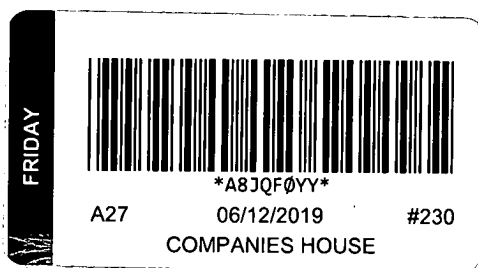


**LORETO GRAMMAR SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**



**Haines Watts**  
Chartered Accountants & Registered Auditors  
Bridge House  
157A Ashley Road  
Hale  
Altrincham  
Cheshire  
WA14 2UT

# **LORETO GRAMMAR SCHOOL**

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# LORETO GRAMMAR SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

Mrs J Beever (Principal and accounting officer) \*  
Mr J Lister (Chair of trustees)\*  
Prof M Ashley\*\*  
Mr M Bourke  
Mrs P Brown\*\*  
Dr T Earnshaw  
Dr K Grady  
Mr J Hassall  
Sr K Hewitt IBVM  
Mrs K C Marchmont  
Dr J McCarthy  
Mrs C Rawlings \*  
Mr V Sweeney \*  
Sr B Turtle IBVM

\* members of the Finance and Premises Committee

\*\* joined the Finance and Premises Committee from 13 May 2019

### Members

The Institute of the Blessed Virgin Mary  
Loreto Education Trust  
Mr J Lister

### Senior management team

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

Mrs Jane Beever  
Ms Theresa Cowsill  
Mrs Frances Green  
Mr Robin Latham  
Mrs Elizabeth Nash  
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, 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 2019

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The trustees and directors present their report with the financial statements of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

#### 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.

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 2019 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 11.

##### 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 two parent trustees and two staff trustees (currently one) 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.

##### 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 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.

# LORETO GRAMMAR SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 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 the strategic direction of the school, the internal controls, data protection and risk management. This Committee is also the Audit Committee;
- Finance & Premises incorporating the Health and Safety subcommittee, which meets 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 4 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. In addition, the headteacher has an Extended Leadership Team which comprises senior leaders from middle management both pastoral and academic. This group takes a broad overview of Quality Assurance of whole school matters pertaining to the whole school development plan for the given academic year.

#### Arrangements for setting pay and remuneration of key management personnel

The remuneration of key management personnel is set in accordance with the Teachers' Pay and Conditions document which is updated annually. Progression up the scale is dependent on performance management. The staffing trustees are responsible for reviewing all pay and performance related issues.

#### Trade union facility time

There were no relevant union officials during 2018/19 and consequently there was no time or pay bill spent on either facility time or any paid trade union activities.

#### 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. Over the last few years, one of the key pressures on schools has been financial with many schools now operating deficit budgets. Funding allocated by the government through its National Funding Formula has failed to meet pressures on school budgets. Additional pressures relate to funding the agreed pay and pension increases for teachers as the additional government funding is short term and insufficient. 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 provided by the RPA. The academy has an effective system of internal financial controls and this is subject to review by the external auditors. It has also been noted that the ESFA are keen on trusts improving their internal audit arrangements therefore we have appointed an Internal Scrutineer and his reports will go to the Chairs/Audit Committee. This is in accordance with the Academies Financial Handbook 2019.

# LORETO GRAMMAR SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Related parties and other connected charities and organisations

The Loreto Education Trust (company number 07992044) was incorporated on 7 July 2012. The Memorandum of the trust refers to the schools and colleges owned or operated by the English Province of the Institute of the Blessed Virgin Mary, which includes Loreto Grammar School. Amongst the powers of the trust is the right to appoint foundation trustees under the direction of the Province Leader and to delegate to the board of trustees such powers and rights to operate and run the schools and colleges as the charity shall determine. Transactions with regard to the Loreto Education Trust are detailed in note 23.

#### **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). Loreto Grammar School is part of the Loreto Education Trust with four other Loreto Schools in England. Two key documents inspire the schools mission, namely The Kolkata Guidelines and the Vision, Values and Philosophy of Education of Loreto Schools, with seven core values of Sincerity, Freedom, Justice, Joy, Truth, Internationality and Excellence.

