discerning what is enough***
- ***Call 5: Create the oneness that moves us across boundaries***

In response to Call 5: Action (e) - *Evaluate different governance structures and leadership models*, General Leadership invited the English Province to participate in exploring different models, in the furtherance of this mandate and the English Province has operated as a Region since February 2020. The Region now has a different model of leadership and is governed by three Equal Co-Leaders (referred to in this document as the Leadership Team), appointed by the Institute Leader and Council in Rome, after extensive consultation with the membership in England. Members of the Leadership Team were chosen for their personal qualities, their understanding and experience of the ministries of the members throughout the United Kingdom and to secure a good skills mix.



The work in all these areas is of an on-going nature rather than short-term and the sisters and their co-workers work with skill and dedication.

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

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

The delegates at the General Congregation in 2014 gave a mandate to General Leadership to:  
*Initiate a process of Institute-wide education in participative leadership. Call 5: Action (b)*

In the light of this mandate the Leadership Team in the Region has changed some structures in relation to community leadership and are currently experimenting with different models of rotational leadership within both resident communities and communities in dispersal. Members of the Leadership Team are in place to offer on-going support to these rotational leaders. This method of leadership will be monitored over a two-year period and evaluated during the Summer of 2022 in preparation for reporting to the General Congregation in the Autumn of 2022.

Under the new structure, the Leadership Team and two other members from the Region, based on their experience and detailed knowledge of the work of the Charity in their capacity as former council members, will be appointed trustees.

The Regional Treasurer is the finance officer, and the Region has a finance manager working full time. In assessing and supporting the province, the Leadership Team sits with the Finance and Properties Committee which includes an accountant, a lawyer and a surveyor. The pay and remuneration of the Institute's employees, including key management personnel, is reviewed annually by the Finance and Properties Committee which then makes its recommendations to the trustees.

The names of the Trustees on 31 August 2021 are set out on the attached schedule of legal and administrative details.

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

### **Statement of Trustees Responsibilities**

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

The law applicable to charities in England & Wales/Northern Ireland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

### **Structure and Management Reporting**

The trustees are ultimately responsible for the policies, activities, and assets of the charity. The Leadership Team with two former council members are appointed as the trustees. The Region itself is administered by the Leadership team and local Leaders. The Leadership Team meets monthly to review developments and to make operational decisions. The finance manager reports quarterly to this meeting on the current financial state of the province and at other ad hoc intervals at the request of the Leadership Team to provide financial input to decision making.

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

The day-to-day responsibility for the schools lies with the head teachers and governors and members of the Institute are on all the governing bodies. Two members, with management qualifications and skills, are responsible for the day to day running of the pastoral/retreat centre.

### **Working with other organisations**

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

- Roman Catholic Dioceses
- Local education authorities
- Educational establishments
- Other Religious Congregations
- Caritas Albania
- Caritas England and Wales
- Catholic Safeguarding Advisory Service
- Northwest Religious Network Support Group
- National Health Service
- NHS Mental Health Foundation Trust
- Fondacio Asia – Philippines

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

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Risk Assessment Statement

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

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

- 1: **Governance and management** look at the structure of the Institute, and hence the charity, and the skills and training of its members and staff, and the good use of its resources.
- 2: **Operational** looks at the risks inherent in the charity's activities including the operation of its schools and pastoral/retreat centre – members engaging in inappropriate activities, the unsuitability of buildings, poor maintenance, shortcomings in the services provided, difficulties with staff, poor health and safety, lack of a disaster recovery policy etc. When acting in their capacity as school governors, the trustees and members are required to regularly attend training courses and seminars, particularly concerning safeguarding, but also risk assessment generally.
- 3: **Financial** risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies etc. Financial risk also extends to the security of the Institute's future income streams, in particular the receipt of pensions and salaries which currently account for 83% of Province Fund income. This aspect of risk is an important factor in the production of the Institute's strategic plan. The Institute manages its financial affairs by reference to an annual budget, performance against which is monitored by the trustees.
- 4: **Reputational** looks at possible damage to the Institute's and/or charity's reputation. We take the issue of safeguarding extremely seriously.  
In line with statutory requirements, the trustees recognise the absolute necessity of ensuring the protection and safety of all those the charity serves. All sisters who are in any kind of ministry in the United Kingdom obtain Disclosure and Barring Service clearance as do the staff at Loreto House. The Institute representative keeps abreast of Institute policy and controls the DBS checks on members and employees. The representative also reports annually to the Leadership Team.

#### Safeguarding report

Due to on-going COVID-19 restrictions the greater part of the year has meant contact/meetings having to be arranged by zoom.

The restructuring of Safeguarding in the Catholic Church, with the 'One Church' approach, implementing the safeguarding recommendations from the Elliott Review as agreed by the Bishops' Conference, is well underway replacing CSAS with CSSA (Catholic Safeguarding Standards Agency) to which all will be accountable. To better serve the needs of Religious a new dedicated safeguarding service has been created – RLSS (Religious Life Safeguarding Service) – instead of Alignment to a Diocese. We will enter into a contractual arrangement with both the CSSA and the RLSS.

Since February six zoom meetings have taken place to explain key developments. The Safeguarding Lead as well as the Regional Safeguarding Representative/Trustee, have attended these along with the other members of the Leadership Team when they have been available. There have also been meetings with our Aligned Diocese Coordinator and our North West Religious Orders network group. Modular training has also continued from the Diocese which we have accessed.

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

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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An initial contact has been received that would indicate some possible abuse, but the individual was unable, at the time of the contact, to provide further details and as such we cannot categorise the nature of the concern. We remain open to further contact and will progress the concern according to national procedures if we have sufficient information to do so.

