

LORETO GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015

THURSDAY



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17/12/2015

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COMPANIES HOUSE

Haines Watts
Bridge House
Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

LORETO GRAMMAR SCHOOL

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LORETO GRAMMAR SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2015

Trustees

Mrs J Beever (Principal and accounting officer) *
Dr S Blower (Chair of trustees) *
Sr B Boland IBVM *
Mr M Bourke
Mrs P Brown
Mr M Cornes
Mr M Dunn
Dr K Grady
Sr K Hewitt IBVM
Mr J Lister
Mrs K C Marchmont
Dr J McCarthy
Sr A McEvoy
Mrs C Rawlings *
Mr V Sweeney *
Sr B Turtle IBVM
Baroness Williams of Trafford *
Mr M Ashley
Mr M Brady

* members of the Finance and Premises Committee

Members

The Institute of the Blessed Virgin Mary
Loreto Education Trust
Dr S Blower

Senior management team

- Headteacher
- Deputy headteacher
- Assistant headteacher
- Assistant headteacher
- Assistant headteacher
- Assistant headteacher
- Director of teaching schools
- Business manager

Mrs Jane Beever
Mrs Fiona Wright
Ms Helen Jordan
Mrs Elizabeth Nash
Dr Martine Fleming
Mrs Frances Green
Mrs Victoria Atherton
Mrs Patricia Booth

Company registration number

08125396 (England and Wales)

Registered office

Dunham Road, Altrincham, Cheshire, WA14 4AH

Independent auditor

Haines Watts, Bridge House, Ashley Road, Hale, Altrincham, Cheshire,
WA14 2UT

Bankers

Lloyds Bank Plc, Lloyds TSB Commercial Centre, 223 Finney Lane
Heald Green, Cheshire, SK8 3PY

Solicitors

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

LORETO GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The trustees and directors present their report with the financial statements of the charitable company for the year ended 31 August 2015.

Structure, governance and management

Constitution

The land and buildings occupied by the academy trust are owned by the trustees of the Institute of the Blessed Virgin Mary (Charity registration number 250607). The trustees own the freehold of the site. The academy trust occupies the site under a mere licence, which does not create an interest in land. The site is always recoverable, and the licence therefore passes no rights to the academy trust to occupy the site. The trustees have, however, undertaken to the Secretary of State, by virtue of the Church Supplemental Agreement, to make the land available for use by the academy trust, which use may be terminated by the trustees by their giving not less than 2 years notice.

There are continuing discussions between the Catholic Education Service (CES) and the EFA about the correct accounting treatment of Church land and buildings, to reflect the actual 'asset' of the academy trust, which may well change the basis of the valuation of what is currently recorded in the academy trust's accounts. Until these discussions are concluded, the directors of the academy trust have decided to continue to include a value of the land and buildings in the academy trust accounts, acknowledging that in the future this accounting treatment may no longer be deemed appropriate.

The academy was incorporated on 2 July 2012 as a company limited by guarantee with no share capital, registration no: 08125396. The company commenced operation as an academy on 1 August 2012. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy. The initial members of the charitable company were nominated by the board of trustees of Loreto Grammar School. The Articles of Association require the members of the charitable company to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy. Details of the registered office are shown on page 1.

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.

Trustees

All trustees are directors of the charitable company for the purposes of the Companies Act 2006 and all are trustees for the purposes of charity legislation.

The trustees who were in office at 31 August 2015 and served during the period are listed on page 1.

Trustees' indemnities

In accordance with normal commercial practice the academy has purchased professional indemnity and directors' and officers' insurance to protect the trustees and officers from claims arising from negligence, errors or omissions occurring whilst on academy business. Further details are disclosed at note 10.

Principal activities

Loreto Grammar School converted to academy trust status on 1 August 2012 at which point the entity's current operations commenced. The academy trust's principal activity is to create a caring, structured environment in which teaching and learning are carried out in accordance with the school's mission statement.

Method of recruitment and appointment or election of trustees

The members of the Loreto Education Trust are responsible for the appointment of trustees except three parent trustees and two staff trustees who will be appointed through an election process directed by the board of trustees. The number of trustees shall be not less than three and shall not be subject to a maximum.

LORETO GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Policies and procedures adopted for the induction and training of trustees.

Trustees are appointed based on the skills that they will bring to the board of trustees or based on a proposal to the board of trustees by representative groups. On appointment, trustees receive information relating to the trust, attend a briefing with the chair of trustees and the headteacher as part of their induction and receive an induction pack on the role and responsibilities of trustees. Trustees attend local authority training on specific trustee requirements and roles and responsibilities.

During the year, trustees are offered all necessary training, provide feedback to relevant committees and this is monitored and tracked centrally.

Organisational structure

The governance of the trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department for Education.

All trustees are members of the full board of trustees. In addition trustees are members of committees which report to the full board of trustees.