Loreto is part of an international context and through the IBVM is proud to be part of the NGO status (non-governmental organisation) that the order holds at the United Nations. Specific partnerships include Loreto Bowbazar, Kolkata and Loreto Seville and Mary Ward Schule Nurnberg.

The vision of the trustees of Loreto Grammar School is to create a culture of success to extend lifetime opportunities for young people and to do everything possible to encourage this in the specific context of a Catholic Girls' Grammar School.

The school was judged outstanding in its Section 5 Ofsted report (2008), Section 48 Report (2009), Section 48 report (2013) and Diocesan Inspection (March 2019). The school engages actively with the Loreto English Education Network (LEEN) and produces an annual report (The Mary Ward Evaluation) to the Loreto Education Trust board. In 2017 the school received a two-day visit from LEEN who carried out a review of the school and who noted in conclusion to their report:

***"At the end of our visit, we felt privileged to be leaving with a comprehensive view of the school and with a greater understanding of the impact that Mary Ward and the Values have on the life and soul of the school. The joy we experienced and the overwhelming sense of community made us realise that in Loreto Altrincham the life of Mary Ward is not simply history, nor are her Values simply words."***

In April 2017 HMI visited Loreto to carry out a curriculum review as part of a broader national review for Her Majesty's Chief Inspector (HMCI). Again this was a thorough review to explore the breadth, impact and rigour of the curriculum at school. HMI noted that **"The Curriculum, informal curriculum and extra - curricular offer enrich and broaden the experience of the girls, to make them ready for world that awaits them"**. He also commented that **'Everything is supported by the excellent Pastoral system which provides help particularly with emotional resilience.'** The impact of the STEM curriculum was noted and will be included in an Ofsted Best Practice review.

The school is a National Support School (NSS), a National Teaching School (since April 2013) and provides significant school-to-school support on a regular basis to other establishments. The headteacher is a National Leader of Education (NLE). Loreto Grammar School has a Teaching School network and works in close collaboration with a wide number of schools. It is part of the Trafford Teaching School network and the Greater Manchester Partnership. Loreto Grammar School provided Executive Headship support of a Catholic High School in North Trafford until October 2018, and continues to support secondary schools in various North West Local authorities.

# LORETO GRAMMAR SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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The Teaching School provides specific support and training for other establishments and has bid for school-to-school (S2S) support monies for three schools. Loreto Teaching School runs a highly successful School Direct ITT programme, a training programme for Newly Qualified teachers in the locale, Middle Leadership Training (nationally accredited) and the Women into Secondary Headship (WISH) network. The school continues to be a lead on a Modern Foreign Languages development programme to support language training skills of current teachers in the North West. Loreto Teaching School plays an active role in the North West Catholic Training Partnership (NWCTP) and provides bespoke support for other identified schools on a regular basis including leadership and management and teaching and learning support. Eight colleagues are Specialist Leaders in Education (SLE). We are proud to be partners in a local Maths Hub providing a lead practitioner in Maths Mastery. We are also a lead school working as part of the stimulating physics network and providing a school based physics coach to work with the Institute of Physics.

At Loreto, 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 implementation of the new curriculum changes have been a strong focus for Loreto. The development of the whole person is key to any understanding of "success" by the school. During the academic year we gave particular focus to the Loreto value of Internationality, a value which celebrates our pride in our place in the international Loreto network, commits to an active role within that network and which commits to a recognition that the context in which we do so is important.

Results are outstanding and in the academic year 2018/19 the school achieved excellent results at GCSE and A level combined (2018). At GCSE level the Attainment 8 score was 73.2 and the Progress 8 was +0.81 (well above average).

Other successes include:

- Loreto Grammar School was judged 66<sup>th</sup> Nationally in the Times top 100 Schools and in the top 10% of schools for progress.
- We were successful in achieving our accreditation with SSAT Leading Edge for our second strand of their 'Exceptional Education Framework'.
- We continue to be recognised as being a centre of excellence by SSAT in terms of student leadership.
- Sporting excellence included the D of E Bronze, Silver and Gold expeditions and success in individual sports and competitions.
- Creative excellence - celebrated for example in the musical evenings and the art exhibitions.
- A rich programme of international visits of which 3 were our exchange programmes to France, Germany and Spain, the HALO visit to Lourdes and the established visit to Loreto Schools In Kolkata.
- The school continues to be nationally reputed as a lead in STEM.
- Across the school year we raised in excess of £13,000 for local and international charities such as Bumba, Revive and Lepira.
- Pupil success in competitions included a Year 9 pupil who won the Altrincham Word fest RANT competition and two Sixth Form students who won the Hack 100 Youth Hack coding competition in Manchester.