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

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

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

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

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

### Activities, Specific Objectives and Relevant Policies

The global COVID-19 pandemic has affected all walks of life and our charity's activities have suffered accordingly. In addition to measures imposed by government guidance such as social distancing and travel restrictions we have also had to have regard to the vulnerability of our elderly sisters when carrying out ministries previously taken as read. In some instances, this had resulted in the curtailment of individual works, particularly where social contact is involved, and in others it has resulted in additional responsibilities and expense. Our objectives remain the same but our ability to achieve them limited. In describing our activities below, we also make note of our limitations.

### Care for Members of the Institute

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

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

In the past twelve months four Sisters in our Region have died - their deaths were not Covid related.



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

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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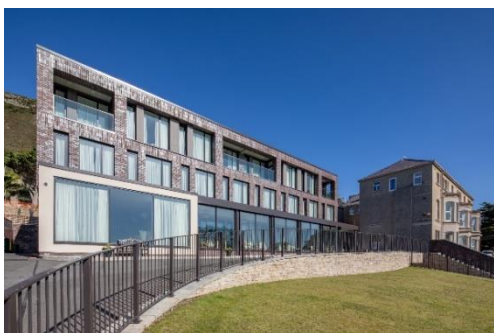
There are 38 sisters in the English Region, and they live and work in several locations across England, Scotland and Wales. Two sisters work overseas, one in Albania and one in the Philippines.

The introduction of lockdown in March 2020 and the advice given regarding safeguarding the elderly meant that we had to review access to all our convent accommodations as without exception they housed potentially vulnerable sisters. The manager of our care facility in Llandudno conducted an extensive health and safety review and quickly introduced protocols and procured PPE to keep the facility safe. Her staff were very supportive in this and where necessary volunteered to work additional hours rather than introduce agency workers and the incumbent extra risk. The facility, in a high-risk area of North Wales, experienced no cases of COVID-19. Two staff members were required to isolate as being at risk or being responsible for vulnerable people at home. We also operate two other smaller convent homes where residents were deemed at risk through age. Cleaning, cooking and maintenance staff were all placed on furlough and here also no COVID-19 cases were experienced. When lockdown was lifted procedures and equipment were put in place to ensure a safe working environment and the staff invited to return to work.

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

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

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



A measure of our continuing success in achieving our aims in this area was the completion of our new convent building in Llandudno. Loreto House provides fit for purpose accommodation for fourteen elderly and frail sisters. In addition, there are six self-contained apartments offering independent living accommodation for more-able sisters. Under the direction of our experienced Matron and her dedicated team, sisters receive around the clock care, tailored to their needs, aimed at enabling independence for as long as possible. Situated as it is close to our Retreat Centre it enables our elderly sisters to connect with ministry which is central to the mission of the Institute. The building was handed over for occupation in March 2018.

### **Employees, Volunteers and Members of the Institute**

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

### **Grants, Donations and Support of Missionary Work and Ministry**

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



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

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Fundraising Policy**

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

### **Investment Policy**

The charity has a portfolio of investments with a market value of £3,854,545 managed by two long established stockbroker firms with much experience in investing funds for charitable organisations – Investec Wealth and Investment Limited and Hedley & Co. Both firms operate within specific guidelines, which are set out and regularly reviewed by the Trustee appointed Investment Committee. The Investment Committee in turn reports twice annually to the trustees. There are no restrictions on the charity's power to invest.

The investment strategy is to achieve a balanced return from income and capital growth by reference to recognised charity sector benchmarks subject to a medium risk portfolio structure. As well as these investments a further £124,890 is held on special deposits to be recalled when needed to meet our contingent liabilities and planned works.

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

The investment committee meets several times during the year to review the performance of the portfolio and the continued appropriateness of the charity's investment strategy. The investment managers attend these meetings to present a formal report on an ad hoc basis but at least annually. The Charity has selected the FTSE WMA Balanced Portfolio as the benchmark against which the performance of its investment managers is assessed. Although market uncertainty remains due to many factors, (post-Brexit supply chain issues, Covid-19 variants, regulatory crackdowns in China causing problems with outputs, gas supply issues), the performance of our investment portfolios returned around 15% (benchmark 16%) in 2021.

## **Achievements and Performance**

### **Financial Review**

The charity's financial performance has continued to be significantly affected by the COVID-19 pandemic. In summarising the individual components making up the total deficit for the year, the trustees have indicated the approximate costs/revenues relating to the pandemic and possible future implications.

### **Results for the year**

During 2020/21 incoming resources amounted to £1,916,484 (2020: £2,130,933). Of this total, £1,029,371 (2020: £1,114,201) related to the fee's receivable and other income of the charity's establishments and £66,963 (2020: £88,646) was received by way of donations. No legacies were received (2020: £nil). Salaries and pensions of the sisters covenanted to the charity amounted to £653,383 (2020: £671,122) representing a fall of 2.6% compared to 8% in 2020. Investment income and interest received totalled £82,617 (2020: £121,774). This is a 32% decline in investment income.

Income from charitable activities and investment income continue to be significantly affected by COVID-19. Further lockdown restrictions in Wales meant the retreat centre had to remain closed until June 2021. As a result, donation levels for 2021 were only approximately 42% of the norm.

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

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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Low interest rates on bonds and reduced dividend payments continue to add to the fall in investment income associated with investment realisations. Investment income in 2021 fell by 32% compared to 2020.

Other income includes £25,545 (2020: £62,007) received from the government Coronavirus Job Retention Scheme and £20,000 in Welsh government business rate support grants. It also includes the Welsh government 'bonus to carers' payment of £21,730 and £16,875 received from the UK government 'challenger bank' switch incentive scheme.

Resources expended totalled £2,546,075 (2020: £2,698,931) a decrease of 5.7%. Staff costs at the school and retreat centre still represent a significant proportion (30%) of total expenditure, amounting to £811,127 (2020: £855,028).

