
LORETO COLLEGE (ST ALBANS)

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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LORETO COLLEGE (ST ALBANS)
(A company limited by guarantee)

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LORETO COLLEGE (ST ALBANS)
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Sr Jennifer Bromham Mr Mark Healy Mrs Kathleen Walsh (ceased 14 July 2022) Miss Ursula Morrissey (appointed 14 July 2022)
Trustees	Mr Mark Healy, Chair Mrs Jackie Fakes, Vice Chair Mrs Mary (Maire) Lynch, Head Teacher Sr Anne McEvoy Sr Cecilia (Bernadette) Turtle Sr Kathryn Keigher Mrs Patricia Lloyd (resigned 29 November 2021) Dr Kathryn Wilson Mrs Sharon Kerry, Co-Opted Mr Andrew (David) Gregory, Parent Governor Dr Natasha Phillips, Parent Governor (Co-Opted) (resigned 31 August 2022) Mr Eoin Woods, Parent Governor (Co-Opted) Mr Paul Hough, Teacher- Staff Governor Mrs Sian Ireland, Teacher- Staff Governor Mrs Caroline Bacon, Support- Staff Governor (term ended 31 August 2022) Mr Damian Osman, staff Governor (appointed 1 September 2022)
Company registered number	08028084
Company name	Loreto College (St Albans)
Principal and registered office	Loreto College (St Albans) Hatfield Road St Albans Herts AL1 3RQ
Company secretary	Mrs Sharon Williams
Senior management team	Mrs Mary (Maire) Lynch, Head Teacher Mrs Carol Ransom, Deputy Head Teacher Mrs Janet Caulfield, Assistant Head Teacher - appointed 1st September 2022 Mr Paul Downes, Assistant Head Teacher Mrs Sian Ireland, Assistant Head Teacher Mr Ben Hayes, Assistant Head Teacher - ceased 31st August 2022
Independent auditors	Landau Baker Limited Chartered Accountants Mountcliff House 154 Brent Street London NW4 2DR

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(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Bankers Lloyds TSB Bank Plc
 Station Road
 Harrow
 HA1 2EB

Solicitors Stone King LLP
 16 St John's Lane
 London
 EC1M 4BS

LORETO COLLEGE (ST ALBANS)
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Governors are the Directors and Trustees of Loreto College (St Albans). The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in St Albans and the surrounding area. The school is non-selective and has a pupil capacity of 960, there were 955 pupils on roll as at the date of the last school census (20 January 2022). As a Catholic school in the trusteeship of the Institute of the Blessed Virgin Mary, the school provides a Catholic education based on the vision and values of Mary Ward. The school is over-subscribed and has earned an excellent reputation for discipline, pastoral care and academic standards.

Structure, governance and management

a. Constitution

The academy agreement is between the Secretary of State and The Trustees of the Charity known as the Institute of the Blessed Virgin Mary, commonly known as Sisters of Loreto. The trust undertakes to establish and maintain Loreto College (St Albans) making the land available as indicated in the supplementary agreement. The academy is conducted in accordance with the principles, practices and tenets of the Catholic Church and all Canon Law and has regard to the advice and directives issued by the Institute of the Blessed Virgin Mary.

Loreto College (St Albans) is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Governors act as the trustees for the charitable activities of Loreto College (St Albans) and are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Loreto College (St Albans).

Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

b. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

c. Trustees' indemnities

Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £6,777 and the cover under the policy was £5 million, and in the period under review no sums were paid out.

LORETO COLLEGE (ST ALBANS)
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of trustees

The number of Governors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. All Governors shall upon their appointment or election give a written undertaking to the Loreto Education Trust to uphold the Objects of the Academy Trust. Subject to Articles 48-49 and 64, the Academy Trust shall have the following Governors:

- a) A minimum of 7 and up to 11 Foundation Governors, appointed under Article 50;
- b) A minimum of 2 and up to 3 Staff Governors, comprising at least 1 Teacher and 1 Support Staff, appointed under Article 50A;
- c) A minimum of 2 and up to 3 Parent Governors elected or appointed under Articles 53-58;
- d) Co-opted Governors appointed under Article 59;
- e) the Principal;
- f) any Additional Governors, if appointed under Article 62, 62A or 68A; and
- g) any Further Governors, if appointed under Article 63 or Article 68A.

The Academy Trust may also have any Co-opted Governor appointed under Article 59.

Future Governors shall be appointed or elected, as the case may be, under these Articles. Where it is not possible for such a Governor to be appointed or elected due to the fact that an Academy has not yet been established or the Principal has not been appointed, then the relevant Article or part thereof.

Appointment of Governors

The Loreto Education Trust may appoint a minimum of 7 and up to 11 Foundation Governors under the direction of the Province Leader.

The Members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors who are employees of the Academy Trust (including the Principal) does not exceed one third of the total number of Governors nor when counted with all Governors except the Foundation Governors exceed the total number of Foundation Governors and Article 58A shall apply.

The Principal shall be treated for all purposes as being an ex officio Governor.

Subject to Article 57, the Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot.

The arrangements made for the election of a Parent Governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy Trust by a registered pupil at the Academy.

Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

The number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.

In appointing a Parent Governor, the Governing Body shall appoint a person who is the parent of a registered pupil at the Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

LORETO COLLEGE (ST ALBANS)
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

If a Staff Governor ceases to work at the Academy, then he shall be deemed to have resigned and shall cease to be a Governor automatically on termination of his work at the Academy.

Co-opted Governors

The Governors may appoint up to 3 Co-opted Governors provided that if any such Governors are appointed the number of Foundation Governors permitted by Articles 46 and 50 shall increase proportionately to ensure that a majority of Governors are Foundation Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if the number of Governors who are employed by the Academy Trust (including the Principal) would thereby exceed one third of the total number of Governors.

Appointment of Additional Governors

The Secretary of State may give a warning notice to the Governors which he shall copy to the Loreto Education Trust where he is satisfied:

- i) that the standards of performance of pupils at the Academy are unacceptably low, or
- ii) that there has been a serious breakdown in the way the Academy is managed or governed, or
- iii) that the safety of pupils or staff of the Academy is threatened (whether by a breakdown of discipline or otherwise).

For the purposes of Article 60 a 'warning notice' is a notice in writing by the Secretary of State to the Academy Trust delivered to the Office setting out—

- a) the matters referred to in Article 60;
- b) the action which he requires the Governors to take in order to remedy those matters; and
- c) the period within which that action is to be taken by the Governors ('the compliance period').

