



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

Accounts

**For The Year Ended
31 August 2022**



CONTENTS

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

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

CHARITY DETAILS

Trustees

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

Regional Leadership Team

Miss Bernadette Boland, Miss Kathleen Myers, Miss Jen Bromham

Province Treasurer

Miss Kathleen Hewitt

Finance Manager

Mr Gareth Maloney

Registered office

Loreto Province Offices
28 Hartley Road
Altrincham
Cheshire
WA14 4AY

Charity number

250607

Auditor

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

Investment managers

| | |
|---|---------------------|
| Investec Wealth and Investment Limited | Hedley & Co |
| 2 nd Floor, 3 Hardman Street | 13b Winckley Square |
| Spinningfields | Preston |
| Manchester | PR1 3JJ |
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INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE) LORETO SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their report and audit consolidated accounts for the year ended 31 August 2022. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the trustees' report and financial statements of the charity.

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

Charitable Status

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

The worldwide congregation has, this past year, celebrated the 200th anniversary of the arrival of Mary Ward's Institute to Dublin. We remember with joy Frances Teresa Ball, who made the journey from York and who began this incredible mission that over the last 200 years has spread around the world. We give thanks for all those who have gone before us.



"The mercies of the Lord I will sing forever"



As the celebration of the 170 years of our English foundation comes to a close, the ecological project we suggested resulted in each school planting a commemorative tree funded by the Region and the equivalent amount of money sent to our Zambian mission.

At our Province meeting we were able to celebrate the Jubilees of five of our sisters: one Oak - 80, one Platinum - 70, two Diamond - 60, and one Silver – 25 years, since entrance.

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

Mission

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

The works we undertake are reviewed on a continuous basis to assess their effectiveness in the achievement of our aims and the benefits we have provided to those sectors of the community we set out to help. In preparation for our General Congregation, which occurs every eight years, we looked to evaluate our current

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)

LORETO SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

ministries in relation to the needs of the time. In conducting this review, we have given due regard to the guidance contained in the Charity Commissioner's General Guidance on Public Benefit.

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

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

Although we are in the phase of post Covid-19, effects both mentally and physically are still being felt and all our ministries are still adapting to cope with these difficulties. Meetings now take place both on Zoom and face-to-face. We have continued to respond to prayer requests which have been of great importance, and pastoral care at all levels is at the forefront of all that we do.

1. Education

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

- One Academy for girls - comprehensive
- One aided co-educational comprehensive school
- One Academy for girls - grammar
- One Sixth Form College supported by the Education Funding Authority
- One independent preparatory school

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

The work of the Institute in formal education is conducted through the Loreto Education Trust, a charitable company limited by guarantee established in 2011. The Trust embraces the need to involve lay management in the long-term development of the Institute's college and schools. With this in mind one of the sisters acts as delegate for education and the Institute has appointed a lay person as Education Officer in the operation of the Loreto English Education Network (LEEN Group) whose management has now been adopted by the Loreto Education Trust.

The Loreto Education Trust has continued to support, advise and monitor our schools and colleges throughout the year and to celebrate the work that is done with the young people in accordance with our objects. We have examined in detail the complexities of and options for Multi Academy Trusts within the local and National Catholic scenarios. We have worked with the Regional Leadership to examine the sustainability of the Trust so that the annual work with our educational establishments through LEEN (Loreto English Education Network) and the governors may continue to thrive and develop more in the future.

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

Additionally, at least two or more of the sisters continue to serve on both the schools'/college's governing bodies and their various committees. Governor training sessions are provided for all the schools.

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

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

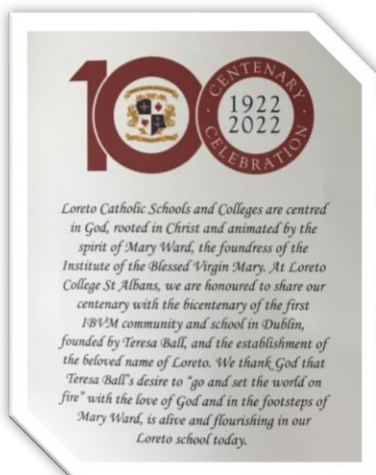
TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The schools and college involve themselves locally and globally in the empowerment of girls and women by marking awareness raising events. They also engage in all relevant global concerns, events and fund-raising activities, in particular having links with Loreto Schools across the world. This heightened awareness of social issues at home and abroad in turn influences career choices and the promotion of gender equality. Of specific importance at this time is our consciousness of the global climate, and the Institute, schools/college are continuing to put at the forefront the Mary Ward family 7yr Action Plan (2021-2028) in relation to our care for our common home and the living out of an "integral ecology" in response to the Pope's *Laudato Si'* encyclical.

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

The Institute achieves its educational aims and objectives by its presence on our School Governing Bodies and through the work undertaken by the Loreto Education Trust. This achievement is in turn measured not only by Ofsted Reports of 'Excellence' but also by year-on-year growth in demand for places at connected schools/college.



This year marked the Centenary of our St Albans foundation. Loreto Sisters joined staff, students, Governors and Trust Board members for a joyful celebration on the 29th September for the 100th anniversary of the school with Mass celebrated by His Eminence Vincent Cardinal Nichols at Westminster Cathedral.

Earlier in the year many people visited Loreto College, St Albans on Sunday 10 July 2022 to celebrate the Centenary of the school with a garden party. Activities ranged from live music, including the beautiful Loreto Chamber choir, to the stunning art exhibition and the traditional summer fete games and entertainment. Memory Lane had a display of photographs including the earliest boys and girls of the school. There was something for everyone. It was a day of fun and memories. It was also an opportunity to reflect on the



importance of Loreto education, its privileges and its responsibilities and of all the Loreto Sisters, living and dead, who have served our own schools and many diocesan schools during the past 100 years and whose legacy has been passed on to new generations of leaders.