Expenditure on maintaining the members of the Institute and supporting them in their pastoral work and ministry remained stable in total at £1,276,988 (2020: £1,278,814). Of this, the running costs and maintenance of buildings were £267,765 (2020: £290,788) and carers' payroll and nursing costs were £467,988 (2020: £429,016). Expenditure on governance and the fees paid to the charity's investment managers amounted to £72,120 (2020: £71,104). Whilst the increase in nursing costs experienced in 2020 due to COVID-19 continue to apply, along with many care facilities in the local community, we have experienced increasing difficulties with staff retention and recruitment due to growing pressure from local NHS establishments offering pay rates in excess of 40% above prevailing local rates.

Investment values recovered strongly as markets began to recover from the impact of COVID-19 giving rise to gains of £679,036 (2020: £289,209 loss).

Net movement of funds for the year was an inflow of £49,445 (2020: £857,207 net outflow).

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

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

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

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

Functional property belonging to the Institute has been included on the Balance Sheet at Trustees' valuation in 1996, which was achieved with help from professional advisers. The school's element of this valuation has now been revalued. (notes to the accounts 1)

### **Reserves Policy**

The reader will see from the information given that the charity carries out a diverse range of activities and is responsible for the care and support of sisters whose average age is increasing and whose needs are changing. The trustees have examined the need for free reserves i.e., those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. For several years the charity has looked to its assets to make good shortfalls of income from expenditure by providing the necessary funding to maintain

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

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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liquidity. The trustees consider that, given the nature of the charity's work, its commitments and the age profile of its members, this funding requirement will continue into the foreseeable future and therefore it is unlikely that uncommitted reserves will become available.

#### **Financial Position**

The group balance sheet shows total reserves of £19,835,326 (2020: £19,785,881). Of this £15,416,942 (2020: £15,414,583) is represented by properties, assets under construction and other tangible fixed assets essential for the support and work of the sisters.

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

1. Province Fund – to support the Sisters in their work as they give their services voluntarily and to care for them when they are sick and aged. The value of this fund is £12,401,522 (2020: £12,409,221) of which £8,579,328 (2020: £8,576,969) represents tangible fixed assets. The net current assets of the fund are £547,237 (2019: £1,590,920). As at 31 August 2021 assets under construction totalled £36,691 (2020: £24,368). Shortfalls of income to meet short term operating requirements continue to be met from investment realisations
2. Ministry Development Fund – to support our schools, establishments and other charitable donations made for the public benefit within the terms of our governing document. The value of this fund is £6,691,050 (2020: £6,778,555) of which £6,837,614 (2020: £6,837,614) represents tangible fixed assets. The net current assets of the fund are £146,922 in deficit (2019: £1,060,352 in deficit). The reduction in deficit is due to an on-going review of the fund and the subsequent transfer of investment assets to the Province Fund. The transfer provides support to the Province Fund and its investment realisations to meet funding deficits and provides improved visibility over the remaining property assets.

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

#### **Future Plans**

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

- To continue to be trustees for three Loreto schools and a Loreto sixth form college;
- To continue the development of Loreto ethos at Loreto Chorlton;
- To continue to provide training for its school governors;
- To continue to support other schools;
- To continue to control Loreto Education Trust, a company limited by guarantee and established to manage the operations of the schools and college whilst at the same time continuing the ethos of Mary Ward into the future;
- To continue to develop new projects which deliver public benefit such as the mother and infant project;
- To continue with its pastoral/outreach work at several locations across the country;
- To continue to explore interfaith work and to train new members to degree level in religious studies and theology to prepare them for future ministry in a multi-cultural/multi-faith society;
- To continue the development of its Loreto Spirituality Centre in Llandudno;
- To maintain and increase awareness of the religious tenets of its founder, The Venerable Mary Ward;

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

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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- To continue to care for the sisters and enable them to carry out their various ministries where they will continue to reach out to the poor and marginalised and the victims of trafficking;
- To meet the requirements of the various statutory bodies;
- To continue to employ high quality staff and to ensure they are given appropriate and relevant training;
- To support the work of the English Province in Albania;
- To monitor the needs of the sisters as they grow older and, if necessary, adapt the charity's plans in respect of property needs and the provision of care to elderly members.
- To continue to encourage new membership

The Trustees re-appointed MHA Moore and Smalley as auditor and the firm has indicated its willingness to continue in office for the coming year.

### Compliance

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

This report was approved by the Trustees of the Charity on 07/01/2022 and signed on their behalf by:

*B. Boland*

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**B Boland - Trustee**

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

## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Opinion**

We have audited the financial statements of The Institute of the Blessed Virgin Mary (English Province) Loreto Sisters (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Group Statement of Financial Activities, the Group and Parent Charity Balance Sheet, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 August 2021, and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

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

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

## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Other information (continued)**

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

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on pages 10-11, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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

- Enquiries with management about any known or suspect instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to future performance of the group;
- An evaluation of the risk of management override of controls and subsequent testing, including through testing journal entries and other adjustments for appropriateness;
- An evaluation of the company's internal control environment; and
- Reviewing board minutes and resolutions.

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

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

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

#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*MHA Moore and Smalley*

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

Richard House  
Winckley Square  
Preston  
PR1 3HP

12/01/2022  
.....