The Secretary of State may appoint such Additional Governors as he thinks fit (after consultation with the Loreto Education Trust) if the Secretary of State has:

- a) given the Governors a warning notice in accordance with Article 60; and
- b) the Governors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

The Secretary of State may also appoint such Additional Governors (after consultation with the Loreto Education Trust) where following an inspection by the Chief Inspector in accordance with the Education Act 2005 (an "inspection") the Academy Trust receives an Ofsted grading (being a grade referred to in The Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one inspection to the next inspection or between any two inspections carried out within a 5 year period, of two Ofsted grades. For the purposes of the foregoing the grade received by the Predecessor School shall be regarded as the grade received by the Academy.

The Secretary of State may also appoint such Further Governors as he thinks fit (after consultation with the Loreto Education Trust) if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of the Academy.

Within 5 days of the Secretary of State appointing any Additional or Further Governors in accordance with Articles 62, 62A or 63, any Governors appointed under Article 50 and holding office immediately preceding the appointment of such Governors, shall resign immediately and the Members' power to appoint Governors under Article 50 shall remain suspended until the Secretary of State removes one or more of the Additional or Further Governors.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

e. Policies and Procedures adopted for the induction and training of trustees

The school subscribes to Hertfordshire County Council Governance Scheme, and encourages all new Governors to attend the induction course. Governors are given an induction pack which has details of their code to assess the system, and can attend any course which they feel is relevant. The Loreto Education Trust (L.E.T) has always run a training programme every three years for Governors, but in 2017 they produced an extensive document outlining the expectations of a Loreto Governor. The Governing Body is to evaluate itself against these standards and report formally back to the L.E.T Board annually. The fourth report has been written and is under review by the L.E.T Board.

f. Organisational structure

The academy has established a management structure to enable its efficient running. The structure consists of two levels: the trustees and the executives who are the senior leadership team.

The role of the trustees is to approve the strategic direction and objectives of the academy and monitor its progress towards these objectives.

Trustees are responsible for adopting an annual plan and budget, and monitoring both.

The Headteacher assumes the accounting officer role.

The school currently has 963 pupils (955 in the January 2022 census) and 96 staff (54.71 full time equivalent teaching staff, 26.545 full time equivalent support staff). The Senior Leadership team is comprised of the Head Teacher (Accounting Officer), one Deputy Head Teacher and three Assistant Head Teachers. There are four committees, Finance & Audit, Premises, Curriculum and Personnel. The Schedule of Financial Delegation gives details of the relevant levels which exist for decisions regarding purchasing and contracts. The four Committees have robust Terms of Reference, which are reviewed annually along with the Schedule of Financial Delegation.

g. Arrangements for setting pay and remuneration of key management personnel

Governors do not receive remuneration for their role and are volunteers. The pay of key management personnel is set by the Governors reflecting the demands of their roles, using local and national benchmarking and following the completion of the performance management cycle.

Trade Union Facility Time

No employee was engaged in such activity during the relevant period.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

h. Related parties and other connected charities and organisations

Related Parties and other Connected Charities and Organisations

Loreto College (St Albans) is a member of:

- Alban Consortium
- Institute of Blessed Virgin Mary
- Links Academy
- Loreto Education Trust
- STASSH Umbrella Trust

Alban Consortium – A group of 5 schools which work collaboratively post 16 to ensure that the students can benefit from a wide choice of A Levels.

Institute of the Blessed Virgin Mary (IBVM) – Commonly known as the Sisters of Loreto, is an International Roman Catholic Religious Congregation with UK charity status. Sr Bernadette Turtle, Sr Anne McEvoy and Sr Kathryn Keigher all belong to this congregation and serve on the Governing Body of Loreto (St Albans). Sr Jennifer Bromham is a "member" of Loreto College.

Links Academy – The local Education Support Centre of which Mrs Maire Lynch is the Chair of Governors.

Loreto Education Trust Board – A charitable company set up to help the Institute of the Blessed Virgin Mary (IBVM) carry out its obligations within the Catholic Church. Its responsibilities include acting as the overall supportive, co-ordinating, determining, supervisory and controlling body in respect of the schools and colleges, and the appointment of Foundation Governors under the direction of the Province Leader. Sr Bernadette Turtle, Sr Kathryn Keigher and Mrs Maire Lynch are all members of the LET Board.

STASSH Umbrella Trust – A group of St Albans and Harpenden secondary schools which collaborate to support the education of students in the area.

Engagement with Employees (including disabled persons)

Not applicable.

Engagement with Suppliers, Customers and Other in a Business Relationship with the Trust.

Not applicable.

Objectives and activities

LORETO COLLEGE (ST ALBANS)
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

a. Objects and aims

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a Catholic school designated as such ("the Academy") which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic canon law applying thereto including any trust deed governing the use of land used by the Academy both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice and following directives issued by the Institute of the Blessed Virgin Mary.

Principal Activities

The characteristics of the Academy set down in Section 1 A (1) of the Academies Act 2010 are that:

- (a) It is an independent school
- (b) It has a curriculum satisfying the requirements of section 78 of the Education Act 2002 which is a balanced and broadly based curriculum
- (c) It provides education for pupils of different abilities
- (d) It provides education for pupils who are wholly or mainly drawn from the area in which the school is situated.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in the St Albans and surrounding area. It had a roll of 955 in the school census on 20th January 2022.

b. Objectives, strategies and activities

The academy staff focus always on ensuring that they work towards meeting the challenges of the mission statement of all Loreto schools. Our education is value driven and enables our students to pursue both personal and academic excellence. Our students are encouraged to engage in extra-curricular activities and there is a huge focus every year on charitable activities. Our justice and peace group leads on this; each year local, national and international charities are supported.

We appreciate the importance of the recruitment and retention of staff, successfully training new entrants to the profession and ensuring that our own staff are given opportunities for professional growth and experience. We work closely with other Loreto schools, particularly in the area of professional development at leadership level.

We were successful in the most recent round of CIF funding. The trustees committing significant finances to this project, which has enabled the replacement of boilers in three blocks.

As 2022 is our centenary year, we have also invested a significant amount of money in our premises to ensure that the buildings and grounds are in the best possible condition as the school embarks on its next 100 years.