Thanks are due to the 2022 staff, students, parents, governors and senior management team, under the leadership of the school's first 'lay' Headteacher, who has the last word as the school looks forward to the next 100 years!

"We remain inspired by the spirit of Mary Ward and we embrace the principles of Justice, Peace and Integrity of Creation with gusto. We strive to embolden our students with the confidence and capability to make a positive, effective contribution to society and to lead happy and fulfilling lives."

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

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The sister who is the JPIC (Justice, Peace and Integrity of Creation) representative works in collaboration with CJ and IBVM communities, their schools and colleges, Friends of Mary Ward and other interested individuals and groups. She is also a committee member for the JPIC Links group. This past year has seen the establishment of the new JPIC office in Rome and this has brought with it the task of integrating this and the UN offices within the Mary Ward Family. The schools have begun updating the definition of JPIC which is an on-going process. There has been an emphasis on youth at the UN especially in advocacy and two young people from our schools have been involved in this. The year has also seen more collaboration with the Friends of Mary Ward especially with regard to Laudato Si'; and there have been specific projects in line with the UN Sustainable Development Goals. There has been the opportunity, while recognising the acute instability in the UK in terms of economic, political and social platforms and balancing awareness and experience of the current climate for our students, to offer various forms of support for them and their families in our schools especially in terms of food, helping to pay bills and school uniform.

2. Pastoral/Outreach Work

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

This year we took the opportunity to establish a new community in an area in which we hadn't previously worked in the Birmingham Diocese, to be a presence in the pastoral area, with a view to involvement in the needs of the Parish and other Diocesan work.

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

One sister works in the frontline directly with the disadvantaged and marginalised, the most vulnerable in our society, namely victims of human trafficking, asylum seekers, refugees and other vulnerable persons. The main thrust of her work involves supporting and empowering them to find ways to rebuild their lives and achieve their full potential to lead independent and purposeful lives. She has recently completed her MA in trafficking, migration and organised crime.

Two sisters operate as part of interfaith chaplaincy teams in hospital and university ministry.

Two sisters continue their ministry overseas: one in Albania and the other in the Philippines.

Beyond immediate response to emergency needs of the victims and survivors of human trafficking and exploitation, Mary Ward Loreto in Albania has developed an "upstream" approach, to prevent violence and exploitation before they occur. Their aim is economic empowerment of young people, especially in the remote and poorly served areas where people traffickers do much of their recruiting. Young adults are offered vocational training, careers advice, training in IT, work ethics and health and safety. On-the-job training and employment opportunities are negotiated with local businesses. Start-up help is offered, and ongoing coaching and mentoring for sustainability and growth.

These two strands of work generate a third – a Civic Education approach which offers young people a programme of training for transformation. This includes leadership, community activism, healthy relationships and self-realisation. The programme is sustained by the creation of youth clubs, which with guidance from trainers develop an action plan to continue their activities once the training is ended. An important element of the Civic Education programme is service-learning - an educational approach that combines learning objectives with community service, to provide a pragmatic learning experience while meeting societal needs. Learners conduct a community needs assessment, identify priorities and draw up a plan of action to address these.

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

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Our Sister in the Philippines is now in her fourth year as a formator with IFF Asia and is a member of their Management Team.

Following the introduction of Covid restrictions in March 2020 all face-to-face teaching ceased, and teaching was conducted via Zoom. The new students for the Formation Course of 2021, were unable to travel to the Philippines, so all classes were conducted online via Zoom from March '21-December '21. This was a very challenging experience for both students and IFFA staff but it also proved to be very fruitful. This year with the lifting of travel restrictions, we have welcomed to the Institute of Formation 10 new students for the Formation Course from July '22-May '23. It is a great joy to return to face-face teaching. In addition to teaching, Sister offers Spiritual Direction to staff and others from outside the Institute of Formation.

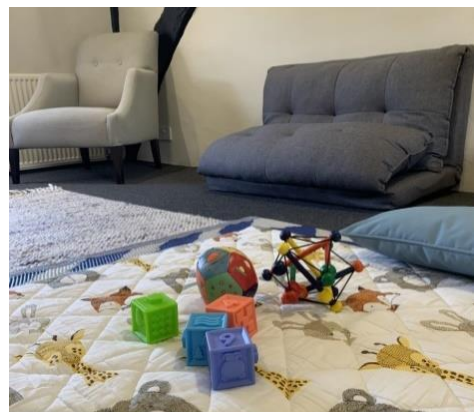
Several Sisters are currently engaged in work with refugees, asylum seekers and migrants. This work involves meeting with, listening to, supporting and signposting clients to the appropriate staff or agencies best suited to address their needs. The work also involves some English teaching and helping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

One sister continues to work with Revive in Manchester which accompanies and supports refugees and people seeking asylum. For quite a few months English classes were on Zoom but teaching is now back face to face. Links between the neighbourhood and Parish and refugee families have strengthened this past year. Over a dozen refugee families have linked with particular families and support them with friendship and now material support. Through contacts 150 gifts are being delivered to the homes of refugee children in Salford and Greater Manchester. This last year in the Spring the Parish raised over £700 to give at least 80 refugees a day of entertainment in June. The Loreto Grammar School gave the use of their facilities at no cost to the group. Lunch was provided for about 120 people; the playing fields were used for games. Student volunteers did facepainting and board games. One of the staff took all who wished on a two-hour walk-in a nearby park.

Another new link has been from pupils of St Ambrose school boys and Loreto Grammar girls who have been befriending refugee children either visiting them in their homes or chatting on Zoom. This went towards the award of the bronze medal for the Duke of Edinburgh scheme.

