

Registered Charity No. 250607



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

Trustees' Report and Financial Statements

**For The Year Ended
31 August 2024**

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

CONTENTS

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

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

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

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

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

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2024

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

Reference and administrative details

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

The trustees

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

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

Charitable Status

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

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

Mission

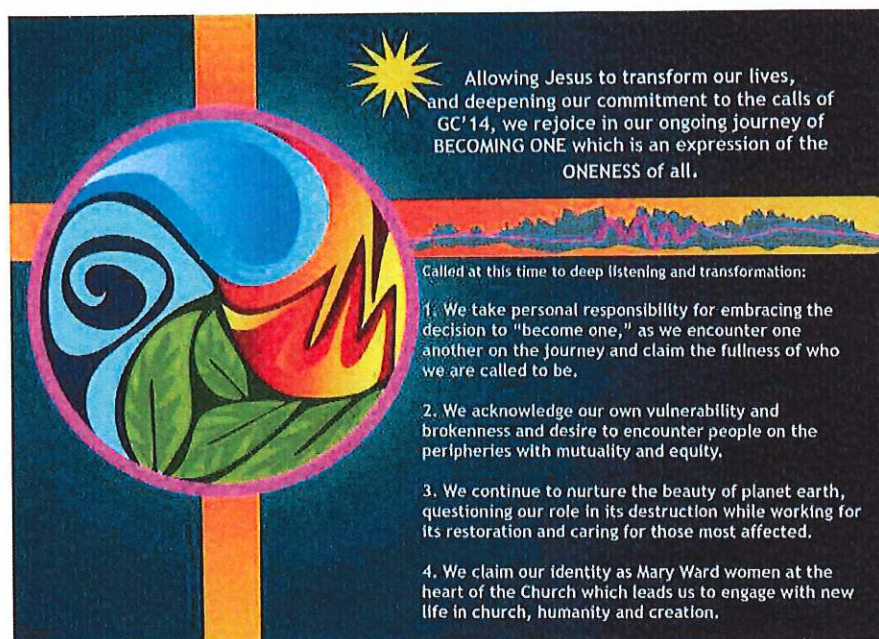
The Institute's Charitable Trust aims to advance the religious and other works carried out by Sisters of the Institute in collaboration with lay co-workers and to care for those Sisters throughout their lives within the Institute. These works meet the public benefit criteria necessary under the Charities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

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

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

Mission (continued)

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



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

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

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

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

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

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

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Mission (continued)

1. Education

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

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

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

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

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

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

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

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

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

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

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Mission (continued)

2. Pastoral/Outreach Work

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

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

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

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

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

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

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

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

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

Mission (continued)

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

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

3. Nurturing of Religious beliefs and provision of Retreats

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

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

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

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

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

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

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

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

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

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

Mission (continued)

4. Overseas Activity

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

5. Governance, Structure and Management

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

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

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

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

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

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

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

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

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

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Responsibilities of the trustees

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity, and of the income and expenditure of the Charity, for that period. In preparing these financial statements, the Trustees are required to:

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

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

Structure and Management Reporting

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

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

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

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

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

Working with other organisations

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

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

Risk Assessment Statement

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

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

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

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

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

Risk Assessment Statement (continued)

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

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

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

There have been no allegations or concerns.

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

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

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

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

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

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

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Care for Members of the Institute

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

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

In the past twelve months four Sisters have died.

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

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

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

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

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

Employees, Volunteers and Members of the Institute

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

Grants, Donations and Support of Missionary Work and Ministry

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

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

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

Fundraising Policy

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

Investment Policy

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

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

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

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

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

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

Achievements and Performance

Financial Review

Results for the year

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

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

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

Results for the year (continued)

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

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

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

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

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

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

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

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

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

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

Reserves Policy

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

Financial Position

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

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

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

Financial Position (continued)

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

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

Future Plans

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

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

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

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

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

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Future Plans (continued)

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

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

Auditor

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

Approval

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



**Miss J Bromham
Trustee**

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

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

Opinion

We have audited the financial statements of The Institute of the Blessed Virgin Mary Commonly called The Sisters of Loreto (the 'Charity') for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

As explained in note 20, the trustees intend to transfer the whole of the charitable trust into a 'Charitable Incorporated Organisation (CIO)'. In undertaking our going concern assessment, we have considered the application of the requirements of the accounting standard to the circumstances of the Charity. As an unincorporated Charity, this is not a separate legal entity and, as the intention is for the charitable activities to continue through the CIO, we have concluded that the trustees' use of the going concern basis in the preparation of the financial statements remains appropriate.