The board of trustees meets once each term to receive reports from its sub-committees and manage its strategic objectives. The board has six sub-committees:

- Chairs Committee which meets at least termly to consider internal controls, the responsible officer's reports and risk management;
- Finance & Premises incorporating the Health and Safety sub committee, which meets at least half termly to consider the academy's budgets and financial performance, building and maintenance programme and other premises requirements;
- Admissions and Pupil Welfare which meets 5 times a year to consider the school's admissions policy, to oversee the entrance examination for entry to Year 7, entry to other year groups including the Sixth Form. Any related admissions matters are considered by this committee. This committee also has responsibility to overview all matters of pupil welfare safeguarding and behaviour;
- Curriculum, which considers all matters relating to the curriculum offer in school considering national initiatives and challenging the school in terms of academic performance;
- Staffing, which considers all appointments, performance management and all staff associated policies; and
- Ethos and Values, which ensures the day to day Catholic life of the school is celebrated and upheld.

The day to day management is delegated to the headteacher, who has appointed a senior leadership team, which meets weekly to address strategic developmental matters and to advise the headteacher on day to day responsibilities.

Risk management

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy. The trustees have implemented a number of systems to assess risks that the academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety and school trips) and in relation to the control of finance. The risk register is reviewed on an on-going basis by the Chairs Committee and is submitted to the full board of trustees at least once a year. Where significant financial risk still remains the trustees have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is subject to review by both the external auditors and the responsible officer.

Related parties and other connected charities and organisations

Loreto Grammar School is not connected to any other organisations as defined by the relevant Charities SORP. The members, directors, trustees, senior staff and their families are regarded as related parties in accordance with the definitions in the Charities SORP.

LORETO GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Objectives and activities

Objects and aims

The trust's object is to advance for the public benefit education for girls aged 11 to 18 by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum rooted in the school mission statement and in accordance with the Loreto Education Trust.

The school is a Catholic school and this is integral in its purpose. As a Loreto school its particular charism is that of the Institute of the Blessed Virgin Mary (commonly known as the Sisters of Loreto). The trustees' vision is to create a culture of success to extend lifetime opportunities for young people and to do everything possible to encourage this. The school was judged outstanding both in its Section 5 Ofsted report (2008) and Section 48 report (2013).

The school was designated a National Support School and Teaching School in April 2013 and provides significant school-to-school support on a regular basis to other establishments.

Students are offered a supportive, positive and dynamic learning environment that enables them to focus on their studies and extra-curricular activities. As a result, students achieve academic, creative and technological excellence and extend their sporting, artistic and musical accomplishments.

The academy fosters personal development that helps students to find meaning in their lives and respond with creativity and determination to the challenges that arise through the rapid pace of social change.

Objectives, strategies and activities

The academy's objective for the year ended 31 August 2015 was to raise the attainment level of all students through care and well-being, curriculum structure, teaching and learning, and leadership development.

Student roll: the total number on roll for the year to 31 August 2015 was 1,033.

Admissions: the academy is currently fully-subscribed and operates a waiting list.

Permanent exclusions: there have been no fixed term or permanent exclusions during the period.

Staffing: the average number of (full time equivalent) staff employed during the year to 31 August 2015 was 95.

Public benefit

The academy trust's trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Strategic report

Achievements and performance

Loreto Grammar School is an agent for school improvement via school-to-school support across the northwest of England and beyond. The headteacher is a National Leader in Education (NLE) and has led programmes of school-to-school support in a number of secondary schools. She has been appointed executive headteacher of a local school and the deputy headteacher, associate headteacher of the same school.

Achievement is outstanding at all key stages, and continues to show rising trends, which are of particular significance within the context of lower achievement nationally. At A level in 2015, results were outstanding, the best features of these included the increased proportion of Grade A* to 15%, of Grade A*/A to 43% and of Grades A*-B to 74%. Overall ALPS and DFE documents show high value added scores once again. 2015 also showed outstanding achievement at AS level, with 40% of awards at Grade A, and 65% at Grades A/B, again providing an excellent base for A level achievement in 2016.

GCSE (KS4) results:	2011	2012	2013	2014	2015
5+A* - C	99%	100%	99%	100%	99%
5+A* - C English	99%	97%	98%	99%	99%
5+A* - C Maths	94%	98%	97%	100%	99%
5+A* - C including Maths/English	94%	95%	95%	99%	98%
6+A* - C English Baccalaureate	78%	79%	77%	80%	85%

LORETO GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Ofsted report:

Our inspection judgements were:

Overall Effectiveness	Outstanding
Achievement & Progress of Pupils	Outstanding
Quality of Teaching	Outstanding
Behaviour & Safety of Teaching	Outstanding
Leadership & Management	Outstanding

We are proud of our staff and students' achievements and we continue to make year on year improvements in every aspect of our work.

Key performance indicators

In 2015 the Year 11 group of 167 students achieved outstanding GCSE results, maintaining our trend of rising achievement.