As a Catholic school, the academy fosters the personal development of the young person in all her fullness in a way that helps students to find meaning in their lives and to respond with creativity and determination to the challenges that arise in life and society. PSHCE and form time play an important role in the development of the pupils and in fostering our Catholic ethos and Mary Ward ethos. We work in partnership with parents and hold regular support meetings throughout the academic year with foci such as internet safety and wellbeing. We work too with individual families and partner agencies to support young people.

#### **Our Denominational Inspection (March 2019) noted:**

- Loreto Grammar School is an outstanding Catholic grammar school for girls, where all leaders, staff, governors and students strive to create and maintain a pursuit of excellence in all things in a caring and supportive community based on Gospel values.
- Seven shared core values underpin the work of all Loreto schools and these were observed in action in Loreto, Altrincham.
- The school has an experienced and highly successful team of senior leaders who are supported and challenged effectively by an experienced Governing Body with oversight by the Loreto Education Trust.
- Pupils willingly contribute to, and benefit from the Catholic Life of the school and have many opportunities to put their faith into action locally, nationally and internationally.
- Pupil behaviour in classrooms and around the school is exemplary as is the respect and courtesy shown to each other in this learning community.

# LORETO GRAMMAR SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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- All pupils make good progress in RE with most achieving outstanding progress.
- The school provides a rich and varied range of opportunities for Collective Worship, following the Church's liturgical year, its feasts and seasons. Links with some of the many parishes the school draws from builds on pupils' experiences and has a positive impact on their spiritual development.
- Effective and supportive partnerships over a number of years have been developed by the school, with the Head in particular serving on the diocesan, local authority, national bodies and the Loreto English Education Network. Each of these groups helps to shape policy and practice in schools in a variety of contexts.

#### Objectives, strategies and activities

The academy's objective for the year ended 31 August 2019 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 2019 was 1,046.

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

Permanent exclusions: there has 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 2019 was 105.

#### 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**

##### Achievement and performance and key performance indicators:

Achievement is outstanding at all key stages, and continues to rise. Monitoring of progress and focussed intervention for individuals, with emphasis on specified 'groups', ensures high attainment against targets, and supports the school ethos in providing for the needs of each student.

##### GCE A Levels, Year 13:

This year the Reformed A Levels were examined in all subjects for the first time, with assessment mostly through terminal examinations, and much less emphasis on coursework tasks.

This year group have achieved **outstanding** results at A Level, and have exceeded school targets with ease. The cohort of 122 students studied a range of 26 subjects at A Level.

The A level pass rate at grades A\* - E was 100%, (target 99%), with 47% of passes at grades A\*/A, and 81% of passes at grades A\*-B, (target 67%), (recent average 73%), and 95% at grades A\*-C (recent average 91%). When the 'Third Year Sixth Form' students are included in the statistics, we have 45% of passes at A\*/A, 78% at A\*-B and 99% at A\*-C.

The majority of students studied 3 subjects to A Level, and 121 students (99%) achieved 3 subjects, with 15 students (12%) achieving 4 subjects, (some including EPQ). This year 33 students (27%) achieved 3 or more subjects at grade A\*/A, some including EPQ, (previous best 28%).

The best features of the results are:

- The increase in the percentage of results at Grades A\* / A to 48%
- The increase in the percentage of results at Grades A\* - B to 82%
- The percentage of results at Grades A\* - E of 100%
- The predicted Value Added for progress is +0.01

##### GCSE, Year 11:

This year all of the reformed GCSE courses were examined with the new 9 – 1 grading system. For comparison, Grades 9 and 8 are equivalent to the previous Grade A\*, Grade 7 to Grade A and Grade 4 to a low Grade C.