In addition, we have had a huge focus on sustainability reducing our Display Energy Certificate grade from D to B through securing renewable electricity, replacing energy inefficient lights and improving glazing.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

c. Public benefit

The Governors of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The Academy aims to advance for the public benefit, education in St Albans and the surrounding area by offering a rich curriculum which aims to deliver good academic progress with a range of activities and experiences, giving pupils a chance to demonstrate their abilities and potential.

As an academy we make the best use of our skills, expertise and experience with regards to the community and make a significant contribution to raising money for local, national and international charities.

In the last 10 years we have raised £147,600.

Strategic report

Achievements and performance

a. Key performance indicators

We were pleased with the academic outcomes in June 2022.

At GCSE over half the grades awarded were 7+. Our Progress 8 will place us in the top 2% in the country.

A lower attendance percentage is a direct result of COVID isolations.

Key Performance Indicator	2022	2021	2020	2019
GAG carry forward %	8%	0.5%	0.5%	5%
Total GAG income per pupil (based on pupil numbers of 949)	£5,433	£5,108	£4,842	£4,884
Staff costs per pupil (based on pupil numbers of 949)	£4,424	£4,222	£4,133	£4,081
Student attendance %	90%	95%	94%	94%
Staff costs as % of GAG	75%	83%	85%	84%
GCSE - Level 4 Maths & English	90%	87%	90%	84%
GCSE - Level 5 Maths & English	76%	67%	85%	67%
Progress 8	0.84	N/A	1.18	0.80

b. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

At the year end the Academy had restricted funds of £2,343,193 and unrestricted funds of £1,169,712; £3,512,905 in total as against £1,532,150 in the previous period. The principal financial management policy is to work within the annual income budget and ensure the Academy does not go overdrawn. These figures exclude the fixed asset reserve of £2,291,994 and the pension deficit of £397,000.

Throughout this financial year we have managed our funds prudently. We have continued to develop our site in our 100th year and invest in our sustainability agenda. In addition, we have ensured that our curriculum is appropriately staffed and resourced, both in terms of books and IT equipment.

a. Reserves policy

With professional, independent inspections of our heating/mechanical systems having placed some of our buildings at risk of closure due to heating failure, the governing body chose to retain an amount of capital to help alleviate concerns. Following the successful Conditional Improvement Fund application for mechanical replacements, these reserves can be diverted to address other pressing concerns. However, this year's Gas Safe inspections have identified fresh problems with heating/mechanical systems in other buildings on our premises, whilst recent inclement weather has also revealed leaks and roofing issues which have caused us to invoke temporary classroom closure in a school with an already insufficient capacity. It should be noted that despite reserves appearing excessive, they would not meet the entire cost of repairing any of the areas of concern that beset our premises.

With a lack of clarity from the government regarding the anticipated back dated pay rise to both teaching and support staff, the governors budgeted for a 3% pay rise which has subsequently been confirmed at 5%. Without sufficient funds at bank, the school would have been unable to meet its payroll obligations.

Having secured a very reasonable 3-year deal for the supply of our gas and electricity in October 2021, we are naturally apprehensive about the prospect of having to absorb a 200-250% price hike when our current terms expire. In the absence of any government guarantee of extra funding to meet a likely £200,000 annual increase, we can only consider holding excess reserves as a means of helping to meet any shortfall. We do not wish to countenance staff cuts at this stage.

The reserves contain £136,000 of CIF money to complete the boiler project. The school is also completing a changing room project at approximately £66,000. IT infrastructure work is being commissioned to bring the broadband up to the new DfE requirements, improve Wifi coverage and enable a critical incident security system at approximately £50,000. £100,000 is designated and ring fenced for future energy costs. The potential roof repairs indicated are likely to be in excess of £40,000.

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Trust recognises a significant pension fund deficit totalling to £397,000 (2020: £1,721,000). This deficit is included within restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Trust due to the recognition of the deficit.

The policy of the Academy is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the DfE.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

At 31 August 2022 the total funds of £3,512,905 comprised:

Reserves carried forward include £2,291,994 relating to the restricted fixed asset fund, a deficit of £397,000 in relation to the pension fund and a surplus of £2,343,193 in the general restricted fund. Unrestricted funds have reserves to carry forward of £1,169,712.

Pension deficit

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teacher's scheme, separate assets are held to fund future liabilities as discussed in note 25. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits.

The deficit on pension reserves is not payable immediately. Plans are in place to meet the deficit such that it is not a constraint on reserves in the future.

At 31 August 2022 the total funds comprised:

Unrestricted		£1,169,712
Restricted:	Fixed asset funds	£2,291,969
	Pension reserve	£(379,000)
	Other	£2,343,193
		<hr/>
		£3,512,905
		<hr/>

b. Investment policy

Investment policies are determined by the Trust Board. This ensures the level of funds the Trust holds can cover any immediate expenditure, without exposing the Trust to additional risk. Should any potential investment opportunity arise this would be escalated to the Trust Board for consideration.

As at 31 August 2022, no investments were held.

c. Principal risks and uncertainties

The principal risks facing the Academy are:

- Reputational risk – mitigated by a commitment to ensure high standards. Policies and procedures are in place to ensure that the school community adheres to the standards expected.
- Performance risk – mitigated by robust monitoring of the academic standards coupled with appropriate timely interventions, where necessary.
- Financial Risk – The principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. The risks presented here are mitigated by careful stewardship of available resources, and an up-to-date knowledge of the national funding agenda and broad educational issues.
- Risks associated with personnel – mitigated by a robust appointment procedure and clear HR policies adhered to strictly.

The risks have been reviewed and the Governing Body have ensured that systems and procedures are in place to manage them.

LORETO COLLEGE (ST ALBANS)
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising

Fundraising for the school is undertaken by the Parent's Association. No outside group is involved in any way. All fundraising is monitored by the Trustees. Due consideration is given at all times to ensuring that no fundraising practices are unreasonably intrusive or apply undue pressure especially with regard to vulnerable persons.

Plans for future periods

- We will continue to work to ensure that we fulfil our objectives and aims nurturing the particular, and special, ethos that personifies a Loreto school.
- We will work to ensure that academic standards remain high and students achieve their potential and are well cared for in a supportive environment.
- We will prepare for an Ofsted inspection.
- We will look to secure funding streams as part of our commitment to sustainability and decarbonisation.
- We will focus on our development plan to ensure that we are keeping abreast of current educational issues.
- We will invest significantly in improved broadband and WIFI.
- As always we will ensure our site is safe and well maintained.