The best features of the results are:

- The increase at Grade A* to 30%.
- The percentage at Grades A*/A of 66%.
- The percentage at Grades A* - C of 99%.
- The increase of the average points score per student entry to 51.

The pass rate at grades A* - C was 99%, with 99% of students achieving 5 or more passes at grades A* - C (target 96%). Additionally, 98% achieved 5 or more passes at grades A* - C including English and Mathematics, and 98% achieved 5 or more passes at grades A* - C including two Sciences. The E-Bacc measure increased to 85% of students.

Overall, out of 1,713 GCSE entries, there were 517 A* grades and 610 A grades, with 66% of passes at these grades, (target 55%), and 91% at grades A* - B. Our students' average total points score was 506, comfortably exceeding the target of 460; additionally, 118 students (71%) achieved 5+ A*/A grades, (target 65%), and 78 students (47%) achieved 8+ A*/A grades, and a total of 43 students (26%) achieved 10+A*/A grades.

Attendance levels are regularly at, or above, 96%. There is continued improvement in attendance rates including increases in those achieving 100% attendance.

The academy places importance on staff retention and development in order to maintain the highest standards of teaching and learning.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy 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 accounting policies note of the financial statements.

Financial review

The trust's financial position for the period to 31 August 2015 demonstrates total income of £6,330,000 with a surplus at 31 August 2015 of £2,356,000. Of this amount £1,907,000 relates to the restricted fixed assets fund, £367,000 pension deficit, leaving £816,000 of funds available to meet school expenditure. The surplus has been allocated to reserves.

The reserves will be utilised for continuous improvements and for projects for the repair and replacement of educational equipment and materials. Reserves will also be allocated to the repair, replacement and updating of the academy's buildings, its plant, equipment and contents.

A strategic capital plan has been prepared and reviewed by the trustees in order that reserves can be prioritised and spent according to the needs of the academy.

LORETO GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The principal financial management policies adopted in the year are:

- regular financial reviews of income and expenditure versus planned budgets at Finance & Premises Committee meetings; and
- consideration as to whether income streams demonstrate a robust and stable position to continue to enable the provision of resources of sufficient quality to fulfil the academy's educational obligations.

Reserves carried forward at 31 August 2015 will be utilised as part of the medium and long term plans of the academy to improve and update its educational resources, materials and equipment, and additionally provide a continuous improvement plan to maintain and repair the site and facilities.

Financial and risk management objectives and policies

The academy has developed risk management procedures as outlined above. The trustees have assessed the major risks to which the academy is exposed and a formal review of the trust's risk management process is undertaken on an annual basis.

Principal risks and uncertainties

Loreto Grammar School has created a risk register and risk review process in order to manage risk.

The principal risks are seen as the loss of reputation through falling standards, falling student rolls and failure to safeguard our students.

Key controls in place are:

- an organisational structure with defined roles, responsibilities and authorisation levels;
- terms of reference for the committees of the board of trustees;
- financial planning, budgeting and regular management reporting highlighting areas of financial risk;
- formal written and published policies for employees; and
- vetting procedures as required by law for the protection of the vulnerable.

The academy has recognised its share of the Local Government Pension Scheme (LGPS) assets and liabilities in accordance with Financial Reporting Standard No. 17. A deficit has been recognised at 31 August 2015. Future contribution rates are adjusted so as to reduce this deficit.

Reserves policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of free reserves should be equivalent to one month of the GAG, approximately £407,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets restricted fund but excluding pension reserve) is £816,000.

Investment policy

Surplus funds are invested through Lloyds on the Money Market to maximise income. The level of investment is balanced with known and estimated cash requirements and is approved by the Finance Committee.

Plans for future periods

We continue to ensure that the academy remains successful in the following ways:

- A focus on providing a fulfilling and rounded education for all girls through excellent staffing, an effective curriculum and excellent outcomes for students, which as a Catholic School is rooted in a strong mission statement and ethos.
- Engagement of the girls in their learning and their leadership development.
- A commitment to partnership with parents, the wider community and our feeder primary schools.

Loreto Grammar School is a National Teaching School and Support School. It has appointed a Director of School to School Support for a two year period to further the aims of the teaching school. School Direct is an important factor in the teaching school programme and this has increased, with the inclusion of other establishments into our network and an increase in university partners.

LORETO GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Whole school objectives and plans for the 2015-16 year include:

- continuing to maintain excellence in standards;
- considering and preparing new measures for assessment and levels; and
- increasing the percentage of pupils exceeding expected levels of progress in English and Maths.

Targets for 2014-15 agreed by the board of trustees included:

- | | |
|--------------------------------------|--------------|
| • 5+A* - C GCSE | 99% exceeded |
| • 5+A* - C including English & Maths | 98% exceeded |
| • Whole school attendance | 96% exceeded |

In 2013-14 Loreto Grammar School was awarded £854,445 in government funding from the 14-15 Academies Capital Maintenance Fund. The funding was for a new build extension creating a new floor above the dining room primarily for the sixth form. The extension, which came into use in April 2015, has provided us with additional sixth form teaching and common room accommodation, educational seminar space, administrative support and sanitary accommodation. It has immediately improved the circulation around the school and the heat efficiency of the building whilst offering greater flexibility and use of space.