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

One member of the Institute continues to run the Loreto Drawn Together Parent-Infant Project which offers Psychoanalytic Parent-Infant Psychotherapy (PPIP) to distressed/traumatised mothers and their babies. When possible, fathers are also included. This PPIP modality additionally offers an online service to some referred parents and their infants who are unable to attend in person. The LDT Project also offers Art Psychotherapy to under-fives children in a nursery school. This service uses art and play as ways for young children to express themselves without the primary need for words. Due to the aftermath of the Covid pandemic the LDT team offer group interventions for emotionally upset young children in the nursery. This work is in addition to the 1-2-1 sessions offered to individual young children who are not thriving. This sister also offers clinical supervision to trainee art therapists and art therapists working in hospice and school counselling settings. The LDT project has expanded beyond Harpenden into the neighbouring district of Wheathampstead.



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

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

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

3. Nurturing of Religious beliefs and provision of Retreats

Loreto Spirituality Centre has seen several changes over the last year. The manager retired after many years of devoted service leading to a rethink and overhaul of the way the Centre works. The Trustees then appointed a new manager to see to the day to day running and the management of the staff. Three Sisters were appointed to form the new spirituality team responsible for providing a programme of retreats and courses to meet the spiritual needs of our times. Many groups also use the Centre for their own programmes. To ensure that nobody is excluded for financial reasons, a bursary has been set up to enable the unemployed and low-waged to come for retreats and courses. The conference room is also used free of charge, by local Ukrainian refugees for English lessons. One of the spirituality team is involved with Wrexham diocesan Outreach which develops spirituality in parishes across North Wales and beyond. The sisters on the spirituality team also meet regularly with those who ask for on-going spiritual direction, either in person or on zoom, making it possible to reach out beyond geographical boundaries.

The events on the programme include silent individually guided retreats, varying in length from a weekend to 30 days, preached retreats and themed retreats. Our Holy Week is specifically aimed at young people and families. The Theology Summer School is also a popular event in the Centre Calendar. With the forming of the new team, it is enabling a more diverse programme to be offered.

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

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

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

4. Overseas Activity

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

5. Governance, Structure and Management

In terms of **Canon Law**, the Institute is governed at an international level by the Institute Leader and her Council in Rome. They are elected every eight years at a meeting of representatives of all the provinces and

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

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

regions of the Institute. At every General Congregation the focus for the next eight years is mandated to General Leadership – these are generally referred to as 'The Calls'. The delegates at the General Congregation in 2014 gave a mandate to General Leadership for the following:

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

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

In response to Call 5: Action (e) - *Evaluate different governance structures and leadership models*, General Leadership invited the English Province to participate in exploring different models, in the furtherance of this mandate and the English Province has operated as a Region since February 2020. The Region now has a different model of leadership and is governed by three Equal Co-Leaders (referred to in this document as the Leadership Team), appointed by the Institute Leader and Council in Rome, after extensive consultation with the membership in England. Members of the Leadership Team were chosen for their personal qualities, their understanding and experience of the ministries of the members throughout the United Kingdom and to secure a good skills mix. This model of leadership continues and is to be evaluated in 2023.



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

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

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

In the light of this mandate the Leadership Team in the Region has changed some structures in relation to community leadership and are currently experimenting with different models of rotational leadership within both resident communities and communities in dispersal. Members of the Leadership Team are in place to offer on-going support to these rotational leaders. This method of leadership is ongoing and will continue to be monitored over the coming year.

Under the new structure, the Leadership Team and three other members from the Region, based on their experience and detailed knowledge of the work of the Charity are appointed as the Trustees.

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

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

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

The names of the Trustees on 31 August 2022 are set out on the attached schedule of legal and administrative details.

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

Statement of Trustees Responsibilities

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

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

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

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

Structure and Management Reporting

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

The Leadership Team sits with the Finance and Properties Committee. The purpose of this committee is to advise the Leadership Team on all matters relating to finance, land and buildings. Once yearly it meets with all the Trustees and the Charity's auditors to confirm that all matters of discussion have been minuted and to

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

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

assist in the process of approving the Annual Accounts and Trustees' Report. When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, investment managers, lawyers and accountants. The day-to-day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Institute and to senior staff.

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

Working with other organisations

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

- Roman Catholic Dioceses
- Local education authorities
- Educational establishments
- Other Religious Congregations
- Caritas Albania
- Mary Ward Loreto Albania UK
- Caritas England and Wales
- Catholic Safeguarding Advisory Service (now CSSA Catholic Safeguarding Standards Agency)
- RLSS (Religious Life Safeguarding Service)
- Northwest Religious Network Support Group
- National Health Service
- NHS Mental Health Foundation Trust
- Fondacio Asia – Philippines

Risk Assessment Statement

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

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

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

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

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

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

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

Safeguarding report

The CSSA (Catholic Safeguarding Standards Agency) and the RLSS (Religious Life Safeguarding Service) are now operational and we have become members of both. The lay Safeguarding Lead and the Safeguarding Trustee, attend the Zoom meetings that are still on-going which explain the development of these new bodies.

All the sisters who require it are up-to-date with their DBS Certificates and on the Update Service.

The NWRO (North West Religious Orders) Safeguarding network group, of which our Safeguarding Lead is Chair, has continued as a means of support and a forum for discussion, especially in the light of the many changes since moving from alignment to a Diocese to the new RLSS.

The RLSS are now rolling out their Training Programmes which are being accessed by our Safeguarding Lead and other members of the Region when relevant to them.

A complaint was received in connection with one of the Sisters which was handled by the Salford Diocese Safeguarding Office according to national procedures. The outcome following the investigations found the complaint to be unfounded.

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

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

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

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

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

Care for Members of the Institute

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

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

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

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

In the past twelve months three Sisters in our Province have died.

There are 36 sisters in the English Province, and they live and work in several locations across England, Scotland and Wales. Two sisters work overseas, one in Albania and one in the Philippines.

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

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

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



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

Employees, Volunteers and Members of the Institute

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

Grants, Donations and Support of Missionary Work and Ministry

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

Fundraising Policy

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

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Investment Policy

The charity has a portfolio of investments with a market value of £2,964,058 managed by two long established stockbroker firms with much experience in investing funds for charitable organisations – Investec Wealth and Investment Limited and Hedley & Co. Both firms operate within specific guidelines, which are set out and regularly reviewed by the Trustee appointed Investment Committee. The Investment Committee in turn reports twice annually to the trustees. There are no restrictions on the charity's power to invest.