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

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

**GROUP STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Restricted Funds £	Unrestricted funds Ministry £	Province £	2021 Total £	2020 Total £
<b>Income from:</b>						
Donations and legacies	4	57,974	-	662,372	720,346	759,768
Investments	5	13,055	3	69,559	82,617	121,774
Charitable activities	6	-	1,029,371	-	1,029,371	1,114,201
Other	7	-	45,545	38,605	84,150	135,190
<b>Total income</b>		<b>71,029</b>	<b>1,074,919</b>	<b>770,536</b>	<b>1,916,484</b>	<b>2,130,933</b>
<b>Expenditure on:</b>						
Raising funds	8	2,993	-	28,726	31,719	33,701
Charitable activities	9	63,888	1,162,425	1,288,043	2,514,356	2,665,230
<b>Total expenditure</b>		<b>66,881</b>	<b>1,162,425</b>	<b>1,316,769</b>	<b>2,546,075</b>	<b>2,698,931</b>
Net gain/(loss) on investments	10	142,057	-	536,979	679,036	(289,209)
<b>Net (expenditure)</b>		<b>146,205</b>	<b>(87,506)</b>	<b>(9,254)</b>	<b>49,445</b>	<b>(857,207)</b>
Transfers between funds		(1,555)	-	1,555	-	-
<b>Net movement in funds</b>		<b>144,650</b>	<b>(87,506)</b>	<b>(7,699)</b>	<b>49,445</b>	<b>(857,207)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		598,105	6,778,555	12,409,221	19,785,881	20,643,088
<b>Total funds carried forward</b>		<b>742,755</b>	<b>6,691,049</b>	<b>12,401,522</b>	<b>19,835,326</b>	<b>19,785,881</b>



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

**GROUP BALANCE SHEET**

**AS AT 31 AUGUST 2021**

	Note	Restricted funds £	Unrestricted funds Ministry £	Province £	2021 Total £	2020 Total £
<b>Fixed assets</b>						
Tangible assets	12	-	6,837,614	8,579,328	15,416,942	15,414,583
Investments	13	704,121	357	3,274,957	3,979,435	3,794,627
		704,121	6,837,971	11,854,285	19,396,377	19,209,210
<b>Current assets</b>						
Debtors	14	5,778	32,650	77,804	116,232	348,908
Cash at bank and in hand	15	53,782	350,552	259,328	663,662	626,640
		59,560	383,202	337,132	779,894	975,548
<b>Creditors: amounts falling due within one year</b>	16	(20,926)	(140,655)	(179,364)	(340,945)	(398,877)
<b>Inter-fund debtors / (creditors)</b>		-	(389,469)	389,469	-	-
<b>Net current assets</b>		38,634	(146,922)	547,237	438,949	576,671
<b>Net assets</b>		742,755	6,691,049	12,401,522	19,835,326	19,785,881
<b>Funds</b>						
Restricted funds		742,755	-	-	742,755	598,105
Unrestricted funds:						
Designated - Province fund		-	-	12,401,521	12,401,521	12,409,221
Designated - Ministry fund		-	6,691,050	-	6,691,050	6,778,555
<b>Total funds</b>	18	742,755	6,691,050	12,401,521	19,835,326	19,785,881

**Certificate of trustees**

These financial statements were approved by the trustees on 07/01/2022

*Kate Myers*

K Myers - Trustee

*B. Boland*

B Boland - Trustee

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

**PARENT CHARITY BALANCE SHEET**

**AS AT 31 AUGUST 2021**

	Note	Restricted funds £	Unrestricted funds Ministry £	Province £	2021 Total £	2020 Total £
<b>Fixed assets</b>						
Tangible assets	12	-	6,837,614	8,542,637	15,380,251	15,390,215
Investments	13	<u>704,121</u>	<u>357</u>	<u>3,274,957</u>	<u>3,979,435</u>	<u>3,794,627</u>
		<u>704,121</u>	<u>6,837,971</u>	<u>11,817,594</u>	<u>19,359,686</u>	<u>19,184,842</u>
<b>Current assets</b>						
Debtors	14	5,778	32,650	73,510	111,938	341,801
Cash at bank and in hand	15	<u>53,782</u>	<u>350,552</u>	<u>256,603</u>	<u>660,937</u>	<u>621,636</u>
		59,560	383,202	330,113	772,875	963,437
<b>Creditors: amounts falling due within one year</b>	16	<u>(20,926)</u>	<u>(140,655)</u>	<u>(123,280)</u>	<u>(284,861)</u>	<u>(351,892)</u>
Inter-fund debtors / (creditors)		-	<u>(389,469)</u>	<u>389,469</u>	-	-
<b>Net current assets</b>		<u>38,634</u>	<u>(146,922)</u>	<u>596,302</u>	<u>488,014</u>	<u>611,545</u>
<b>Net assets</b>		<u>742,755</u>	<u>6,691,049</u>	<u>12,413,896</u>	<u>19,847,700</u>	<u>19,796,387</u>
<b>Funds</b>						
Restricted funds		742,755	-	-	742,755	598,105
Unrestricted funds:						
Designated - Province fund		-	-	12,413,895	12,413,895	12,419,727
Designated - Ministry fund		<u>-</u>	<u>6,691,050</u>	<u>-</u>	<u>6,691,050</u>	<u>6,778,555</u>
<b>Total funds</b>	18	<u>742,755</u>	<u>6,691,050</u>	<u>12,413,895</u>	<u>19,847,700</u>	<u>19,796,387</u>