Funds held as custodian on behalf of others

No funds were held by the Academy Trust as custodian trustee on behalf of others.

Disclosure of information to Auditors

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware,
- that trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 28 November 2022 and signed on its behalf by:



.....
Mr Eoin Woods
Parent Governor

LORETO COLLEGE (ST ALBANS)
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GOVERNANCE STATEMENT

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Loreto College (St Albans) has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to Mrs M Lynch (the Headteacher) as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Loreto College (St Albans) and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

LORETO COLLEGE (ST ALBANS)
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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The board of trustees has formally met 6 times during the year.

Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Mark Healy, Chair	6	6
Mrs Jackie Fakes, Vice Chair	3	6
Mrs Mary (Maire) Lynch, Head Teacher	6	6
Sr Anne McEvoy	6	6
Sr Cecilia (Bernadette) Turtle	5	6
Sr Kathryn Keigher	6	6
Mrs Patricia Lloyd	0	2
Dr Kathryn Wilson	4	6
Mrs Sharon Kerry, Co-Opted	6	6
Mr Andrew (David) Gregory, Parent Governor	6	6
Dr Natasha Phillips, Parent Governor	3	6
Mr Eoin Woods, Parent Governor (Co-Opted)	5	6
Mr Paul Hough, Teacher- Staff Governor	3	6
Mrs Sian Ireland, Teacher- Staff Governor	5	6
Mrs Caroline Bacon, Support- Staff Governor	2	2

There has been a change in personnel of the Members so that only one Trustee is a Member.

The Board receives reports both on academic data, both formative and summative.

They receive safeguarding and exclusion reports regularly.

All aspects of risk are reviewed at the full Governing Body meetings and in addition sub committees also review their specific risks at each meeting.

Monthly budget reports are prepared for the governors, these indicate % spend against budget under all categories of spend, enabling governors to see any areas where the academy is not on budget.

A year on year comparison is also provided on the staffing allocation/allowances so that they can track any trends, for example on the number of staff on the upper pay spine rising or too many inexperienced staff being appointed.

They are also provided with a summary of the outcomes of the performance management cycle and the lesson observations undertaken so that they can review the quality of teaching.

The **Finance and Audit Committee** is a sub-committee of the main board of trustees. Its purpose is to carry out duties under the Schedule of Financial Delegation of the Academy and the Committee's Terms of Reference.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Mary (Maire) Lynch	7	7
Mrs Caroline Bacon	2	2
Mr Mark Healy	6	7
Sr Anne McEvoy	6	7
Mr Eoin Woods	4	7

At the request of the Headteacher, the following Governors, who are members of the Premises Committee,

LORETO COLLEGE (ST ALBANS)
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

attended some of the above meetings if particular items related to both committees.

Trustee	Meetings attended	Out of a possible
Mr Andrew (David) Gregory	1	1
Mrs Sian Ireland	1	1

Review of value for money

As accounting officer, the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Academy Trust Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- The school's energy consumption has remained largely stable in the past year, despite the return to a full timetable and whole school attendance post-pandemic. This can only really be attributed to the energy savings made through the installation of LED lighting to the premises and other energy saving initiatives, like occupancy switching and the automatic shutdown of PC's.
- The school provided significant evidence and support to the successful CIF bid, which achieved a record amount of additional funding to enable the school to replace failing central heating systems to 3 buildings. The installation of energy efficient boilers and distribution systems should reduce energy consumption further still, as well as reduce reactive maintenance costs.
- As part of the central heating refurbishment works, cold water storage to the MAS block and gymnasium were eliminated at the school's request, achieving an annual saving of several hundred pounds against the cleaning and chlorination of the same.
- Incumbent sub-contractors have been price checked against equivalent competitors to ensure they continue to provide value for money.
- The in-house site team have taken responsibility for the delivery of several small-scale refurbishment projects during their normal working hours (non-term time), saving labour costs and OHP's which would otherwise have been met from budget.
- The in-house site team have taken responsibility for the delivery of several items of reactive maintenance during their normal working hours (non-term time), saving labour costs and OHP's which would otherwise have been met from budget.
- Spending on refurbishment and planned maintenance during the past year has been carefully considered, costed and competitively tendered.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Loreto College (St Albans) for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

LORETO COLLEGE (ST ALBANS)
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of trustees approved to employ Hiller Hopkins to undertake the internal audit function for 2021/22.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations.

On a termly basis, the reviewer reports to the board of trustees through the Finance and Audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Review of effectiveness

As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

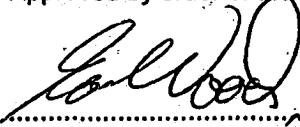
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

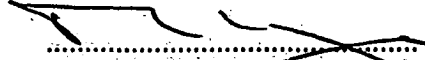
LORETO COLLEGE (ST ALBANS)
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of trustees on and signed on their behalf by:



Mr Eoin Woods
Parent Governor



Mrs Mary (Maire) Lynch
Accounting Officer

LORETO COLLEGE (ST ALBANS)
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Loreto College (St Albans) I have considered my responsibility to notify the Academy board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

I confirm that I and the Academy board of trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2021.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



Mrs Mary (Maire) Lynch
Accounting Officer
Date: 28 November 2022

LORETO COLLEGE (ST ALBANS)
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

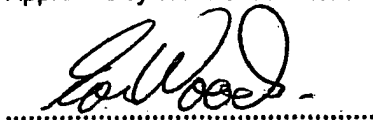
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 28 November 2022 and signed on its behalf by:



.....
Mr Eoin Woods
Parent Governor

LORETO COLLEGE (ST ALBANS)
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LORETO COLLEGE (ST ALBANS)**

Opinion

We have audited the financial statements of Loreto College (St Albans) (the 'academy') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 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 Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

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 Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is 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 Academy'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.

LORETO COLLEGE (ST ALBANS)
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LORETO COLLEGE (ST ALBANS) (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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, except to the extent otherwise explicitly stated in our report, 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. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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 Academy'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 Academy or to cease operations, or have no realistic alternative but to do so.