Auditors

In so far as the trustees are aware:

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

The audit business Haines Watts has been appointed as the company's auditor. The audit report has therefore been issued by Haines Watts.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14.12.15 and signed on its behalf by:



.....
Dr Stephanie Blower
Chair of trustees

LORETO GRAMMAR SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Loreto Grammar School 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 the headteacher, as accounting officer, for ensuring financial controls conform to 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 Grammar School and the Secretary of State for Education. The accounting officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that which is described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has met three times during the period. Attendance during the meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of possible
Mr Martin Ashley	3	3
Mrs Jane Beever	3	3
Dr Stephanie Blower	3	3
Sr Bernadette Boland IBVM	3	3
Mr Martin Bourke	3	3
Mr Mark Brady	2	3
Mrs Patricia Brown	3	3
Mr Mark Cornes	1	3
Mr Michael Dunn	2	3
Dr Kathryn Grady	2	3
Sr Kathleen Hewitt IBVM	2	3
Mr James Lister	2	3
Mrs Kathryn Clare Marchmont	2	3
Dr Justin McCarthy	3	3
Sr Anne McEvoy IBVM	3	3
Mrs Catherine Rawlings	2	3
Mr Vincent Sweeney	3	3
Sr Bernadette Turtle IBVM (Cecilia Turtle)	3	3
Baroness Williams of Trafford *	1	3

The Finance and Premises Committee is a sub-committee of the main board of trustees. Its purpose is to report to the full board of trustees on a timely basis on the finance of the academy. Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of possible
Mrs Jane Beever	5	6
Dr Stephanie Blower	6	6
Sr Bernadette Boland IBVM	5	6
Mrs Catherine Rawlings	5	6
Mr Vincent Sweeney	5	6
Baroness Williams of Trafford *	0	6

* Member of the House of Lords

LORETO GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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 tax payer resources received.

The accounting officer considers how the 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:-

- Better purchasing
- Teaching Schools
- Benchmarking

Administrative costs are constantly reviewed and renegotiated to ensure better purchasing and this enables the trust to devote as much of its resources as possible to improving the educational experience for its pupils; for example a new payroll contract commenced in April 2015 resulting in an improved service and savings of circa £5,000.

The Teaching School status helps the trust to capitalise on its excellent reputation and draws in additional grants and income. The development and expansion in the year of the school led Initial Teacher Training, NQT programme, Continuing Professional Development and the provision of Support to other Schools enables the sharing of best practice and subsequent recruitment of NQT's.

The trust benchmarks its expenditure against similar schools in the local area and costs are constantly reviewed and challenged against tight budgets set by the leadership team and finance committee. Economies of scale have been achieved through the negotiation of joint service level agreements and the trust will continue to combine power within its Teaching Schools Alliance to maximise value for money in the future.

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's 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 Grammar School for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operation, 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 of identifying, evaluating and managing the academy trust's significant risks that have been in place for the year ended 31 August 2015 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 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 system with an annual budget and monthly financial reports which are reviewed and agreed by the board of trustees;
- regular review by the Finance and Premises 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 defining purchasing (assets purchase or capital investment) guidelines;
- delegation of authority and segregations of duties; and
- identification and management of risks.

LORETO GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed B Lyons, chartered accountant and director of the Private Clients Division at Moors Andrew Thomas. The RO role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the Chairs Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The responsible officer completed his most recent review in September 2015 and reported that there were no material control issues.

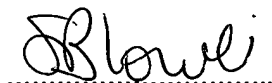
Review of effectiveness

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

- the work of the finance team within the academy trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the Chairs Committee who have the responsibility for audit issues;
- the work of the responsible officer;
- the work of the external auditors; and
- the financial management and governance self-assessment process.

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

Approved by order of the board of trustees on 14.12.15 and signed on its behalf by:



Dr Stephanie Blower
Chair of trustees



Mrs Jane Beever
Accounting officer

LORETO GRAMMAR SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

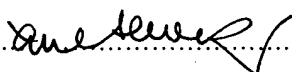
FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of Loreto Grammar School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust 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.

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

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 EFA.

Approved on 14.12.15 and signed by:

.....

Mrs J Beever
Accounting officer

LORETO GRAMMAR SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2015

The trustees (who also act as governors for Loreto Grammar School and are also the directors of Loreto Grammar School for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

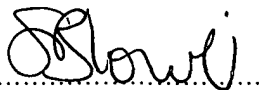
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that grants received from the EFA/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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 14.12.15 and signed on its behalf by:



Dr S Blower
Chair of trustees

LORETO GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LORETO GRAMMAR SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2015

We have audited the accounts of Loreto Grammar School for the year ended 31 August 2015 which comprise income and expenditure account and statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees, who are also the directors of Loreto Grammar School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the trustees' annual report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report for the financial year for which the accounts are prepared is consistent with the accounts.