The investment strategy is to achieve a balanced return from income and capital growth by reference to recognised charity sector benchmarks subject to a medium risk portfolio structure. As well as these investments a further £118,102 is held on special deposits to be recalled when needed to meet our contingent liabilities and planned works.

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

The investment committee meets several times during the year to review the performance of the portfolio and the continued appropriateness of the charity's investment strategy. The investment managers attend these meetings to present a formal report on an ad hoc basis but at least annually. The Charity has selected the FTSE WMA Balanced Portfolio as the benchmark against which the performance of its investment managers is assessed. The period under review has seen particularly volatile market conditions. Regulatory crackdowns in China continue to cause problems with outputs but of far more significance the War in Ukraine has had a devastating effect on the global economy impacting gas supplies and energy prices and causing world food shortages. The performance of our investment portfolios reflect these events with both managers showing a total return of minus 13% (benchmark minus 8%) in 2022.

Achievements and Performance

Financial Review

Results for the year

During 2021/22 incoming resources amounted to £2,141,977 (2021: £1,916,484). Of this total, £1,168,902 (2021: £1,029,371) related to the fee's receivable and other Legacies received amounted to £189,097 (2021: £nil). Salaries and pensions of the sisters covenanted to the charity amounted to £614,607 (2021: £653,383) representing a fall of 5.9% compared to 2.6% in 2021. Investment income and interest received totalled £81,192 (2021: £82,617). This is a 1.7% decline in investment income (2021: 32%). Other income includes £2,038 (2021: £25,545) received from the government Coronavirus Job Retention Scheme.

Resources expended totalled £2,753,956 (2021: £2,546,075) an increase of 8.1%. Staff costs at the school and retreat centre still represent a significant proportion (31%) of total expenditure, amounting to £851,760 (2021: £811,127).

Expenditure on maintaining the members of the Institute and supporting them in their pastoral work and ministry remained stable in total at £1,483,438 (2021: £1,328,779). Of this, the running costs and maintenance of buildings were £319,670 (2021: £267,765) and carers' payroll and nursing costs were £525,358 (2021: £467,988). Expenditure on governance and the fees paid to the charity's investment managers amounted to £68,967 (2021: £72,120). Greater awareness of the value of good care and continued pressure on staff availability due to NHS demands has maintained the upward pressure on payroll costs.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Investment values fell significantly as markets reacted to the war in the Ukraine and consequent global energy and food crisis. Losses amounted to £323,593 (2021: £679,036 gain).

Net movement of funds for the year was an outflow of £935,572 (2021: £49,445 net inflow).

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

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

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

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

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

Reserves Policy

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

Financial Position

The group balance sheet shows total reserves of £18,899,754 (2021: £19,835,326). Of this £15,425,940 (2021: £15,416,942) is represented by properties, assets under construction and other tangible fixed assets essential for the support and work of the sisters.

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

1. Province Fund – to support the Sisters in their work as they give their services voluntarily and to care for them when they are sick and aged. The value of this fund is £11,547,896 (2021: £12,401,521) of which £8,588,326 (2021: £8,579,328) represents tangible fixed assets. The net current assets of the fund are £517,789 (2021: £547,234). As at 31 August 2022 assets under construction totalled £52,885 (2021: £36,691). Shortfalls of income to meet short term operating requirements continue to be met from investment realisations.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2. Ministry Development Fund – to support our schools, establishments and other charitable donations made for the public benefit within the terms of our governing document. The value of this fund is £6,678,016 (2021: £6,691,050) of which £6,837,614 (2020: £6,837,614) represents tangible fixed assets. The net current assets of the fund are £159,955 in deficit (2021: £146,922 in deficit).

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

Future Plans

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

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

In March 2023 the Trustees resolved to close the Preparatory School in Altrincham. Although due process was followed and appropriate legal advice taken, a parent group made allegations to the contrary and lodged their complaint with the Charities Commission. As a result, the Trustees have submitted a Serious Incident Report with the Commission.

In addition to the above, the Trustees are currently exploring changing the charity to a Charitable Incorporated Organisation, which is currently subject to Charity Commission approval.

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

TRUSTEES' REPORT (CONTINUED)

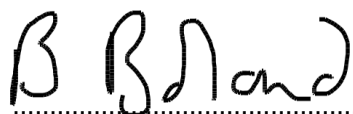
FOR THE YEAR ENDED 31 AUGUST 2022

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

Compliance

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

This report was approved by the Trustees of the Charity on 14/05/2023 and signed on their behalf by:



.....
B Boland - Trustee

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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the financial statements of The Institute of the Blessed Virgin Mary (English Province) Loreto Sisters (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the Group Statement of Financial Activities, the Group and Parent Charity Balance Sheet, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 August 2022, and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2022

Other information (continued)

on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

- Reviewing board minutes and resolutions.

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

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

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

Use of our report

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

MHA Moore and Smalley

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

Richard House
Winckley Square
Preston
PR1 3HP

16/05/2023
.....