LORETO COLLEGE (ST ALBANS)
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LORETO COLLEGE (ST ALBANS) (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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:

We considered the nature of the industry and its control environment, and reviewed the academy's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities. We obtained an understanding of the legal and regulatory framework that the academy's operates in, and identified the key laws and regulations that:

- reading minutes of meetings of those charged with governance.
- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.
- We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.


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

LORETO COLLEGE (ST ALBANS)
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LORETO COLLEGE (ST ALBANS) (CONTINUED)**

Use of our report

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' 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 Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

 **FOR LANDAU BAKER LIMITED**

Carly Pinkus (Senior statutory auditor)

for and on behalf of
Landau Baker Limited

Chartered Accountants
Statutory Auditor

Mountcliff House

154 Brent Street

London

NW4 2DR

28 November 2022

LORETO COLLEGE (ST ALBANS)
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LORETO COLLEGE (ST ALBANS) AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 13 April 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Loreto College (St Albans) during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Loreto College (St Albans) and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Loreto College (St Albans) and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Loreto College (St Albans) and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Loreto College (St Albans)'s accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Loreto College (St Albans)'s funding agreement with the Secretary of State for Education dated 20 February 2012 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

The work undertaken to draw to our conclusion includes:

- review of management reporting documents.
- review of Trustees/Governors meeting minutes.
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions by staff or related parties.
- adherence to tendering policies.

LORETO COLLEGE (ST ALBANS)
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LORETO
COLLEGE (ST ALBANS) AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Landau Baker Limited

Reporting Accountant
Landau Baker Limited
Chartered Accountants
Statutory Auditor

Date: 28 November 2022

LORETO COLLEGE (ST ALBANS)
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	-3	41,645	-	403,432	445,077	361,237
Other trading activities	5	150,428	167,162	-	317,590	103,516
Investments	6	136	-	-	136	171
Charitable activities	4	-	5,496,025	-	5,496,025	5,382,300
Total income		192,209	5,663,187	403,432	6,258,828	5,847,224
Expenditure on:						
Charitable activities	8	58,761	5,694,795	121,517	5,875,073	5,453,080
Total expenditure		58,761	5,694,795	121,517	5,875,073	5,453,080
Net income/(expenditure)		133,448	(31,608)	281,915	383,755	394,144
Transfers between funds	19	-	(6,871)	6,871	-	-
Net movement in funds before other recognised gains/(losses)		133,448	(38,479)	288,786	383,755	394,144
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	1,597,000	-	1,597,000	(273,000)
Net movement in funds		133,448	1,558,521	288,786	1,980,755	121,144
Reconciliation of funds:						
Total funds brought forward		1,036,264	(1,507,322)	2,003,208	1,532,150	1,411,006
Net movement in funds		133,448	1,558,521	288,786	1,980,755	121,144
Total funds carried forward		1,169,712	51,199	2,291,994	3,512,905	1,532,150

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 30 to 52 form part of these financial statements.

LORETO COLLEGE (ST ALBANS)
(A company limited by guarantee)
REGISTERED NUMBER: 08028084

BALANCE SHEET
AS AT 31 AUGUST 2022

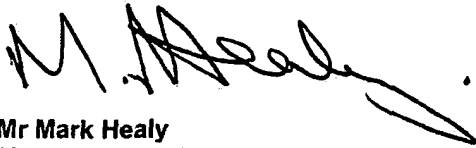
	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	2,291,969	2,003,208
Investments	14	25	25
		<u>2,291,994</u>	<u>2,003,233</u>
Current assets			
Stocks	15	2,785	2,416
Debtors	16	249,719	277,837
Cash at bank and in hand		2,001,066	1,443,050
		<u>2,253,570</u>	<u>1,723,303</u>
Creditors: amounts falling due within one year	17	(585,129)	(397,450)
Net current assets		<u>1,668,441</u>	<u>1,325,853</u>
Total assets less current liabilities		<u>3,960,435</u>	<u>3,329,086</u>
Creditors: amounts falling due after more than one year	18	(50,530)	(75,936)
Net assets excluding pension liability		<u>3,909,905</u>	<u>3,253,150</u>
Defined benefit pension scheme liability	26	(397,000)	(1,721,000)
Total net assets		<u><u>3,512,905</u></u>	<u><u>1,532,150</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	2,291,994	2,003,208
Restricted income funds	19	448,199	213,678
		<u>2,740,193</u>	<u>2,216,886</u>
Restricted funds excluding pension asset	19	2,740,193	2,216,886
Pension reserve	19	(397,000)	(1,721,000)
Total restricted funds	19	<u>2,343,193</u>	<u>495,886</u>
Unrestricted income funds	19	1,169,712	1,036,264
Total funds		<u><u>3,512,905</u></u>	<u><u>1,532,150</u></u>

LORETO COLLEGE (ST ALBANS)
(A company limited by guarantee)
REGISTERED NUMBER: 08028084

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 26 to 52 were approved by the trustees, and authorised for issue on 28 November 2022 and are signed on their behalf, by:

A handwritten signature in black ink, appearing to read 'M. Healy', followed by a period.

Mr Mark Healy
(Chair of Trustees)

The notes on pages 30 to 52 form part of these financial statements.

LORETO COLLEGE (ST ALBANS)
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	21	564,726	277,000
Cash flows from investing activities	22	(6,710)	(520,785)
Change in cash and cash equivalents in the year		558,016	(243,785)
Cash and cash equivalents at the beginning of the year		1,443,050	1,686,835
Cash and cash equivalents at the end of the year	23, 24	<u><u>2,001,066</u></u>	<u><u>1,443,050</u></u>

The notes on pages 30 to 52 form part of these financial statements

LORETO COLLEGE (ST ALBANS)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• **Charitable activities**

These are costs incurred on the Academy's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following basis:

Leasehold improvements	-	2% straight line
Furniture and fixtures	-	20% straight line
Computer equipment	-	20% straight line
Motor vehicles	-	20% straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.12 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.14 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.15 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

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**NOTES TO THE FINANCIAL STATEMENTS
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2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	41,645	-	41,645	44,751
Capital Grants	-	403,432	403,432	316,486
	<u>41,645</u>	<u>403,432</u>	<u>445,077</u>	<u>361,237</u>
<i>Total 2021</i>	<u>44,751</u>	<u>316,486</u>	<u>361,237</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the Academy's educational operations