LORETO GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LORETO GRAMMAR SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 accounts 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.

John Whittick (Senior Statutory Auditor)

Haines Watts

Chartered Accountants

Statutory Auditor

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Dated: 14/08/15

LORETO GRAMMAR SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LORETO GRAMMAR SCHOOL AND THE EDUCATION FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2015

In accordance with the terms of our engagement letter dated 7 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Loreto Grammar School during the period 1 September 2014 to 31 August 2015 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 Grammar School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Loreto Grammar School and the EFA 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 the Loreto Grammar School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Loreto Grammar School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Loreto Grammar School's funding agreement with the Secretary of State for Education dated 20 February 2012 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 period 1 September 2014 to 31 August 2015 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 Academies Accounts Direction 2014 to 2015 issued by the EFA. 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 trust's income and expenditure.

LORETO GRAMMAR SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LORETO GRAMMAR SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

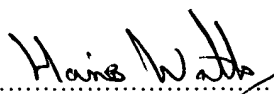
FOR THE YEAR ENDED 31 AUGUST 2015

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Haines Watts
Reporting Accountant

Dated: 14/11/15

LORETO GRAMMAR SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £(000)	Restricted funds £(000)	Fixed Asset funds £(000)	Total 2015 £(000)	Total 2014 £(000)
Incoming resources	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	2	-	-	24	24	17
- Activities for generating funds	3	582	-	-	582	310
- Investment income	4	3	-	-	3	3
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	4,888	833	5,721	5,024
Total incoming resources		<u>585</u>	<u>4,888</u>	<u>857</u>	<u>6,330</u>	<u>5,354</u>
Resources expended						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	7	546	4,740	142	5,428	5,174
Governance costs	8	-	8	-	8	15
Total resources expended	6	<u>546</u>	<u>4,748</u>	<u>142</u>	<u>5,436</u>	<u>5,189</u>
Net incoming/(outgoing) resources before transfers		39	140	715	894	165
Gross transfers between funds		-	(107)	107	-	-
Net income/(expenditure) for the year		39	33	822	894	165
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	(60)	-	(60)	(166)
Net movement in funds		39	(27)	822	834	(1)
Fund balances at 1 September 2014		<u>387</u>	<u>50</u>	<u>1,085</u>	<u>1,522</u>	<u>1,523</u>
Fund balances at 31 August 2015		<u>426</u>	<u>23</u>	<u>1,907</u>	<u>2,356</u>	<u>1,522</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

LORETO GRAMMAR SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £(000)	£(000)	2014 £(000)	£(000)
Fixed assets					
Tangible assets	11		1,907		1,085
Current assets					
Debtors	12	161		211	
Cash at bank and in hand		1,109		1,060	
		<u>1,270</u>		<u>1,271</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	<u>(454)</u>		<u>(547)</u>	
Net current assets			816		724
Net assets excluding pension liability			2,723		1,809
Defined benefit pension liability	17		<u>(367)</u>		<u>(287)</u>
Net assets			<u>2,356</u>		<u>1,522</u>
Funds of the academy trust:					
Restricted funds	15				
- Fixed asset funds			1,907		1,085
- General funds			390		337
- Pension reserve			<u>(367)</u>		<u>(287)</u>
Total restricted funds			1,930		1,135
Unrestricted income funds	15		<u>426</u>		<u>387</u>
Total funds			<u>2,356</u>		<u>1,522</u>

The accounts were approved by order of the board of trustees and authorised for issue on 14.12.15.


 Dr S Blower
 Chair of Trustees

Company Number: 08125396

LORETO GRAMMAR SCHOOL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £(000)	2014 £(000)
Net cash inflow/(outflow) from operating activities	18	154	343
Returns on investments and servicing of finance			
Investment income	3	3	
Net cash inflow/(outflow) from returns on investments and servicing of finance		3	3
		157	346
Capital expenditure and financial investments			
Capital grants received	857	52	
Payments to acquire tangible fixed assets	(965)	(106)	
Net cash flow from capital activities		(108)	(54)
Increase/(decrease) in cash	19	49	292

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the academy trust's educational operations.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 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. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. 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, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Land and buildings	Buildings - 50 years straight line, Land - nil
Plant and machinery	3 - 7 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	3 years straight line
Assets under construction	nil

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.

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.6 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.7 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Pensions benefits

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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the academy.

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 trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.9 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education and other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

1.10 General Annual Grant (GAG)

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 2015.

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.11 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 25.