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

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

GROUP STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022

| | Note | Restricted Funds £ | Unrestricted funds Ministry £ | Province £ | 2022 Total £ | 2021 Total £ |
|------------------------------------|------|--------------------------|-------------------------------------|-------------------|--------------------|--------------------|
| Income from: | | | | | | |
| Donations and legacies | 4 | 82,871 | - | 806,974 | 889,845 | 720,346 |
| Investments | 5 | 13,911 | - | 67,281 | 81,192 | 82,617 |
| Charitable activities | 6 | - | 1,168,902 | - | 1,168,902 | 1,029,371 |
| Other | 7 | - | 2,038 | - | 2,038 | 84,150 |
| Total income | | 96,782 | 1,170,940 | 874,255 | 2,141,977 | 1,916,484 |
| Expenditure on: | | | | | | |
| Raising funds | 8 | 3,172 | - | 25,177 | 28,349 | 31,719 |
| Charitable activities | 9 | 87,685 | 1,183,973 | 1,453,949 | 2,725,607 | 2,514,356 |
| Total expenditure | | 90,857 | 1,183,973 | 1,479,126 | 2,753,956 | 2,546,075 |
| Net gain/(loss) on investments | 10 | (74,838) | - | (248,755) | (323,593) | 679,036 |
| Net (expenditure) | | (68,913) | (13,033) | (853,626) | (935,572) | 49,445 |
| Transfers between funds | | - | - | - | - | - |
| Net movement in funds | | (68,913) | (13,033) | (853,626) | (935,572) | 49,445 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 742,755 | 6,691,049 | 12,401,522 | 19,835,326 | 19,785,881 |
| Total funds carried forward | | 673,842 | 6,678,016 | 11,547,896 | 18,899,754 | 19,835,326 |

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

GROUP BALANCE SHEET

AS AT 31 AUGUST 2022

| | Note | Restricted funds £ | Unrestricted funds Ministry £ | Province £ | 2022 Total £ | 2021 Total £ |
|---|------|-----------------------|-------------------------------------|-------------------|--------------------|--------------------|
| Fixed assets | | | | | | |
| Tangible assets | 12 | - | 6,837,614 | 8,588,326 | 15,425,940 | 15,416,942 |
| Investments | 13 | <u>640,022</u> | <u>357</u> | <u>2,441,781</u> | <u>3,082,160</u> | <u>3,979,435</u> |
| | | <u>640,022</u> | <u>6,837,971</u> | <u>11,030,107</u> | <u>18,508,100</u> | <u>19,396,377</u> |
| Current assets | | | | | | |
| Debtors | 14 | 2,396 | 29,017 | 17,853 | 49,266 | 116,232 |
| Cash at bank and in hand | 15 | <u>34,104</u> | <u>432,890</u> | <u>221,458</u> | <u>688,452</u> | <u>663,662</u> |
| | | 36,500 | 461,907 | 239,311 | 737,718 | 779,894 |
| Creditors: amounts falling due within one year | 16 | (2,680) | (168,803) | (174,581) | (346,064) | (340,945) |
| Inter-fund debtors / (creditors) | | - | (453,059) | 453,059 | - | - |
| Net current assets | | <u>33,820</u> | <u>(159,955)</u> | <u>517,789</u> | <u>391,654</u> | <u>438,949</u> |
| Net assets | | <u>673,842</u> | <u>6,678,016</u> | <u>11,547,896</u> | <u>18,899,754</u> | <u>19,835,326</u> |
| Funds | | | | | | |
| Restricted funds | | 673,842 | - | - | 673,842 | 742,755 |
| Unrestricted funds: | | | | | | |
| Designated - Province fund | | - | - | 11,547,896 | 11,547,896 | 12,401,521 |
| Designated - Ministry fund | | - | <u>6,678,016</u> | - | <u>6,678,016</u> | <u>6,691,050</u> |
| Total funds | 18 | <u>673,842</u> | <u>6,678,016</u> | <u>11,547,896</u> | <u>18,899,754</u> | <u>19,835,326</u> |

Certificate of trustees

These financial statements were approved by the trustees on

K Keigher

.....
K Keigher - Trustee

B Boland

.....
B Boland - Trustee

14/05/2023

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

PARENT CHARITY BALANCE SHEET

AS AT 31 AUGUST 2022

| | Note | Restricted funds £ | Unrestricted funds Ministry £ | Province £ | 2022 Total £ | 2021 Total £ |
|---|------|-----------------------|-------------------------------------|-------------------|--------------------|--------------------|
| Fixed assets | | | | | | |
| Tangible assets | 12 | - | 6,837,614 | 8,535,441 | 15,373,055 | 15,380,251 |
| Investments | 13 | <u>640,022</u> | <u>357</u> | <u>2,441,781</u> | <u>3,082,160</u> | <u>3,979,435</u> |
| | | <u>640,022</u> | <u>6,837,971</u> | <u>10,977,222</u> | <u>18,455,215</u> | <u>19,359,686</u> |
| Current assets | | | | | | |
| Debtors | 14 | 2,396 | 29,017 | 17,553 | 48,966 | 111,938 |
| Cash at bank and in hand | 15 | <u>34,104</u> | <u>432,890</u> | <u>215,764</u> | <u>682,758</u> | <u>660,937</u> |
| | | 36,500 | 461,907 | 233,317 | 731,724 | 772,875 |
| Creditors: amounts falling due within one year | 16 | (2,680) | (168,803) | (101,943) | (273,426) | (284,861) |
| Inter-fund debtors / (creditors) | | - | (453,059) | 453,059 | - | - |
| Net current assets | | <u>33,820</u> | <u>(159,955)</u> | <u>584,433</u> | <u>458,298</u> | <u>488,014</u> |
| Net assets | | <u>673,842</u> | <u>6,678,016</u> | <u>11,561,655</u> | <u>18,913,513</u> | <u>19,847,700</u> |
| Funds | | | | | | |
| Restricted funds | | 673,842 | - | - | 673,842 | 742,755 |
| Unrestricted funds: | | | | | | |
| Designated - Province fund | | - | - | 11,561,655 | 11,561,655 | 12,413,895 |
| Designated - Ministry fund | | - | <u>6,678,016</u> | | <u>6,678,016</u> | <u>6,691,050</u> |
| Total funds | 18 | <u>673,842</u> | <u>6,678,016</u> | <u>11,561,655</u> | <u>18,913,513</u> | <u>19,847,700</u> |