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant (GAG)	5,189,188	5,189,188	4,853,280
Other DfE/ESFA grants			
Pupil Premium	100,536	100,536	92,943
Others	171,520	171,520	299,735
	<u>5,461,244</u>	<u>5,461,244</u>	<u>5,245,958</u>
Other Government grants			
Local authority grants	34,781	34,781	35,206
	<u>34,781</u>	<u>34,781</u>	<u>35,206</u>
COVID-19 additional funding (DfE/ESFA)			
Catch-up premium	-	-	62,880
Other DfE/ESFA COVID-19 funding	-	-	38,256
	<u>-</u>	<u>-</u>	<u>101,136</u>
	<u>5,496,025</u>	<u>5,496,025</u>	<u>5,382,300</u>
	<u>5,496,025</u>	<u>5,496,025</u>	<u>5,382,300</u>

5. Income from other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Rental income	9,678	-	9,678	4,730
Other income	140,750	51,647	192,397	98,148
Trip income	-	115,515	115,515	638
	<u>150,428</u>	<u>167,162</u>	<u>317,590</u>	<u>103,516</u>
Total 2021	<u>87,127</u>	<u>16,389</u>	<u>103,516</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest receivable	136	136	171
	<u>136</u>	<u>136</u>	<u>171</u>

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Academy's Educational Operations:					
Direct costs	3,348,499	121,517	421,251	3,891,267	3,613,887
Support costs	1,184,883	422,166	376,757	1,983,806	1,839,193
	<u>4,533,382</u>	<u>543,683</u>	<u>798,008</u>	<u>5,875,073</u>	<u>5,453,080</u>
<i>Total 2021</i>	<u>4,227,715</u>	<u>389,779</u>	<u>835,586</u>	<u>5,453,080</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational Activities	3,891,267	1,983,806	5,875,073	5,453,080
	<u>3,891,267</u>	<u>1,983,806</u>	<u>5,875,073</u>	<u>5,453,080</u>
<i>Total 2021</i>	<u>3,613,887</u>	<u>1,839,193</u>	<u>5,453,080</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Activities 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	3,281,721	3,281,721	3,189,032
Depreciation	121,517	121,517	62,643
Educational supplies	194,675	194,675	201,403
Examination fees	97,149	97,149	72,757
Staff development & training	10,060	10,060	6,011
Teaching supply costs	66,778	66,778	73,679
Other direct costs	119,367	119,367	8,362
	<u>3,891,267</u>	<u>3,891,267</u>	<u>3,613,887</u>

Analysis of support costs

	Educational Activities 2022 £	Total funds 2022 £	Total funds 2021 £
Pension finance costs	31,000	31,000	23,000
Staff costs	942,883	942,883	818,004
Maintenance of premises and equipment	195,950	195,950	327,136
Energy	94,179	94,179	76,919
Cleaning	103,814	103,814	103,283
Rent and rates	28,223	28,223	27,619
Insurance	61,693	61,693	63,026
Security & Transport	7,025	7,025	7,651
Catering	21,502	21,502	55,488
Governance costs	9,465	9,465	11,000
Other support costs	232,591	232,591	170,443
Legal	2,074	2,074	2,035
Non-cash pension costs	242,000	242,000	147,000
Recruitment	11,407	11,407	6,589
	<u>1,983,806</u>	<u>1,983,806</u>	<u>1,839,193</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	11,669	12,571
Depreciation of tangible fixed assets	121,517	62,643
Fees paid to auditors for:		
- audit	6,000	9,250
- other services	8,370	6,690
	<u>136,556</u>	<u>81,154</u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	3,189,902	3,041,648
Social security costs	334,674	309,270
Pension costs	700,028	656,118
	<u>4,224,604</u>	<u>4,007,036</u>
Agency staff costs	66,778	73,679
Non cash pension costs	242,000	147,000
	<u>4,533,382</u>	<u>4,227,715</u>

b. Staff numbers

The average number of persons employed by the Academy during the year was as follows:

	2022 No.	2021 No.
Teachers	60	54
Administration and Support	47	43
Management	1	1
	<u>108</u>	<u>98</u>

c. Higher paid staff

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. Staff (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022 No.	2021 No.
In the band £60,001 - £70,000	3	4
In the band £70,001 - £80,000	1	1
In the band £100,001 - £110,000	1	1

d. Key management personnel

The key management personnel of the Academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £494,119 (2021 - £572,494).

11. Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of trustees' remuneration and other benefits was as follows:

		2022 £	2021 £
Mrs Mary (Maire) Lynch, Headteacher	Remuneration	105,000 - 110,000	105,000 - 110,000
	Pension contributions paid	25,000 - 30,000	25,000 - 30,000
		45,000 - 50,000	45,000 - 50,000
Mr Paul Hough, Teacher - Staff Governor	Remuneration	45,000 - 50,000	45,000 - 50,000
	Pension Contributions paid	10,000 - 15,000	10,000 - 15,000
		60,000 - 65,000	60,000 - 65,000
Mrs Sian Ireland, Teacher - Staff Governor	Remuneration	60,000 - 65,000	60,000 - 65,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
		30,000 - 35,000	40,000 - 45,000
Mrs Caroline Bacon, Support - Staff Governor	Remuneration	30,000 - 35,000	40,000 - 45,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
		35,000 - 45,000	45,000 - 55,000

During the year ended 31 August 2022, no trustee expenses have been incurred (2021 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2022 was £6,777 (2021 - £6,160). The cost of this insurance is included in the total insurance cost.

13. Tangible fixed assets

	Leasehold improvements £	Assets under construction £	Furniture and fixtures £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2021	1,875,923	-	523,471	381,686	34,200	2,815,280
Additions	42,710	246,283	64,166	57,119	-	410,278
At 31 August 2022	1,918,633	246,283	587,637	438,805	34,200	3,225,558
Depreciation						
At 1 September 2021	159,219	-	388,418	230,235	34,200	812,072
Charge for the year	37,719	-	39,775	44,023	-	121,517
At 31 August 2022	196,938	-	428,193	274,258	34,200	933,589
Net book value						
At 31 August 2022	1,721,695	246,283	159,444	164,547	-	2,291,969
At 31 August 2021	1,716,704	-	135,053	151,451	-	2,003,208

The Institute of the Blessed Virgin Mary (Sisters of Loreto) own the freehold interest in the buildings and open land both of which are occupied by the academy on a rent free license to occupy. This continuing permission of their trustees is pursuant to, and subject to, the trustees' charitable objects, and is part of the trustees' contribution to provide state funded education in partnership with the state and detailed in a supplementary agreement with the academy. The license delegates aspects of the management of the land (and buildings) to the Academy Trust company for the time being but does not vest any rights over the land in the Academy Trust company, the terms of which have been agreed between the Secretary of State and the Institute of the Blessed Virgin Mary (Sisters of Loreto). This agreement can be revoked at any time and within this agreement is a termination clause with the trustees of the Institute of the Blessed Virgin Mary (Sisters of Loreto) giving two years notice. The trustees have concluded that the land and buildings should not be recognised as an asset of the academy as the academy trust does not control the asset.