2 Voluntary income

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2015 £(000)	Total 2014 £(000)
Capital grants	-	24	24	17

3 Activities for generating funds

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2015 £(000)	Total 2014 £(000)
Hire of facilities	-	-	-	1
Parental contributions	255	-	255	119
Other income	327	-	327	190
	582	-	582	310

4 Investment income

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2015 £(000)	Total 2014 £(000)
Short term deposits	3	-	3	3

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

5 Funding for the academy trust's educational operations

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2015 £(000)	Total 2014 £(000)
DfE / EFA grants				
General annual grant (GAG)	-	4,781	4,781	4,797
Capital grants	-	833	833	35
Other DfE / EFA grants	-	91	91	164
	<u>-</u>	<u>5,705</u>	<u>5,705</u>	<u>4,996</u>
Other government grants				
Local authority grants	-	16	16	28
	<u>-</u>	<u>16</u>	<u>16</u>	<u>28</u>
Total funding	<u>-</u>	<u>5,721</u>	<u>5,721</u>	<u>5,024</u>

6 Resources expended

	Staff costs £(000)	Premises & equipment £(000)	Other costs £(000)	Total 2015 £(000)	Total 2014 £(000)
Academy's educational operations					
- Direct costs	3,589	127	669	4,385	4,204
- Allocated support costs	527	119	397	1,043	970
	<u>4,116</u>	<u>246</u>	<u>1,066</u>	<u>5,428</u>	<u>5,174</u>
Other expenditure					
Governance costs	-	-	8	8	15
	<u>-</u>	<u>-</u>	<u>8</u>	<u>8</u>	<u>15</u>
Total expenditure	<u>4,116</u>	<u>246</u>	<u>1,074</u>	<u>5,436</u>	<u>5,189</u>
Net expenditure for the year includes:				2015 £(000)	2014 £(000)
Operating leases					
- Plant and machinery				12	10
Fees payable to auditor					
- Audit				6	6
- Other services				1	2
				<u>19</u>	<u>18</u>

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

7 Charitable activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2015 £(000)	Total 2014 £(000)
Direct costs				
Teaching and educational support staff costs	236	3,319	3,555	3,486
Depreciation	-	127	127	109
Technology costs	-	111	111	111
Educational supplies and services	24	146	170	227
Examination fees	8	105	113	113
Staff development	7	27	34	16
Educational consultancy	-	18	18	17
Other direct costs	257	-	257	125
	<u>532</u>	<u>3,853</u>	<u>4,385</u>	<u>4,204</u>
Allocated support costs				
Support staff costs	10	475	485	409
Depreciation	-	15	15	11
Maintenance of premises and equipment	-	104	104	89
Cleaning	-	119	119	126
Energy costs	-	68	68	66
Rent and rates	-	49	49	52
Insurance	-	40	40	36
Security and transport	2	32	34	19
Catering	3	13	16	15
Additional pension costs	-	20	20	20
Other support costs	(1)	94	93	127
	<u>14</u>	<u>1,029</u>	<u>1,043</u>	<u>970</u>
Total costs	<u>546</u>	<u>4,882</u>	<u>5,428</u>	<u>5,174</u>

8 Governance costs

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2015 £(000)	Total 2014 £(000)
Legal and professional fees	-	2	2	9
Auditor's remuneration	-	6	6	6
- Audit of financial statements	-	8	8	15

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2015 Number	2014 Number
Teachers	63	61
Administration and support	25	25
Management	7	7
	<u>95</u>	<u>93</u>

Costs included within the accounts:	2015 £(000)	2014 £(000)
Wages and salaries	3,342	3,173
Social security costs	237	242
Other pension costs	490	467
	<u>4,069</u>	<u>3,882</u>
Supply teacher costs	13	31
Staff development and other staff costs	34	16
	<u>4,116</u>	<u>3,929</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number	2014 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
£90,001 - £100,000	1	1
	<u>2</u>	<u>2</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	2	2
	£(000)	<u>24</u>	<u>25</u>
Local Government Pension Scheme	Numbers	-	-
	£(000)	<u>-</u>	<u>-</u>

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

10 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, travel and subsistence payments totalling £549 (2014: £1,722) were reimbursed to 1 trustee (2014:3 trustees).

The value of trustees' remuneration was as follows:

Mrs J Beever (Principal and trustee)	£95,001 - £100,000 (2014: £95,001-£100,000)
Mr M Dunn (staff trustee)	£40,001 - £45,000 (2014: £40,001-£45,000)
Mrs K Marchmont (staff trustee)	£40,001 - £45,000 (2014: £40,001-£45,000)

The value of trustees pension contribution was as follows:

Mrs J Beever (Principal and trustee)	£10,001-£15,000 (2014: £10,001-£15,000)
Mr M Dunn (staff trustee)	£5,001-£10,000 (2014: £5,001-£10,000)
Mrs K Marchmont (staff trustee)	£5,001-£10,000 (2014: £5,001-£10,000)

Other related party transactions involving the trustees are set out within the related parties note.

Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £6,194 (2014: £5,816).