Certificate of trustees

These financial statements were approved by the trustees on

K Keigher

.....
K Keigher - Trustee

B Boland

.....
B Boland - Trustee

14/05/2023

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

GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| Net cash outflow from operating activities | (610,628) | (527,804) |
| Cash flow from investing activities | | |
| Payments to acquire tangible fixed assets | (16,194) | (12,323) |
| Receipts from sales of tangible fixed assets | - | 275 |
| Payments to acquire investments | (291,234) | (409,276) |
| Receipts from sales of investments | 858,128 | 817,500 |
| Investment income | 77,930 | 82,646 |
| Net cash flow from investing activities | 628,630 | 478,822 |
| Net (decrease) in cash and cash equivalents | 18,002 | (48,982) |
| Cash and cash equivalents b/fwd | 788,552 | 837,534 |
| Cash and cash equivalents c/fwd | 806,554 | 788,552 |
| Consisting of: | | |
| Monies held for investment | 118,102 | 124,890 |
| Cash at bank and in hand | 688,452 | 663,662 |
| | 806,554 | 788,552 |
| Reconciliation of net (expenditure) for the year to net cash flow from operating activities | | |
| Net (expenditure) for the year | (935,572) | 49,445 |
| Investment income received | (77,930) | (82,646) |
| (Gain)/Loss on disposal of tangible fixed assets | - | (201) |
| Loss/(Gain) on investments | 323,593 | (679,036) |
| Depreciation of tangible assets | 7,196 | 9,890 |
| Decrease/(Increase) in debtors, net of capital debtors | 20,648 | 232,676 |
| Increase/(Decrease) in creditors, net of capital creditors | 51,441 | (57,932) |
| Net cash flow from operating activities | (610,628) | (527,804) |

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)

LORETO SISTERS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Basis of preparation

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

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

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

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

Going concern

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

Fund accounting

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

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

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

The accounts comprise:

Restricted funds

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

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

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Restricted funds (continued)

- Loreto Sisters Drawn Together Fund

Ministry (unrestricted)

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

Province (unrestricted)

- Province Fund
- Houses

Incoming resources

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

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

Covenanted salaries and pensions

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

Resources expended

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

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

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

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

Governance costs

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

Foreign currencies

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

Debtors and creditors

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

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Pension schemes

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

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

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

Tangible fixed assets

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

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

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

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

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

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

Investments

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

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Judgements and key sources of estimation uncertainty

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

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

Key assumptions, judgements and estimates

Valuation of land and buildings

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

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

2 Staff costs and trustees' remuneration

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Staff costs during the year were as follows: | | |
| Wages and salaries | 1,240,168 | 1,182,036 |
| Social security costs | 105,963 | 92,584 |
| Pension costs | 100,286 | 100,059 |
| | <u>1,446,417</u> | <u>1,374,679</u> |

The average number of employees during the year was 61 (2021: 61). The number of employees earning over £60,000 per annum excluding pension contributions was 0 (2021: 1).

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

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

| | 2022 £ | 2021 £ |
|--|----------------|----------------|
| Aggregate remuneration of key management personnel | <u>124,060</u> | <u>119,524</u> |

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

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

3 Auditor's remuneration

| | 2022 | 2021 |
|--|---------------|-------------|
| | £ | £ |
| Amounts payable to the auditor (including VAT) was as follows: | | |
| Audit services | 19,632 | 16,740 |
| Other services | 21,002 | 19,836 |
| | 40,634 | 36,576 |

4 Income from donations and legacies

Current Year

| | Restricted Funds £ | Unrestricted funds Ministry | Unrestricted funds Province £ | Total 2022 £ |
|--|-----------------------------------|--|--|-----------------------------|
| Donations and gifts | 82,871 | - | 3,270 | 86,141 |
| Legacies | - | - | 189,097 | 189,097 |
| Covenanted salaries and pensions (see below) | - | - | 614,607 | 614,607 |
| | 82,871 | - | 806,974 | 889,845 |

Prior Year

| | Restricted Funds £ | Unrestricted funds Ministry | Unrestricted funds Province £ | Total 2021 £ |
|--|-----------------------------------|--|--|-----------------------------|
| Donations and gifts | 57,974 | - | 8,989 | 66,963 |
| Legacies | - | - | - | - |
| Covenanted salaries and pensions (see below) | - | - | 653,383 | 653,383 |
| | 57,974 | - | 662,372 | 720,346 |

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

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

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

5 Income from investments

| | 2022 | 2021 |
|--------------------------------------|---------------|-------------|
| | £ | £ |
| Gilt edged securities | - | - |
| Other fixed interest | 17,469 | 16,299 |
| Europe fixed interest | - | - |
| Equities: UK | 40,341 | 44,317 |
| European | 10,938 | 12,080 |
| Global | 9,182 | 9,950 |
| | 77,930 | 82,646 |
| Monies held for investment in the UK | | |
| National Savings | - | 3 |
| Monies held by stockbroker | 3,238 | 92 |
| Treasury Deposits | 23 | (124) |
| | 81,191 | 82,617 |
| Bank interest | 1 | - |
| | 81,192 | 82,617 |
| | 2022 | 2021 |
| Represented by: | | |
| Restricted | 13,911 | 13,055 |
| Unrestricted – Province | 67,281 | 69,559 |
| Unrestricted – Ministry | - | 3 |
| | 81,192 | 82,617 |

6 Income from charitable activities

| | 2022 | 2021 |
|--------------------------------|------------------|-------------|
| | £ | £ |
| Unrestricted – Ministry: | | |
| School fees and retreat centre | 1,168,902 | 1,029,371 |

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

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

7 Other Income

| | 2022 | 2021 |
|---|---------------------|---------------|
| | £ | £ |
| Challenger Bank switch incentive | - | 16,875 |
| Welsh Government bonus for carers | - | 21,730 |
| Profit on disposal of tangible fixed assets | - | - |
| CJRS and Business Rates support grants received | <u>2,038</u> | <u>45,545</u> |
| | <u>2,038</u> | <u>84,150</u> |