This year group of 157 students have achieved **outstanding** GCSE results.



# LORETO GRAMMAR SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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The best features of the results are:

- The percentage of Grade 9/8 of 42%
- The percentage of Grades 9/8/7 of 67%
- The percentage of Grades 9 - 4 of 99%
- The percentage of students achieving 10+ Grades 9/8/7 of 25%.
- The percentage of students achieving 5+ 9/8/7 of 76%.
- The Attainment 8 Score 73.2
- A provisional Progress 8 score of 0.81

The pass rate at grades 9/A\* - 4/C was 99%, with 100% of students achieving 5 or more passes at grades 9 - 4 (target 96%). Additionally, 99% achieved 5 or more passes at grades 9 - 4 including English and Mathematics, and 99% achieved 5 or more passes at grades 9/A\* - 4/C including two Sciences. The E-Bacc measure was reached by 87% of students, with an average point score of 6.9.

Within the new Accountability Measures, 99.4% of students achieved the 'Standard Pass' of Grade 4+ in English and 100% in Mathematics, with 99.4% achieving this standard in both. This was the highest score across the Trafford Schools. 95.5% and 100% achieving the 'Strong Pass' of Grade 5+ in English and in Mathematics respectively; with 95.5% achieving this standard in both.

Overall, out of 1,576 GCSE entries, there were 683 Grades 9/8 and 369 Grade 7, with 67% of passes at these grades, (target 55%), and 86% at grades 9 - 6. Our students' average total points score was 70.4.

Additionally, 119 students (76%) achieved 5+ 9/8/7 grades, (target 65%), 81 students (48%) achieved 8+ 9/8A\*- 7/A grades, and a total of 39 students (27%) achieved 10+ 9/8/7 grades.

Attendance levels are outstanding and regularly at, or above, 97%. There is a continued trend of improvement in 100% attendance.

The academy places importance on staff retention and development in order to maintain the highest standards of teaching and learning. To that end the school places a focus on ensuring a strong culture of staff development and support to ensure that the staff can flourish in their work. Governors value the work of the staff body and recognise the commitment shown to Loreto and the girls by colleagues. The hallmark of the staff is that they always go the extra mile. There is little movement in staffing

#### 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 2019 demonstrates total income of £5,714,000 with a total funds carried forward balance as at 31 August 2019 of £1,090,000. Of this amount £1,791,000 relates to the restricted fixed assets fund, £1,193,000 pension deficit, leaving £492,000 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.

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.

# LORETO GRAMMAR SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 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.

#### 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 £386,000. 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 £492,000.

#### 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.

#### 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 above are underpinned by external audits including Safeguarding, Health and Safety, Fire risk

The academy has recognised its share of the Local Government Pension Scheme (LGPS) assets and liabilities in accordance with Financial Reporting Standard No. 102. A deficit has been recognised at 31 August 2019. Future contribution rates are adjusted so as to reduce this deficit.

#### **Fundraising**

Any fundraising the trust undertakes for the benefit of local or national charities or the school fund is completely voluntary. We haven't had any complaints relating to this fundraising during the financial year and there has been no undue pressure placed on any individual or unreasonable intrusion on a person's privacy. Monies raised are recorded and we ask the charities to confirm receipt of all donations.

#### **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 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.

Whole school objectives and plans for the 2019-20 year include:

- to continue to maintain excellence in standards;
- to review our whole-school and departmental approaches to marking and teacher feedback;
- to prepared for the new Quality of Education framework in Ofsted; and
- to focus on and celebrate the value of Excellence wherein through the classroom and whole school experience **we stretch both hearts and minds.**

# **LORETO GRAMMAR SCHOOL**

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

***FOR THE YEAR ENDED 31 AUGUST 2019***

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### **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 25 November 2019 and signed on its behalf by:



.....  
**Mr James Lister**  
**Chair of trustees**

# LORETO GRAMMAR SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### 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, supported by meetings held by subcommittees. The finance and premises committee met 5 times during the period and the chairs of governors committee met 3 times during the period. The trustees believe sufficient oversight of the academy trust's activities has been maintained and stays abreast of any financial issues throughout the year by receiving and reviewing monthly financial information. Attendance during the meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of possible
Prof Martin Ashley	3	3
Mrs Jane Beever	3	3
Mr Martin Bourke	3	3
Mrs Patricia Brown	3	3
Dr Thomas Earnshaw	3	3
Dr Kathryn Grady	3	3
Mr Jonathan Hassall	2	3
Sr Kathleen Hewitt IBVM	3	3
Mr James Lister	3	3
Mrs Kathryn Clare Marchmont	3	3
Dr Justin McCarthy	2	3
Mrs Catherine Rawlings	2	3
Mr Vincent Sweeney	2	3
Sr Bernadette Turtle IBVM (Cecilia Turtle)	3	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	5
Mr Jim Lister	5	5
Mrs Catherine Rawlings	4	5
Mr Vincent Sweeney	5	5
Prof Martin Ashley (joined committee 13.5.19)	2	2
Mrs Patricia Brown (joined committee 13.5.19)	2	2

### 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 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.

# LORETO GRAMMAR SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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The accounting officer for the academy trust has ensured the delivery value for money during the year by:

- Close budgetary control in year together with long term budget projections
- Income generation and development opportunities through the Teaching Schools programme
- Use of the North West Schools Buying hub together with benchmarking
- Applying to the Condition Improvement Fund

#### Budgetary control

Close budgetary control ensures the trust meets its outstanding educational outcomes for the least possible input of resources.

The trust undertakes a detailed and rigorous process to compile a challenging but achievable budget. This budget equips the trust to deliver outstanding educational and wider societal outcomes. The detailed budget process starts 6 months before the start of the academic year when departments prepare their budget requests to equip them to deliver departmental objectives with the least possible input of resources. The budget requests are rigorously reviewed by the business manager and headteacher prior to review and challenge by the finance committee and full governing body to ensure that limited resources are directed where they will be most effective in meeting educational objectives and in line with the overall strategy. This has been especially challenging in 2017/18 and 2018/19 due to the continuing constraints of school budgets.

The finance committee, headteacher and business manager have worked closely to prepare detailed long term projections to ensure the school continues to deliver good value and is in a position to bid for capital funding as and when this becomes available.

#### Income generation and development opportunities through the Teaching Schools programme

The Teaching School status helps the trust to capitalise on its excellent reputation and draws in additional grants and income. The continuing expansion 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.

#### Benchmarking and the Schools Buying Hub

The trust registered with the schools buying hub at the start of the financial year and received advice and guidance with the tender and appointment of a new printing lease provider. Significant savings and improvements have been realised and improved management information will help to reduce costs in the future.

Benchmarking information on the DfE website is regularly reviewed and this, together with internally produced analysis of the financial statements of local similar schools plus reports by our auditors are presented to the Finance Committee for review and challenge.

#### Condition Improvement Fund

The trust applied for a safeguarding grant through the Condition Improvement Fund to improve the security around the perimeter of the school and provide a separate pedestrian access. The bid was unsuccessful however, we will re-apply again in 2019/20 this time with a reduced bid as some of the security improvements have already been accommodated through other capital bids, namely improvements to the door entry system and CCTV. We also applied for a sports hall but this too was unsuccessful.

#### **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 2019 and up to the date of approval of the annual report and financial statements.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Mr Michael Prior to provide a bought in internal audit service under a separate letter of engagement. The role of the internal auditor includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. These checks will be carried out during 2019/20 and the first report will be presented to the full governing body on the 25 November 2019 after the 2018/19 accounts have been approved.

# LORETO GRAMMAR SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **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 2019 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.

### **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:

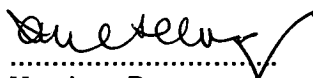
- the work of the finance team within the academy trust who has responsibility for the development and maintenance of the internal control framework;
- the work of the Chairs Committee who has the responsibility for audit issues; and
- the work of the external auditors.

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 25 November 2019 and signed on its behalf by:



.....  
**Mr James Lister**  
Chair of trustees



.....  
**Mrs Jane Beever**  
Accounting officer

# **LORETO GRAMMAR SCHOOL**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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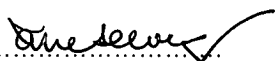
As accounting officer of Loreto Grammar School I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2018.