**Certificate of trustees**

These financial statements were approved by the trustees on 07/01/2022

*Kate Myers*

.....  
K Myers - Trustee

*B. Boland*

.....  
B Boland - Trustee

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

**GROUP STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

	2021 £	2020 £
<b>Net cash outflow from operating activities</b>	<b>(527,804)</b>	(601,789)
<b>Cash flow from investing activities</b>		
Payments to acquire tangible fixed assets	<b>(12,323)</b>	(463,815)
Receipts from sales of tangible fixed assets	<b>275</b>	(86,473)
Payments to acquire investments	<b>(409,276)</b>	(193,098)
Receipts from sales of investments	<b>817,500</b>	1,047,357
Investment income	<b>82,646</b>	109,410
<b>Net cash flow from investing activities</b>	<b>478,822</b>	413,381
<b>Net (decrease) in cash and cash equivalents</b>	<b>(48,982)</b>	(188,408)
Cash and cash equivalents b/fwd	<b>837,534</b>	1,025,942
<b>Cash and cash equivalents c/fwd</b>	<b>788,552</b>	837,534
<b>Consisting of:</b>		
Monies held for investment	<b>124,890</b>	210,894
Cash at bank and in hand	<b>663,662</b>	626,640
	<b>788,552</b>	837,534
Reconciliation of net (expenditure) for the year to net cash flow from operating activities		
Net (expenditure) for the year	<b>49,445</b>	(857,207)
Investment income received	<b>(82,646)</b>	(109,410)
(Gain)/Loss on disposal of tangible fixed assets	<b>(201)</b>	(71,987)
Loss/(Gain) on investments	<b>(679,036)</b>	289,209
Depreciation of tangible assets	<b>9,890</b>	11,486
Decrease/(Increase) in debtors, net of capital debtors	<b>232,676</b>	(644,868)
Increase/(Decrease) in creditors, net of capital creditors	<b>(57,932)</b>	780,988
<b>Net cash flow from operating activities</b>	<b>(527,804)</b>	(601,789)

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

## **NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **1 Accounting policies**

#### **Basis of preparation**

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

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

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

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

#### **Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist notwithstanding the impact of COVID-19. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure together with funds available from investment and property realisations are sufficient for the charity to be able to continue as a going concern.

#### **Fund accounting**

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

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

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

The accounts comprise:

#### **Restricted funds**

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

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

## **NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Restricted funds (continued)**

- Loreto Sisters Drawn Together Fund

### **Ministry (unrestricted)**

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

### **Province (unrestricted)**

- Province Fund
- Houses

### **Incoming resources**

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

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

### **Covenanted salaries and pensions**

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

### **Resources expended**

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

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

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

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

### **Governance costs**

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

### **Foreign currencies**

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

### **Debtors and creditors**

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

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

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### Pension schemes

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

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

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

### Tangible fixed assets

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

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

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

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

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

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

### Investments

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

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

**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Judgements and key sources of estimation uncertainty**

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

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

**Key assumptions, judgements and estimates**

*Valuation of land and buildings*

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

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

**2 Staff costs and trustees' remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Staff costs during the year were as follows:		restated
Wages and salaries	<b>1,182,036</b>	1,169,503
Social security costs	<b>92,584</b>	88,457
Pension costs	<b>100,059</b>	107,050
	<b>1,374,679</b>	1,365,010

The average number of employees during the year was 70 (2020: 70). The number of employees earning over £60,000 per annum excluding pension contributions was 1 (2020: 1).

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

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Aggregate remuneration of key management personnel	<b>119,524</b>	115,612

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

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**3 Auditor's remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Amounts payable to the auditor (including VAT) was as follows:		
Audit services	<b>16,740</b>	16,800
Other services	<b>19,836</b>	20,814
	<b>36,576</b>	37,614

**4 Income from donations and legacies**

<b>Current Year</b>	<b>Restricted Funds £</b>	<b>Unrestricted funds Ministry</b>	<b>Unrestricted funds Province £</b>	<b>Total 2021 £</b>
Donations and gifts	<b>57,974</b>	-	<b>8,989</b>	<b>66,963</b>
Legacies	-	-	-	-
Covenanted salaries and pensions (see below)	-	-	<b>653,383</b>	<b>653,383</b>
	<b>57,974</b>	-	<b>662,372</b>	<b>720,346</b>
<b>Prior Year</b>	<b>Restricted Funds £</b>	<b>Unrestricted funds Ministry</b>	<b>Unrestricted funds Province £</b>	<b>Total 2020 £</b>
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

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



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

**NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

**5 Income from investments**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Gilt edged securities	-	-
Other fixed interest	<b>16,299</b>	23,948
Europe fixed interest	-	-
Equities: UK	<b>44,317</b>	56,206
European	<b>12,080</b>	16,286
Global	<b>9,950</b>	12,970
	<b>82,646</b>	109,410
Monies held for investment in the UK		
National Savings	<b>3</b>	42
Monies held by stockbroker	<b>92</b>	11,872
Treasury Deposits	<b>(124)</b>	448
	<b>82,617</b>	121,772
Bank interest	-	2
	<b>82,617</b>	121,774
Represented by:	<b>2021</b>	<b>2020</b>
Restricted	<b>13,055</b>	12,497
Unrestricted – Province	<b>69,559</b>	56,855
Unrestricted – Ministry	<b>3</b>	52,422
	<b>82,617</b>	121,774

**6 Income from charitable activities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Unrestricted – Ministry:		
School fees and retreat centre	<b>1,029,371</b>	1,114,201

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

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

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**7 Other Income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Challenger Bank switch incentive	<b>16,875</b>	-
Welsh Government bonus for carers	<b>21,730</b>	-
Profit on disposal of tangible fixed assets	-	73,183
CJRS and Business Rates support grants received	<b>45,545</b>	62,007
	<b>84,150</b>	135,190

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

**8 Expenditure on raising funds**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Restricted - Patrimony	<b>2,993</b>	2,675
Unrestricted - Province	<b>28,726</b>	24,071
Unrestricted - Ministry	-	6,955
	<b>31,719</b>	33,701

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

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**9 Expenditure on charitable activities**

	Restricted Funds £	Unrestricted funds Ministry	Unrestricted funds Province £	Total 2021 £
Salaries for the school and retreat centre	-	811,127	-	811,127
Running costs and maintenance of buildings	-	284,053	267,765	551,818
Depreciation of fixed assets	-	-	9,890	9,890
Losses on disposal of properties	-	-	-	-
Community expenses	-	-	352,924	352,924
Nursing fees and medical care	-	-	467,988	467,988
Formation and ministry	50,503	40,736	11,055	102,294
Levy paid to the Generalate	-	26,509	-	26,509
Grants and expenditure on supported schools	13,385	-	-	13,385
Governance costs - payroll	-	-	20,626	20,626
Governance costs - audit	-	-	19,775	19,775
Support costs	-	-	138,020	138,020
	<b>63,888</b>	<b>1,162,425</b>	<b>1,288,043</b>	<b>2,514,356</b>