The financial statements do not reflect any notional rental expense for the use of the land and buildings as the trustees have concluded that no reliable figure can be measured for this donation as there are no rental premises for academy operations which are considered to be comparable and reliably measured.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 September 2021	25
	<hr/>
At 31 August 2022	25
	<hr/> <hr/>
Net book value	
At 31 August 2022	25
	<hr/>
At 31 August 2021	25
	<hr/> <hr/>

All the fixed asset investments are held in the UK.

The Academy is the registered owner of one £25 fully paid up share in Herts for Learning Limited. The principal activity of the company is to provide ancillary services such as IT support and HR advice to schools within Hertfordshire.

15. Stocks

	2022 £	2021 £
School Equipment	2,785	2,416
	<hr/> <hr/>	<hr/> <hr/>

16. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	4,374	3,209
VAT recoverable	9,521	75,344
Prepayments and accrued income	235,824	199,284
	<hr/>	<hr/>
	249,719	277,837
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	25,163	21,259
Trade creditors	45,373	80,436
Other taxation and social security	82,164	78,590
Other creditors	80,385	76,755
Accruals and deferred income	352,044	140,410
	<u>585,129</u>	<u>397,450</u>
	2022 £	2021 £
Deferred income at 1 September 2021	36,212	34,142
Resources deferred during the year	129,150	36,212
Amounts released from previous periods	(36,212)	(34,142)
	<u>129,150</u>	<u>36,212</u>

Deferred income held at 31 August 2022 represents funds received in advance for the purposes school trips of £95,414 (2021: £6,205), music lessons of £6,064 (£Nil), rates relief of £19,763 (2021: £19,763), and other learning resources of £7,909 (2021: £10,244).

18. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Other loans	50,530	75,936

At year end there are 5 loans outstanding, 3 conditional improvement fund (CIF) loans and 2 Salix loans. The 17/18 CIF loan has a balance outstanding of £15,000 (PY: £30,000) at year end of which £15,000 (PY: £15,000) is payable within 1 year and £nil (PY: £15,000) is payable in more than one year. Interest accruing on this loan is 1.07%. The loan will reach maturity on 01/08/2023. The 18/19 CIF loan has a balance outstanding of £8,000 (PY: £12,000) at year end of which £4,000 (PY: £4,000) is due within 1 year and £4,000 (PY: £8,000) is due in more than 1 year. The interest rate accruing on this loan is 1.55%. The loan will reach maturity on 01/08/2024. The 18/19 Salix loan has a balance outstanding of £4,044 (PY: £5,055) of which £1,011 (PY: £1,011) is payable within 1 year and £3,033 (PY: £4,044) is payable in more than one year. Interest accruing on this loan is 0%. The loan will reach maturity on 01/03/2026. The 20/21 CIF loan has a balance outstanding of £40,000 (PY: £40,000) of which £4,000 (PY: £nil) is payable within 1 year and £36,000 (PY: £40,000) is payable in more than one year. Interest accruing on this loan is 1.95%. The loan will reach maturity on 01/09/2031. The 20/21 salix loan has a balance outstanding of £8,648 (PY: £9,224) of which £1,153 (PY: £576) is payable within 1 year and £7,495 (PY: £8,648) is payable in more than one year. Interest accruing on this loan is 0%. The loan will reach maturity on 01/09/2029.

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19. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds - all funds	1,036,264	192,209	(58,761)	-	-	1,169,712
Restricted general funds						
General Annual Grant (GAG)	25,021	5,189,188	(4,770,139)	(6,871)	-	437,199
Other DfE/ ESFA grants	140,540	171,520	(301,060)	-	-	11,000
Other restricted funds	48,117	167,162	(215,279)	-	-	-
Pupil Premium	-	100,536	(100,536)	-	-	-
Local authority grants	-	30,755	(30,755)	-	-	-
Other government grants	-	4,026	(4,026)	-	-	-
Pension reserve	(1,721,000)	-	(273,000)	-	1,597,000	(397,000)
	<u>(1,507,322)</u>	<u>5,663,187</u>	<u>(5,694,795)</u>	<u>(6,871)</u>	<u>1,597,000</u>	<u>51,199</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds- all funds	2,003,208	403,432	(121,517)	6,871	-	2,291,994
Total Restricted funds	<u>495,886</u>	<u>6,066,619</u>	<u>(5,816,312)</u>	<u>-</u>	<u>1,597,000</u>	<u>2,343,193</u>
Total funds	<u>1,532,150</u>	<u>6,258,828</u>	<u>(5,875,073)</u>	<u>-</u>	<u>1,597,000</u>	<u>3,512,905</u>

The specific purposes for which the funds are to be applied are as follows:

The General Annual Grant (GAG) represents core funding for the educational activities of the academy trust via ESFA and must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2022.

The remaining restricted funds relate to various school and educational activities which are not funded by

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19. Statement of funds (continued)

the General Annual Grant. This includes pupil premium, other Local Authority funding and other government grants for which income received is used to cover costs associated with these activities.

The restricted fixed asset funds recognise the tangible assets held by the academy and is equivalent to the net book value of tangible fixed assets and any unspent capital funding. Depreciation is allocated to these funds.

The transfer of £6,871 from restricted funds to restricted fixed asset funds relates to restricted funds spent on capital assets.