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 2018.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

**Non-financial issues:**

- Responsible officer - The previous responsible officer was appointed on a voluntary basis, but no internal assurance report is available for the year ended 31 August 2019 as no review took place during the year. The academy has appointed a responsible officer to provide a bought in internal service from September 2019 for the year ending 31 August 2020.



**Mrs Jane Beever**  
**Accounting officer**

**Date: 25 November 2019**

# LORETO GRAMMAR SCHOOL

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The trustees (who 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 Academies Accounts Direction 2018 to 2019 published by the Education & 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 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 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 25 November 2019 and signed on its behalf by:



Mr James Lister  
Chair of trustees



# **LORETO GRAMMAR SCHOOL**

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

***FOR THE YEAR ENDED 31 AUGUST 2019***

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### **Opinion**

We have audited the accounts of Loreto Grammar School for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

### **Basis for opinion**

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

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

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

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

### **Other information**

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

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

We have nothing to report in this regard.

# **LORETO GRAMMAR SCHOOL**

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

***FOR THE YEAR ENDED 31 AUGUST 2019***

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### **Opinions 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 incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated 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 the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated 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 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.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust'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 charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

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

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

# **LORETO GRAMMAR SCHOOL**

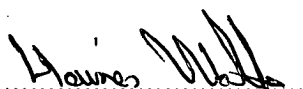
## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LORETO GRAMMAR SCHOOL (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Use of our report**

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**John Whittick BSc FCA (Senior Statutory Auditor)**

**for and on behalf of Haines Watts**

**Chartered Accountants**

**Statutory Auditor**

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Date: 25/11/19

# **LORETO GRAMMAR SCHOOL**

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

***FOR THE YEAR ENDED 31 AUGUST 2019***

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In accordance with the terms of our engagement letter dated 7 August 2014 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 ESFA 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 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 Grammar School and ESFA, 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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 trust's income and expenditure.

# LORETO GRAMMAR SCHOOL

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

**FOR THE YEAR ENDED 31 AUGUST 2019**

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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, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- Responsible officer – The previous responsible officer was appointed on a voluntary basis, but no internal assurance report is available for the year ended 31 August 2019 as no review took place during the year. The academy has appointed a responsible officer to provide a bought in internal service from September 2019 for the year ending 31 August 2020.



**Haines Watts**  
**Reporting Accountant**

Date: 25/11/19

# 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 2019

	Notes	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2019 £(000)	Total 2018 £(000)
<b>Income and endowments from:</b>						
Donations and capital grants	3	31	-	183	214	19
Charitable activities:						
- Funding for educational operations	4	-	4,768	-	4,768	4,656
- Teaching schools	26	-	201	-	201	367
Other trading activities	5	529	-	-	529	238
Investments	6	2	-	-	2	3
<b>Total</b>		<u>562</u>	<u>4,969</u>	<u>183</u>	<u>5,714</u>	<u>5,283</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	478	5,096	102	5,676	5,243
- Teaching schools	26	-	191	-	191	367
<b>Total</b>	7	<u>478</u>	<u>5,287</u>	<u>102</u>	<u>5,867</u>	<u>5,610</u>
<b>Net income/(expenditure)</b>		84	(318)	81	(153)	(327)
Transfers between funds	17	(48)	45	3	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(565)	-	(565)	330
<b>Net movement in funds</b>		36	(838)	84	(718)	3
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>456</u>	<u>(355)</u>	<u>1,707</u>	<u>1,808</u>	<u>1,805</u>
Total funds carried forward		<u>492</u>	<u>(1,193)</u>	<u>1,791</u>	<u>1,090</u>	<u>1,808</u>

# LORETO GRAMMAR SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2018 £(000)
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	-	19	19
Charitable activities:					
- Funding for educational operations	4	-	4,656	-	4,656
- Teaching schools	26	-	367	-	367
Other trading activities	5	238	-	-	238
Investments	6	3	-	-	3
<b>Total</b>		<u>241</u>	<u>5,023</u>	<u>19</u>	<u>5,283</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	241	4,894	108	5,243
- Teaching schools	26	-	367	-	367
<b>Total</b>	7	<u>241</u>	<u>5,261</u>	<u>108</u>	<u>5,610</u>
<b>Net expenditure</b>		-	(238)	(89)	(327)
Transfers between funds	17	-	(9)	9	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	19	-	330	-	330
<b>Net movement in funds</b>		-	83	(80)	3
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>456</u>	<u>(438)</u>	<u>1,787</u>	<u>1,805</u>
Total funds carried forward		<u>456</u>	<u>(355)</u>	<u>1,707</u>	<u>1,808</u>