	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
	<b>77,056</b>	<b>1,309,360</b>	<b>1,278,814</b>	<b>2,665,230</b>

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

**NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

**10 Net gain/(loss) on investments**

	2021 £	2020 £
Restricted	142,057	(39,682)
Unrestricted – Province	536,979	(193,013)
Unrestricted – Ministry	-	(56,514)
	<u>679,036</u>	<u>(289,209)</u>

**11 Analysis of movement in restricted funds**

	Drawn together £	Albania £	Appeal funds £	Patrimony Fund £	Total restricted funds £
<b>Incoming resources</b>					
Other income	6,772	37,436	2,432	-	46,640
Legacies received	-	-	-	-	-
Loreto College, St Albans Appeal	-	-	11,334	-	11,334
Investment income	-	-	-	13,055	13,055
<b>Total incoming resources</b>	<u>6,772</u>	<u>37,436</u>	<u>13,766</u>	<u>13,055</u>	<u>71,029</u>
<b>Resources expended</b>					
Raising Funds	-	-	-	2,993	2,993
Costs of activities in furtherance of charitable objects:					
Ministry	8,629	41,874	-	-	50,503
Expenditure on schools	-	-	13,385	-	13,385
<b>Total resources expended</b>	<u>8,629</u>	<u>41,874</u>	<u>13,385</u>	<u>2,993</u>	<u>66,881</u>
<b>Net incoming/(outgoing) resources before transfers</b>	<u>(1,857)</u>	<u>(4,438)</u>	<u>381</u>	<u>10,062</u>	<u>4,148</u>
<b>Transfers (to)/from unrestricted</b>				(1,555)	(1,555)
<b>Gain on investments:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,057</u>	<u>142,057</u>
<b>Net movement in funds for the year</b>	<u>(1,857)</u>	<u>(4,438)</u>	<u>381</u>	<u>150,564</u>	<u>144,650</u>
<b>Total funds at 1 September 2020</b>	<u>15,138</u>	<u>25,396</u>	<u>6,019</u>	<u>551,552</u>	<u>598,105</u>
<b>Total funds at 31 August 2021</b>	<u><u>13,281</u></u>	<u><u>20,958</u></u>	<u><u>6,400</u></u>	<u><u>702,116</u></u>	<u><u>742,755</u></u>

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

**NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

**12 Fixed assets**

<b>GROUP</b>	<b>Assets under construction £</b>	<b>Land and buildings inc. fixtures £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost or deemed cost</b>				
Balance at 1 September 2020	24,368	15,344,271	176,304	15,544,943
Additions	12,323	-	-	12,323
Disposals	-	-	(12,509)	(12,509)
Completions/Transfers	-	-	-	-
<b>Balance at 31 August 2021</b>	<b>36,691</b>	<b>15,344,271</b>	<b>163,795</b>	<b>15,544,757</b>
<b>Depreciation and impairment</b>				
Balance at 1 September 2020	-	-	130,361	130,360
Charge for the year	-	-	9,890	9,890
On disposals	-	-	(12,435)	(12,435)
<b>Balance at 31 August 2021</b>	<b>-</b>	<b>-</b>	<b>127,816</b>	<b>127,815</b>
<b>Net book value At 31 August 2021</b>	<b>36,691</b>	<b>15,344,271</b>	<b>35,980</b>	<b>15,416,942</b>
At 1 September 2020	24,368	15,344,271	45,943	15,414,583
<b>PARENT CHARITY</b>		<b>Land and buildings inc. fixtures £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost or deemed cost</b>				
Balance at 1 September 2020		15,344,271	176,304	15,520,575
Additions		-	-	-
Disposals		-	(12,509)	(12,509)
<b>Balance at 31 August 2021</b>		<b>15,344,271</b>	<b>163,795</b>	<b>15,508,066</b>
<b>Depreciation and impairment</b>				
Balance at 1 September 2020		-	130,361	130,361
Charge for the year		-	9,890	9,890
On disposals		-	(12,435)	(12,435)
<b>Balance at 31 August 2021</b>		<b>-</b>	<b>127,816</b>	<b>127,816</b>
<b>Net book value At 31 August 2021</b>		<b>15,344,271</b>	<b>35,980</b>	<b>15,380,251</b>
At 1 September 2020		15,344,271	45,943	15,390,215

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

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**13 Investments**

GROUP AND PARENT CHARITY	2021		2020	
	Cost £	Market value £	Cost £	Market value £
Gilt edged securities	-	-	-	-
Other fixed interest	520,941	560,854	516,604	548,692
Europe fixed interest	-	-	-	-
Equities: UK	1,595,707	1,630,755	1,733,874	1,466,299
European	665,345	808,942	633,647	653,056
Global	676,231	853,994	794,977	915,686
Unit trusts	-	-	-	-
	<u>3,458,224</u>	<u>3,854,545</u>	<u>3,679,102</u>	<u>3,583,733</u>
<b>Monies held for investment in UK:</b>				
National Savings	2,473	2,473	2,456	2,456
Monies held by stockbroker	73,988	73,988	160,039	160,039
Treasury Deposits	<u>48,429</u>	<u>48,429</u>	<u>48,399</u>	<u>48,399</u>
	<u>3,583,114</u>	<u>3,979,435</u>	<u>3,889,996</u>	<u>3,794,627</u>
	<b>Market value 1 September 2020 £</b>	<b>Additions £</b>	<b>(Disposals) £</b>	<b>Investment gains and losses £</b>
Quoted investments	3,583,733	409,276	817,500	679,036
	<u>3,583,733</u>	<u>409,276</u>	<u>817,500</u>	<u>679,036</u>
				<b>3,854,545</b>