11 Tangible fixed assets

	Land and buildings	Plant and machinery	Computer equipment	Fixtures, fittings & equipment	Total
	£(000)	£(000)	£(000)	£(000)	£(000)
Cost					
At 1 September 2014	944	49	283	5	1,281
Additions	875	25	41	24	965
At 31 August 2015	1,819	74	324	29	2,246
Depreciation					
At 1 September 2014	59	3	134	1	197
Charge for the year	34	8	97	3	142
At 31 August 2015	93	11	231	4	339
Net book value					
At 31 August 2015	1,726	63	93	25	1,907
At 31 August 2014	863	46	150	4	1,085

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets

Buildings to the value of £582,000 (included in fixed asset cost at depreciated replacement cost estimated by the trustees as at 2 July 2012) and land value in fixed asset cost at £340,000 relate to the school land and buildings legally owned by the Institute of the Blessed Virgin Mary (Loreto Sisters), registered charity no 250607. These are included under FRS 5 as the academy has taken on the risks and rewards of these assets but legal ownership has not been transferred.

The net book value of freehold land and buildings consists of £1,386,317 (2014: £522,799) in respect of buildings and £340,000 (2014: £340,000) in respect of land.

12 Debtors	2015 £(000)	2014 £(000)
Trade debtors	29	28
VAT recoverable	32	41
Prepayments and accrued income	100	142
	<u>161</u>	<u>211</u>
 13 Creditors: amounts falling due within one year	 2015 £(000)	 2014 £(000)
Trade creditors	126	130
Taxes and social security costs	71	-
Other creditors	21	-
Accruals	150	91
Deferred income	86	326
	<u>454</u>	<u>547</u>
 14 Deferred income	 2015 £(000)	 2014 £(000)
Deferred income is included within:		
Creditors due within one year	<u>86</u>	<u>326</u>
 Total deferred income at 1 September 2014	 326	 97
Amounts credited to the statement of financial activities	(326)	(97)
Amounts deferred in the year	<u>86</u>	<u>326</u>
 Total deferred income at 31 August 2015	 <u>86</u>	 <u>326</u>

At the balance sheet date the academy trust was holding funds received in advance for school trips, rates, capital income and insurance income received in advance.

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

	Balance at 1 September 2014 £(000)	Incoming resources £(000)	Resources expended £(000)	Gains, losses & transfers £(000)	Balance at 31 August 2015 £(000)
Restricted general funds					
General Annual Grant	313	4,781	(4,633)	(107)	354
Other DfE / EFA grants	24	91	(79)	-	36
Other government grants	-	16	(16)	-	-
	<u>337</u>	<u>4,888</u>	<u>(4,728)</u>	<u>(107)</u>	<u>390</u>
Funds excluding pensions	337	4,888	(4,728)	(107)	390
Pension reserve	(287)	-	(20)	(60)	(367)
	<u>50</u>	<u>4,888</u>	<u>(4,748)</u>	<u>(167)</u>	<u>23</u>
Restricted fixed asset funds					
DfE / EFA capital grants	207	833	(111)	107	1,036
Inherited fixed asset fund	863	-	(28)	-	835
Private sector capital sponsorship	15	24	(3)	-	36
	<u>1,085</u>	<u>857</u>	<u>(142)</u>	<u>107</u>	<u>1,907</u>
Total restricted funds	<u>1,135</u>	<u>5,745</u>	<u>(4,890)</u>	<u>(60)</u>	<u>1,930</u>
Unrestricted funds					
General funds	<u>387</u>	<u>585</u>	<u>(546)</u>	<u>-</u>	<u>426</u>
Total funds	<u>1,522</u>	<u>6,330</u>	<u>(5,436)</u>	<u>(60)</u>	<u>2,356</u>

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objectives of the academy.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objectives of the academy.

Unrestricted funds are those funds to which the board of trustees may use in the pursuance of the academy's objectives and are expendable at the discretion of the trustees.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Analysis of net assets between funds

	Unrestricted funds £(000)	Restricted funds £(000)	Fixed asset funds £(000)	Total funds £(000)
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	1,907	1,907
Current assets	426	844	-	1,270
Creditors falling due within one year	-	(454)	-	(454)
Defined benefit pension liability	-	(367)	-	(367)
	<u>426</u>	<u>23</u>	<u>1,907</u>	<u>2,356</u>

17 Pensions and similar obligations

The academy trust'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 Tameside Metropolitan Borough Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% from 1 September 2015 of pensionable pay (including a 0.08% employer administration charge (14.1% in 2014/15).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million.
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £390,000 (2014: £351,000).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The future contribution rates are unconfirmed. The estimated value of employer contributions for the forthcoming year is £94,000.

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.