The unrestricted general funds represent the academy's unrestricted fund activities:

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds						
Unrestricted funds	940,728	132,049	(36,513)	-	-	1,036,264
Restricted general funds						
General Annual Grant(GAG)	27,551	4,847,280	(4,849,810)	-	-	25,021
Other DfE/ ESFA grants	340,000	305,735	(131,673)	(373,522)	-	140,540
Other restricted funds	132,768	51,595	(8,362)	(127,884)	-	48,117
Pupil Premium	-	92,943	(92,943)	-	-	-
Catch Up Premium	-	62,880	(62,880)	-	-	-
Other DfE/ESFA COVID-19 Funding	-	38,256	(38,256)	-	-	-
Pension Reserve	(1,278,000)	-	(170,000)	-	(273,000)	(1,721,000)
	<u>(777,681)</u>	<u>5,398,689</u>	<u>(5,353,924)</u>	<u>(501,406)</u>	<u>(273,000)</u>	<u>(1,507,322)</u>

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19. Statement of funds (continued)

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Restricted fixed asset funds						
Fixed Asset Fund	1,228,409	316,486	(43,093)	501,406	-	2,003,208
Unspent Capital	19,550	-	(19,550)	-	-	-
	<u>1,247,959</u>	<u>316,486</u>	<u>(62,643)</u>	<u>501,406</u>	<u>-</u>	<u>2,003,208</u>
Total Restricted funds	<u>470,278</u>	<u>5,715,175</u>	<u>(5,416,567)</u>	<u>-</u>	<u>(273,000)</u>	<u>495,886</u>
	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Total funds	<u>1,411,006</u>	<u>5,847,224</u>	<u>(5,453,080)</u>	<u>-</u>	<u>(273,000)</u>	<u>1,532,150</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	2,291,969	2,291,969
Fixed asset investments	-	-	25	25
Current assets	1,169,712	1,083,858	-	2,253,570
Creditors due within one year	-	(585,129)	-	(585,129)
Creditors due in more than one year	-	(50,530)	-	(50,530)
Provisions for liabilities and charges	-	(397,000)	-	(397,000)
Total	<u>1,169,712</u>	<u>51,199</u>	<u>2,291,994</u>	<u>3,512,905</u>

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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	2,003,208	2,003,208
Fixed asset investments	-	25	-	25
Current assets	1,036,264	687,039	-	1,723,303
Creditors due within one year	75,936	(473,386)	-	(397,450)
Creditors due in more than one year	(75,936)	-	-	(75,936)
Pension scheme liability	-	(1,721,000)	-	(1,721,000)
Total	1,036,264	(1,507,322)	2,003,208	1,532,150

21. Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net income for the year (as per Statement of financial activities)	383,755	394,144
Adjustments for:		
Depreciation	121,517	62,643
Capital grants	(403,432)	(316,486)
Interest receivable	(136)	(171)
Defined benefit pension scheme cost less contributions payable	242,000	147,000
Defined benefit pension scheme finance cost	31,000	23,000
(Increase)/decrease in stocks	(369)	33
Decrease/(increase) in debtors	28,118	(128,292)
Increase in creditors	162,273	95,129
Net cash provided by operating activities	564,726	277,000

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22. Cash flows from investing activities

	2022 £	2021 £
Purchase of tangible fixed assets	(410,278)	(837,442)
Capital income	403,432	316,486
Interest received	136	171
Net cash used in investing activities	(6,710)	(520,785)

23. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	2,001,066	1,443,050
Total cash and cash equivalents	2,001,066	1,443,050

24. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,443,050	558,016	2,001,066
Debt due within 1 year	(21,259)	(3,904)	(25,163)
Debt due after 1 year	(75,936)	25,406	(50,530)
	1,345,855	579,518	1,925,373

25. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	817,102	-

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26. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hertfordshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 August 2022.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £557,000 (2021 - £534,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £183,000 (2021 - £158,000), of which employer's contributions totalled £142,000 (2021 - £123,000) and employees' contributions totalled £ 41,000 (2021 - £35,000). The agreed contribution rates for future years are 21.2 per cent for employers and between 5.15 and 12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

Hertfordshire County Council Pension Fund

	2022	2021
	%	%
Rate of increase in salaries	3.60	3.30
Rate of increase for pensions in payment/inflation	3.20	2.90
Discount rate for scheme liabilities	4.25	1.65

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	21.9	22.1
Females	24.4	24.5
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	26.0	26.2

Sensitivity analysis

Hertfordshire County Council Pension Fund

	2022	2021
	£000	£000
Discount rate -0.5%	300	445
Salary increase + 0.5%	25	40
Pension increase rate + 0.5%	275	400

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26. Pension commitments (continued)

Share of scheme assets

The Academy's share of the assets in the scheme was:

	At 31 August 2022 £	At 31 August 2021 £
Equities	1,585,000	1,362,000
Gilts	378,000	745,000
Property	327,000	282,000
Cash and other liquid assets	226,000	180,000
Total market value of assets	2,516,000	2,569,000

The actual return/(losses) on scheme assets was £(211,000) (2021 - £255,000).

The amounts recognised in the Statement of financial activities are as follows:

	2022 £	2021 £
Current and past service cost	(384,000)	(270,000)
Interest income	43,000	38,000
Interest cost	(74,000)	(61,000)
Total amount recognised in the Statement of financial activities	(415,000)	(293,000)

Changes in the present value of the defined benefit obligations were as follows:

	2022 £	2021 £
At 1 September	4,290,000	3,452,000
Current and past service cost	384,000	270,000
Interest cost	74,000	61,000
Employee contributions	41,000	35,000
Actuarial (gains)/losses	(1,808,000)	528,000
Benefits paid	(67,000)	(56,000)
At 31 August	2,914,000	4,290,000

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26. Pension commitments (continued)

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2022 £	2021 £
At 1 September	2,569,000	2,174,000
Interest income	43,000	38,000
Actuarial (losses)/gains	(211,000)	255,000
Employer contributions	142,000	123,000
Employee contributions	41,000	35,000
Benefits paid	(67,000)	(56,000)
At 31 August	2,517,000	2,569,000

27. Operating lease commitments

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	6,925	10,175
Later than 1 year and not later than 5 years	18,675	25,440
	25,600	35,615

28. Other financial commitments

A conditional improvement fund loan of £50,000 has been committed to by the Trust at 31/08/2022 but has not yet been drawn down as at the year end.

29. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

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30. Related party transactions

Owing to the nature of the Academy and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Institute of the Blessed Virgin Mary (Sisters of Loreto) is a registered charity (Number 250607) which benefits the pupils of Loreto College (St Albans). This charity provided the land and buildings for the use of the academy, rent free, throughout the year and previous year.

No related party transactions took place in the period account, other than certain trustees' remuneration and expenses already disclosed in note 11.