**14 Current assets**

	Group		Parent Charity	
	2021 £	2020 £	2021 £	2020 £
<b>Debtors</b>				
Amounts owed by group undertakings	-	-	-	-
Prepayments and accrued income	23,256	25,148	23,256	25,148
Income tax recoverable	5,688	3,257	5,688	3,257
Other debtors	<u>476,757</u>	<u>1,569,824</u>	<u>472,463</u>	<u>1,562,717</u>
Gross debtors	505,701	1,598,229	501,407	1,591,122
Less inter-fund debtors	<u>(389,469)</u>	<u>(1,249,321)</u>	<u>(389,469)</u>	<u>(1,249,321)</u>
Total debtors (net of inter-fund debtor)	<u>116,232</u>	<u>348,908</u>	<u>111,938</u>	<u>341,801</u>

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

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**15 Cash at bank and in hand**

	<b>Group</b>		<b>Parent Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cash at bank and in hand</b>				
Interest bearing accounts	<b>659,876</b>	619,229	<b>659,876</b>	619,229
Cash balances	<b>3,786</b>	7,411	<b>1,061</b>	2,406
	<b>663,662</b>	626,640	<b>660,937</b>	621,636

**16 Liabilities**

	<b>Group</b>		<b>Parent Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>				
Creditors	<b>267,938</b>	230,247	<b>129,583</b>	91,112
Amounts due to group undertakings	-	-	<b>83,784</b>	93,674
Deferred income	<b>34,258</b>	40,643	<b>34,258</b>	40,643
Payroll	<b>19,712</b>	25,826	<b>19,712</b>	25,826
Accruals	<b>408,506</b>	1,351,482	<b>406,993</b>	1,349,958
Gross liabilities	<b>730,414</b>	1,648,198	<b>674,330</b>	1,601,213
Less inter-fund creditor	<b>(389,469)</b>	(1,249,321)	<b>(389,469)</b>	(1,249,321)
Total liabilities (net of inter-fund creditor)	<b>340,945</b>	398,877	<b>284,861</b>	351,892

**17 Borrowings and contingencies**

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

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

**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**18 Movement in funds**

**Year ended 31 August 2021**

	Balance 1 September 2020 £	Change in investment valuation £	Fund transfers £	Activity in year £	Balance 31 August 2021 £
<b>Restricted funds</b>					
Patrimony	551,552	142,057	(1,555)	10,062	<b>702,116</b>
Ministry – Appeal funds	6,019	-	-	381	<b>6,400</b>
Ministry – Drawn Together	15,138	-	-	(1,857)	<b>13,281</b>
Ministry – Albania	25,396	-	-	(4,438)	<b>20,958</b>
	<u>598,105</u>	<u>142,057</u>	<u>(1,555)</u>	<u>4,148</u>	<u>742,755</u>
<b>Designated funds</b>					
<b>Ministry</b>					
Functional property	6,837,614	-	-	-	<b>6,837,614</b>
Other Ministry funds:					
Investments	1,001,293	-	-	(1,000,936)	<b>357</b>
General	<u>(1,060,352)</u>	<u>-</u>	<u>-</u>	<u>913,430</u>	<u>(146,922)</u>
	<u>6,778,555</u>	<u>-</u>	<u>-</u>	<u>(87,506)</u>	<u>6,691,049</u>
<b>Province</b>					
Functional property	8,506,658	-	-	-	<b>8,506,658</b>
Transport	45,943	-	-	(9,964)	<b>35,979</b>
Other Province funds:					
Investments	2,241,332	536,979	-	496,646	<b>3,274,957</b>
General	<u>1,625,794</u>	<u>-</u>	<u>1,555</u>	<u>(1,031,047)</u>	<u>596,302</u>
	<u>12,419,727</u>	<u>536,979</u>	<u>1,555</u>	<u>(544,365)</u>	<u>12,413,896</u>
<b>Total funds (parent charity)</b>	<u>19,796,387</u>	<u>679,036</u>	<u>-</u>	<u>(627,723)</u>	<u>19,847,700</u>
<b>Province</b>					
Functional property	24,368	-	-	12,323	<b>36,691</b>
Other Province funds:					
General	<u>(34,874)</u>	<u>-</u>	<u>-</u>	<u>(14,191)</u>	<u>(49,065)</u>
	<u>(10,506)</u>	<u>-</u>	<u>-</u>	<u>(1,868)</u>	<u>(12,374)</u>
<b>Total funds (group)</b>	<u>19,785,881</u>	<u>679,036</u>	<u>-</u>	<u>(629,591)</u>	<u>19,835,326</u>



**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)  
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**NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

**18 Movement in funds (continued)**

**Year ended 31 August 2021**

	Balance 1 September 2020 £	Change in investment valuation £	Fund transfers £	Activity in year £	Balance 31 August 2021 £
Restricted	598,105	142,057	(1,555)	4,148	<b>742,755</b>
Ministry	6,778,555	-	-	(87,506)	<b>6,691,049</b>
Province total of charity and subsidiary	<u>12,409,221</u>	<u>536,979</u>	<u>1,555</u>	<u>(546,233)</u>	<u><b>12,401,522</b></u>
<b>Total funds (group)</b>	<u>19,785,881</u>	<u><b>679,036</b></u>	<u>-</u>	<u><b>(629,591)</b></u>	<u><b>19,835,326</b></u>

**Restricted funds**

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

**Designated Unrestricted funds**

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

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)  
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**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**18 Movement in funds (continued)**