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

8 Expenditure on raising funds

| | 2022 | 2021 |
|-------------------------|----------------------|---------------|
| | £ | £ |
| Restricted - Patrimony | 3,172 | 2,993 |
| Unrestricted - Province | 25,177 | 28,726 |
| Unrestricted - Ministry | <u>-</u> | <u>-</u> |
| | <u>28,349</u> | <u>31,719</u> |

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Expenditure on charitable activities

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

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

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

10 Net gain/(loss) on investments

| | 2022 £ | 2021 £ |
|-------------------------|-------------------------|-------------------------|
| Restricted | (74,838) | 142,057 |
| Unrestricted – Province | (248,755) | 536,979 |
| Unrestricted – Ministry | - | - |
| | (323,593) | 679,036 |

11 Analysis of movement in restricted funds

| | Drawn together | Albania | Appeal funds | Patrimony Fund | Total restricted funds |
|---|---------------------------|----------------|-------------------------|---------------------------|---------------------------------------|
| | £ | £ | £ | £ | £ |
| Incoming resources | | | | | |
| Other income | 9,674 | 63,328 | 1,565 | - | 74,567 |
| Legacies received | - | - | - | - | - |
| Loreto College, St Albans Appeal | - | - | 8,304 | - | 8,304 |
| Investment income | - | - | - | 13,911 | 13,911 |
| Total incoming resources | 9,674 | 63,328 | 9,869 | 13,911 | 96,782 |
| Resources expended | | | | | |
| Raising Funds | - | - | - | 3,172 | 3,172 |
| Costs of activities in furtherance of charitable objects: | | | | | |
| Ministry | 7,847 | 72,416 | - | - | 80,263 |
| Expenditure on schools | - | - | 7,422 | - | 7,422 |
| Total resources expended | 7,847 | 72,416 | 7,422 | 3,172 | 90,857 |
| Net incoming/(outgoing) resources before transfers | 1,827 | (9,088) | 2,447 | 10,739 | 5,925 |
| Transfers (to)/from unrestricted | | | | | |
| Gain on investments: | - | - | - | (74,838) | (74,838) |
| Net movement in funds for the year | 1 827 | (9,088) | 2,447 | (64,099) | (68,913) |
| Total funds at 1 September 2021 | 13,281 | 20,958 | 6,400 | 702,116 | 742,755 |
| Total funds at 31 August 2022 | 15,108 | 11,870 | 8,847 | 638,017 | 673,842 |

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

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

12 Fixed assets

| GROUP | Assets under construction £ | Land and buildings inc. fixtures £ | Motor vehicles £ | Total £ |
|---|--|---|---------------------------------|--------------------|
| Cost or deemed cost | | | | |
| Balance at 1 September 2021 | 36,691 | 15,344,271 | 163,795 | 15,544,757 |
| Additions | 16,194 | - | - | 16,194 |
| Disposals | - | - | - | - |
| Completions/Transfers | - | - | - | - |
| Balance at 31 August 2022 | 52,885 | 15,344,271 | 163,795 | 15,560,951 |
| Depreciation and impairment | | | | |
| Balance at 1 September 2021 | - | - | 127,815 | 127,815 |
| Charge for the year | - | - | 7,196 | 7,196 |
| On disposals | - | - | - | - |
| Balance at 31 August 2022 | - | - | 135,011 | 135,011 |
| Net book value At 31 August 2021 | 52,885 | 15,344,271 | 28,784 | 15,425,940 |
| At 1 September 2021 | 36,691 | 15,344,271 | 35,980 | 15,416,942 |
| PARENT CHARITY | | Land and buildings inc. fixtures £ | Motor vehicles £ | Total £ |
| Cost or deemed cost | | | | |
| Balance at 1 September 2021 | | 15,344,271 | 163,795 | 15,508,066 |
| Additions | | - | - | - |
| Disposals | | - | - | - |
| Balance at 31 August 2022 | | 15,344,271 | 163,795 | 15,508,066 |
| Depreciation and impairment | | | | |
| Balance at 1 September 2021 | | - | 127,815 | 127,815 |
| Charge for the year | | - | 7,196 | 7,196 |
| On disposals | | - | - | - |
| Balance at 31 August 2022 | | - | 135,011 | 135,011 |
| Net book value At 31 August 2022 | | 15,344,271 | 28,784 | 15,373,055 |
| At 1 September 2021 | | 15,344,271 | 35,980 | 15,380,251 |

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

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

13 Investments

| GROUP AND PARENT CHARITY | 2022 | | 2021 | |
|--|---------------------|--------------------|-------------------|---------------------|
| | Cost | Market value | Cost | Market value |
| | £ | £ | £ | £ |
| Gilt edged securities | 33,086 | 33,876 | - | - |
| Other fixed interest | 416,545 | 375,122 | 520,941 | 560,854 |
| Europe fixed interest | - | - | - | - |
| Equities: UK | 1,454,912 | 1,266,015 | 1,595,707 | 1,630,755 |
| European | 592,947 | 608,309 | 665,345 | 808,942 |
| Global | 625,556 | 680,736 | 676,231 | 853,994 |
| Unit trusts | - | - | - | - |
| | 3,123,046 | 2,964,058 | 3,458,224 | 3,854,545 |
| Monies held for investment in UK: | | | | |
| National Savings | 2,474 | 2,474 | 2,473 | 2,473 |
| Monies held by stockbroker | 67,175 | 67,175 | 73,988 | 73,988 |
| Treasury Deposits | 48,453 | 48,453 | 48,429 | 48,429 |
| | 3,241,148 | 3,082,160 | 3,583,114 | 3,979,435 |
| | Market value | | Investment | Market value |
| | 1 September | | gains and | 31 August |
| | 2021 | (Disposals) | losses | 2022 |
| | £ | £ | £ | £ |
| Quoted investments | 3,854,545 | 291,234 (858,128) | (323,593) | 2,964,058 |