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

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

Other information

The other information comprises the information included in the trustee's annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated.

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

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

Other information (continued)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors responsibilities for the audit of the financial statements

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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

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

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

Use of our report

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



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

28 March 2025
.....

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

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

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

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

All income and expenditure derive from continuing activities.

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

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

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

BALANCE SHEET

FOR THE YEAR ENDED 31 AUGUST 2024

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

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


.....
J Bromham - Trustee


.....
K Hewitt - Trustee

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

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

STATEMENT OF CASH FLOWS

FOR THE YEAR END 31 AUGUST 2024

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

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

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

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

1 Accounting policies

Basis of preparation

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

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

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

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

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

Going concern

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

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

Incoming resources

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

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

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

Covenanted salaries and pensions

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies (continued)

Resources expended

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

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

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

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

Governance costs

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

Foreign currencies

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

Tangible fixed assets

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies (continued)

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

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

Investments

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

Cash and cash equivalents

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

Debtors and creditors

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

Fund accounting

Unrestricted funds

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

Designated funds

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

Restricted funds

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

The accounts comprise:

Restricted funds:

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

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

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

1 Accounting policies (continued)

Ministry (unrestricted funds):

- Ministry Development Fund
- Loreto Retreat Centre

Province (unrestricted funds):

- Province Fund
- Houses

Pensions

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

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

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

Taxation

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

Financial instruments

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

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

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

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

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

1 Accounting policies (continued)

Basic financial assets

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

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

Impairment of financial assets

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

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

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

De-recognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies (continued)

De-recognition of financial liabilities

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

Judgements and key sources of estimation uncertainty

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

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

Key assumptions, judgements, and estimates

Valuation of land and buildings

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

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

2 Staff costs and trustees' remuneration

Staff costs during the year were as follows:

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

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

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

2 Staff costs and trustees' remuneration (continued)

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

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

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

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

	2024 £	2023 £
Aggregate remuneration of key management personnel	101,815	232,865

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

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

Pension contributions

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

3 Auditor's remuneration

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

4 Income from donations and legacies

Current year

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

Prior year

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

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

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

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

5 Income from investments

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

6 Income from charitable activities

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

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

7 Other income

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

8 Expenditure on raising funds

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

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

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

9 Expenditure on charitable activities

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

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

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

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

10 Net gain/(loss) on investments

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

11 Analysis of movement in restricted funds

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

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

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

12 Fixed assets

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

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

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

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

13 Investments

		2024		2023	
		Cost	Market value	Cost	Market value
		£	£	£	£
UK fixed income					
British Government Bonds		171,568	169,277	26,348	25,955
Investment Companies		68,298	65,185	-	-
Other fixed interest		44,079	41,647	291,218	242,247
Europe fixed interest		39,285	40,116	16,752	16,698
Equities:	UK	424,654	456,688	868,044	661,048
	European	257,604	294,091	299,722	307,054
	Global	378,659	486,326	459,440	504,423
Other:	Emerging markets	135,830	141,585	-	-
	Commercial property	67,273	57,085	-	-
	Specialist	40,679	35,148	-	-
	Alternatives	118,627	127,427	-	-
		1,746,556	1,914,575	1,961,524	1,757,425
Monies held for investment in UK:					
National Savings		2,492	2,492	2,476	2,476
Monies held by stockbroker		288,906	288,906	37,556	37,556
Treasury deposits		706,629	706,629	109,774	109,774
		2,744,583	2,912,602	2,111,330	1,907,231
		Market value 1 September 2023 £	Additions £	Disposals £	Investment gains and losses £
					Market value 31 August 2024 £
Quoted investments		1,757,425	709,395	(695,394)	143,149
					1,914,575

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

14 Current assets

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

15 Cash at bank and in hand

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

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

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

16 Liabilities

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

17 Borrowings and contingencies

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Movement in funds

Current year

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

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

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

18 Movement in funds (continued)

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

Restricted funds

- **Patrimony**

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

- **Loreto College St Albans Appeal Fund**

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

- **Loreto Sisters Drawn Together Fund**

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

- **Loreto Sisters Albania Fund**

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

Designated unrestricted funds

- **Ministry**

To support the works of the members in their ministries.

- **Province**

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Movement in funds (continued)

Prior year

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Movement in funds (continued)

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

19 Analysis of net assets between funds

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

19 Analysis of net assets between funds (continued)

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

20 Charitable Incorporated Organisation conversion

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

21 Related parties

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

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

22 Capital commitments

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

23 Post balance sheet events

There are no post balance sheet events.