<b>Year ended 31 August 2020</b>	<b>Balance 1 September 2019 <i>Restated</i> £</b>	<b>Change in investment valuation £</b>	<b>Fund transfers £</b>	<b>Activity in year £</b>	<b>Balance 31 August 2020 <i>Restated</i> £</b>
<b>Restricted funds</b>					
Patrimony	581,412	(39,682)	-	9,822	<b>551,552</b>
Ministry - Appeal funds	8,191	-	-	(2,172)	<b>6,019</b>
Ministry – Drawn Together	11,724	-	-	3,414	<b>15,138</b>
Ministry – Albania	21,842	-	-	3,554	<b>25,396</b>
	<b>623,169</b>	<b>(39,682)</b>	<b>-</b>	<b>14,618</b>	<b>598,105</b>
<b>Designated funds</b>					
<b>Ministry</b>					
Functional property	5,554,927	-	-	1,282,687	<b>6,837,614</b>
Other Ministry funds:					
Investments	1,585,038	(193,013)	-	(390,732)	<b>1,001,293</b>
General	(73,383)	-	-	(986,969)	<b>(1,060,352)</b>
	<b>7,066,582</b>	<b>(193,013)</b>	<b>-</b>	<b>(95,014)</b>	<b>6,778,555</b>
<b>Province</b>					
Functional property	3,326,341	-	-	5,180,317	<b>8,506,658</b>
Transport	48,726	-	-	(2,783)	<b>45,943</b>
Other Province funds:					
Investments	2,883,884	(56,514)	-	(586,038)	<b>2,241,332</b>
General	6,703,023	-	-	(5,077,229)	<b>1,625,794</b>
	<b>12,961,974</b>	<b>(56,514)</b>	<b>-</b>	<b>(485,733)</b>	<b>12,419,727</b>
<b>Total funds (parent charity)</b>	<b>20,651,725</b>	<b>(289,209)</b>	<b>-</b>	<b>(566,129)</b>	<b>19,796,387</b>
<b>Province</b>					
Functional property	6,139,076	-	-	(6,114,708)	<b>24,368</b>
Other Province funds:					
General	(6,147,713)	-	-	6,112,839	<b>(34,874)</b>
	<b>(8,637)</b>	<b>-</b>	<b>-</b>	<b>(1,869)</b>	<b>(10,506)</b>
<b>Total funds (group)</b>	<b>20,643,088</b>	<b>(289,209)</b>	<b>-</b>	<b>(567,998)</b>	<b>19,785,881</b>

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)  
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**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**18 Movement in funds (continued)**

<b>Year ended 31 August 2020</b>	<b>Balance 1 September 2019 <i>Restated</i> £</b>	<b>Change in investment valuation £</b>	<b>Fund transfers £</b>	<b>Activity in year £</b>	<b>Balance 31 August 2020 <i>Restated</i> £</b>
Restricted	623,169	(39,682)	-	14,618	<b>598,105</b>
Ministry	7,066,582	(193,013)	-	(95,014)	<b>6,778,555</b>
Province total of charity and subsidiary	<u>12,953,337</u>	<u>(56,514)</u>	<u>-</u>	<u>(487,602)</u>	<u><b>12,409,221</b></u>
<b>Total funds (group)</b>	<u>20,643,088</u>	<u><b>(289,209)</b></u>	<u>-</u>	<u><b>(567,998)</b></u>	<u><b>19,785,881</b></u>

**19 Analysis of net assets between funds**

**Group**

	<b>Restricted funds £</b>	<b>Unrestricted funds Ministry £</b>	<b>Province £</b>	<b>2021 Total £</b>
Fixed assets	704,121	6,837,971	11,854,285	19,396,377
Current assets	59,560	383,202	337,132	779,894
Creditors: amounts falling due within one year	(20,926)	(140,655)	(179,364)	(340,945)
Inter-fund debtors / (creditors)	-	(389,469)	389,469	-
	<u>742,755</u>	<u>6,691,049</u>	<u>12,401,522</u>	<u>19,835,326</u>

**Parent charity**

	<b>Restricted funds £</b>	<b>Unrestricted funds Ministry £</b>	<b>Province £</b>	<b>2021 Total £</b>
Fixed assets	704,121	6,837,971	11,817,594	19,359,686
Current assets	59,560	383,202	330,113	772,875
Creditors: amounts falling due within one year	(20,926)	(140,655)	(123,280)	(284,861)
Inter-fund debtors / (creditors)	-	(389,469)	389,469	-
	<u>742,755</u>	<u>6,691,049</u>	<u>12,413,896</u>	<u>19,847,700</u>

**INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)  
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**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**20 Deferred income**

	<b>Group £</b>	<b>Charity £</b>
Balance at 1 September 2020	<b>40,643</b>	<b>40,643</b>
Amounts deferred in the year	<b>34,258</b>	<b>34,258</b>
Amounts released to incoming resources	<b>(40,643)</b>	<b>(40,643)</b>
<b>Balance at 31 August 2021</b>	<b>34,258</b>	<b>34,258</b>

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

**21 Legacies**

Legacies received in the year amounted to £nil (2020: £nil).

**22 Related Parties**

As noted in the trustees' report, Loreto Education Trust is an associated charity. Loreto Education Trust provides services to Loreto Preparatory School (Altrincham). During the year payments of £nil (2020: £1,000) were made to the Trust.

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

**23 Capital commitments**

At the year end contractual commitments for capital projects amounted to £132,509 (2020: £132,509).

**24 Post balance sheet events**

There were no post balance sheet events.

**25 Teachers' Pension Scheme**

The Preparatory School previously participated in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff up until April 2021. From April 2021 the School left the TPS and now operates a defined contribution scheme with Aviva (Aviva Pension Trust for Independent Schools).

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership was automatic for teachers in schools. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme and members contributed on a 'pay as you go' basis. These contributions along with those made by employers were credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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**NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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

**Valuation of the Teachers' Pension Scheme**

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

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £55,702 (2020: £88,116) and at the year-end £nil (2020: £nil) was accrued in respect of contributions to this scheme.

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

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

**Other pension contributions**

The Charity also makes contributions to other employees defined contribution pension schemes, including the Aviva Pension Trust for Independent Schools, to which a total of £44,357 (2020: £18,934) was contributed in the year.