14 Current assets

| | Group | | Parent Charity | |
|--|-----------|-----------|----------------|-----------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Debtors | | | | |
| Amounts owed by group undertakings | | - | | - |
| Prepayments and accrued income | 25,508 | 23,256 | 25,508 | 23,256 |
| Income tax recoverable | 1,556 | 5,688 | 1,556 | 5,688 |
| Other debtors | 475,261 | 476,757 | 474,961 | 472,463 |
| Gross debtors | 502,325 | 505,701 | 502,025 | 501,407 |
| Less inter-fund debtors | (453,059) | (389,469) | (453,059) | (389,469) |
| Total debtors (net of inter-fund debtor) | 49,266 | 116,232 | 48,966 | 111,938 |

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

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

15 Cash at bank and in hand

| | Group | | Parent Charity | |
|---------------------------------|----------------|-------------|-----------------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Cash at bank and in hand | | | | |
| Interest bearing accounts | 686,537 | 659,876 | 680,843 | 659,876 |
| Cash balances | 1,915 | 3,786 | 1,915 | 1,061 |
| | 688,452 | 663,662 | 682,758 | 660,937 |

16 Liabilities

| | Group | | Parent Charity | |
|--|------------------|-------------|-----------------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Amounts falling due within one year | | | | |
| Creditors | 227,788 | 267,938 | 89,884 | 129,583 |
| Amounts due to group undertakings | - | - | 66,515 | 83,784 |
| Deferred income | 53,610 | 34,258 | 53,610 | 34,258 |
| Payroll | 17,498 | 19,712 | 17,498 | 19,712 |
| Accruals | 500,227 | 408,506 | 498,978 | 406,993 |
| Gross liabilities | 799,123 | 730,414 | 726,485 | 674,330 |
| Less inter-fund creditor | (453,059) | (389,469) | (453,059) | (389,469) |
| Total liabilities (net of inter-fund creditor) | 346,064 | 340,945 | 273,426 | 284,861 |

17 Borrowings and contingencies

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

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Movement in funds

Year ended 31 August 2022

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

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Movement in funds (continued)

Year ended 31 August 2022

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

Restricted funds

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

Designated Unrestricted funds

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

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Movement in funds (continued)

Year ended 31 August 2021

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

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Movement in funds (continued)

Year ended 31 August 2021

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

20 Analysis of net assets between funds

Group

| | Restricted funds £ | Unrestricted funds Ministry £ | Province £ | 2022 Total £ |
|---|--------------------------|-------------------------------------|-------------------|--------------------|
| Fixed assets | 640,022 | 6,837,971 | 11,030,107 | 18,508,100 |
| Current assets | 36,500 | 461,907 | 239,311 | 737,718 |
| Creditors: amounts falling due within one year | (2,680) | (168,803) | (174,581) | (346,064) |
| Inter-fund debtors / (creditors) | | (453,059) | 453,059 | |
| | <u>673,842</u> | <u>6,678,016</u> | <u>11,547,896</u> | <u>18,899,754</u> |

Parent charity

| | Restricted funds £ | Unrestricted funds Ministry £ | Province £ | 2022 Total £ |
|---|--------------------------|-------------------------------------|-------------------|--------------------|
| Fixed assets | 640,022 | 6,837,971 | 10,977,222 | 18,455,215 |
| Current assets | 36,500 | 461,907 | 233,317 | 731,724 |
| Creditors: amounts falling due within one year | (2,680) | (168,803) | (101,943) | (273,426) |
| Inter-fund debtors / (creditors) | | (453,059) | 453,059 | |
| | <u>673,842</u> | <u>6,678,016</u> | <u>11,561,655</u> | <u>18,913,513</u> |

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

21 Deferred income

| | Group £ | Charity £ |
|--|-----------------|-----------------|
| Balance at 1 September 2021 | 34,258 | 34,258 |
| Amounts deferred in the year | 53,610 | 53,610 |
| Amounts released to incoming resources | <u>(34,258)</u> | <u>(34,258)</u> |
| Balance at 31 August 2022 | 53,610 | 53,610 |

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

22 Legacies

Legacies received in the year amounted to £189,097 (2021: £nil).

23 Related Parties

As noted in the trustees' report, Loreto Education Trust is an associated charity. Loreto Education Trust provides services to Loreto Preparatory School (Altrincham). During the year payments of £nil (2021: £nil) were made to the Trust.

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

24 Capital commitments

Prior to the year end the charity was in dispute with a former contractor in relation to contracted works. Post year end the company received notice of an adjudicated final settlement of value of the contracts sum and compensation for liquidated damages. The total value of these costs, including the cost of adjudication, was £183,045 which were satisfied in 2023.

25 Post balance sheet events

In March 2023 the Trustees resolved to close the Preparatory School in Altrincham. Although due process was followed and appropriate legal advice taken, a parent group made allegations to the contrary and lodged their complaint with the Charities Commission. As a result, the Trustees have submitted a Serious Incident Report with the Commission.

26 Teachers' Pension Scheme

The Preparatory School previously participated in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff up until April 2021. From April 2021 the School left the TPS and now operates a defined contribution scheme with Aviva (Aviva Pension Trust for Independent Schools). Teachers who were members of the Teachers' Pension Scheme will retain the benefits of that scheme in addition to the benefits of the new private defined contribution scheme from April 2021.

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

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

INSTITUTE OF THE BLESSED VIRGIN MARY (ENGLISH PROVINCE)

LORETO SISTERS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

26 Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

The next valuation result was due to be implemented from 1 April 2023 but as the Charity exited the scheme in April 2021, it is not applicable.

The employer's pension costs paid to the TPS in the period amounted to £nil (2021: £55,702) and at the year-end £nil (2021: £nil) was accrued in respect of contributions to this scheme.

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

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

Other pension contributions

The Charity also makes contributions to other employees defined contribution pension schemes, including the Aviva Pension Trust for Independent Schools), to which a total of £100,286 (2021: £44,357) was contributed in the year.