Contributions made	2015 £(000)	2014 £(000)
Employer's contributions	98	82
Employees' contributions	34	28
Total contributions	132	110

Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	3.8	3.7
Rate of increase for pensions in payment	2.6	2.6
Discount rate for scheme liabilities	3.7	3.7
Expected return on assets	3.7	5.5

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

Sensitivity analysis

Change in assumptions at 31 August 2015	Approximate % increase to employer liability	Approximate monetary amount £000
0.5% decrease in real discount rate	12%	278
1 year increase in member life expectancy	3%	69
0.5% increase in the salary increase rate	4%	94
0.5% increase in the pension increase rate	8%	179

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

	2015 Years	2014 Years
Retiring today		
- Males	21.4	21.4
- Females	24.0	24.0
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.6	26.6

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2015 Expected return %	2015 Fair value £(000)	2014 Expected return %	2014 Fair value £(000)
Equities	6.3	1,402	6.3	1,267
Bonds	3.2	351	3.2	321
Property	4.5	117	4.5	107
Other assets	3.3	78	3.3	89
Total market value of assets		1,948		1,784
Present value of scheme liabilities - funded		(2,315)		(2,071)
Net pension asset / (liability)		(367)		(287)

The rates of return have been determined using the Hymans Robertson Asset Model which is a type of model known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model. The expected returns have been calculated using 5,000 simulations of the Hymans Robertson Asset Model, calibrated using market data as at a recent date.

The actual return on scheme assets was £42,000.

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

Amounts recognised in the statement of financial activities

	2015 £(000)	2014 £(000)
Operating costs/(income)		
Current service cost (net of employee contributions)	140	116
Past service cost	-	-
Total operating charge	140	116
Finance costs/(income)		
Expected return on pension scheme assets	(102)	(89)
Interest on pension liabilities	80	75
Net finance costs/(income)	(22)	(14)
Total charge/(income)	118	102

Actuarial gains and losses recognised in the statement of financial activities

	2015 £(000)	2014 £(000)
Actuarial (gains)/losses on assets: actual return less expected	-	(136)
Experience (gains)/losses on liabilities	60	302
(Gains)/losses arising from changes in assumptions	-	-
Total (gains)/losses	60	166
Cumulative (gains)/losses to date	226	166

Movements in the present value of defined benefit obligations

	2015 £(000)	2014 £(000)
Obligations at 1 September 2014	(2,071)	(1,564)
Current service cost	(140)	(116)
Interest cost	(80)	(75)
Contributions by employees	(34)	(28)
Actuarial gains/(losses)	-	(302)
Benefits paid	10	14
At 31 August 2015	(2,315)	(2,071)

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

Movements in the fair value of scheme assets

	2015 £(000)	2014 £(000)
Assets at 1 September 2014	1,784	1,463
Expected return on assets	102	89
Actuarial gains/(losses)	(60)	136
Contributions by employers	98	82
Contributions by employees	34	28
Benefits paid	(10)	(14)
At 31 August 2015	<u>1,948</u>	<u>1,784</u>

History of experience gains and losses

	2015 £(000)	2014 £(000)	2013 £(000)
Present value of defined benefit obligations	(2,315)	(2,071)	(1,564)
Fair value of share of scheme assets	<u>1,948</u>	<u>1,784</u>	<u>1,463</u>
Surplus / (deficit)	<u>(367)</u>	<u>(287)</u>	<u>(101)</u>
Experience adjustment on scheme assets	(60)	136	-
Experience adjustment on scheme liabilities	<u>14</u>	<u>(67)</u>	<u>137</u>

18 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015 £(000)	2014 £(000)
Net income	894	165
Capital grants and similar income	(857)	(52)
Investment income	(3)	(3)
Defined benefit pension costs less contributions payable	42	34
Defined benefit pension finance costs/(income)	(22)	(14)
Depreciation of tangible fixed assets	142	120
(Increase)/decrease in debtors	50	33
Increase/(decrease) in creditors	(92)	60
Net cash inflow/(outflow) from operating activities	<u>154</u>	<u>343</u>

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

19	Reconciliation of net cash flow to movement in net funds	2015 £(000)	2014 £(000)
	Increase/(decrease) in cash	49	292
	Net funds at 1 September 2014	1,060	768
	Net funds at 31 August 2015	1,109	1,060

20	Analysis of net funds	At 1 September 2014 £(000)	Cash flows £(000)	Non-cash changes £(000)	At 31 August 2015 £(000)
	Cash at bank and in hand	1,060	49	-	1,109

21 Commitments under operating leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015 £(000)	2014 £(000)
Expiry date:		
- Within one year	5	1
- Between two and five years	3	9
- In over five years	4	-
	12	10

22 Capital commitments

	2015 £(000)	2014 £(000)
At 31 August 2015 the company had capital commitments as follows:		
Expenditure contracted for but not provided in the accounts	-	883

Capital commitments at 31 August 2014 relate to costs associated with the extension to the sixth form building.

23 Related parties

Loreto Educational Trust is a member of Loreto Grammar School. During the year, £4,000 (2014: £nil) was paid to Loreto Educational Trust by the academy for fees relating to both 2014 and 2015 academic years.

At the end of the year, £4,000 (2014: £nil) was due from the academy to Loreto Educational Trust.

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2015 the trust received £10,869 and disbursed £4,398 from the fund. An amount of £6,471 is included in creditors relating to undistributed funds that are repayable to the EFA. The academy intends to fully distribute this amount in 2015/16 through back claims owing.