# LORETO GRAMMAR SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2019

		2019	2018
	Notes	£(000)	£(000)
<b>Fixed assets</b>			
Tangible assets	12	1,791	1,707
<b>Current assets</b>			
Debtors	13	345	282
Cash at bank and in hand		725	825
		1,070	1,107
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	14	(567)	(542)
<b>Net current assets</b>		503	565
<b>Total assets less current liabilities</b>		2,294	2,272
Creditors: amounts falling due after more than one year	15	(11)	-
<b>Net assets excluding pension liability</b>		2,283	2,272
Defined benefit pension scheme liability	19	(1,193)	(464)
<b>Net assets</b>		1,090	1,808
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	17		
- Fixed asset funds		1,791	1,707
- Restricted income funds		-	109
- Pension reserve		(1,193)	(464)
<b>Total restricted funds</b>		598	1,352
<b>Unrestricted income funds</b>	17	492	456
<b>Total funds</b>		1,090	1,808

The accounts were approved by the trustees and authorised for issue on 25 November 2019 and are signed on their behalf by:



Mr James Lister  
Chair of trustees

Company Number 08125396



# LORETO GRAMMAR SCHOOL

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £(000)	2018 £(000)
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	20	(112)	(14)
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		2	3
Capital grants from DfE Group		90	10
Capital funding received from sponsors and others		93	9
Purchase of tangible fixed assets		(186)	(28)
<b>Net cash provided by/(used in) investing activities</b>		(1)	(6)
<b>Cash flows from financing activities</b>			
Repayment of long term bank loan		13	-
<b>Net cash provided by/(used in) financing activities</b>		13	-
<b>Net decrease in cash and cash equivalents in the reporting period</b>		(100)	(20)
Cash and cash equivalents at beginning of the year		825	845
<b>Cash and cash equivalents at end of the year</b>		<u>725</u>	<u>825</u>

# LORETO GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Loreto Grammar School meets the definition of a public benefit entity under FRS 102.

##### 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 charitable company 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 accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

##### 1.3 Income

All incoming resources are recognised when the academy trust 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 period for which it is receivable, and any abatement in respect of the period 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.

###### 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 are no performance-related conditions), where the receipt is probable and it can be measured reliably.

###### 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.

# LORETO GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

##### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

##### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

##### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

#### 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

##### Charitable activities

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

# LORETO GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **1 Accounting policies**

#### **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 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 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
Assets under construction	Nil
Computer equipment	3 years straight line
Fixtures, fittings & equipment	3 years straight line
Motor vehicles	5 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

#### **1.6 Liabilities**

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 trust 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.

#### **1.7 Leased assets**

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

#### **1.8 Financial instruments**

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

# LORETO GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

#### 1.9 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.

#### 1.10 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 quadrennial valuations using a prospective unit credit method. The 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 are 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 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 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.

#### 1.11 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.

# LORETO GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 1 Accounting policies

#### 1.12 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA 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 24.

### 2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements 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 trust 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 19, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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 Donations and capital grants

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2019 £(000)	Total 2018 £(000)
Private sponsorship	31	-	31	-
Capital grants	-	90	90	10
Other donations	-	93	93	9
	<u>31</u>	<u>183</u>	<u>214</u>	<u>19</u>

# LORETO GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2019 £(000)	Total 2018 £(000)
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	4,666	4,666	4,616
Other DfE group grants	-	87	87	35
	<u>-</u>	<u>4,753</u>	<u>4,753</u>	<u>4,651</u>
<b>Other government grants</b>				
Local authority grants	-	15	15	5
	<u>-</u>	<u>15</u>	<u>15</u>	<u>5</u>
<b>Total funding</b>	<u>-</u>	<u>4,768</u>	<u>4,768</u>	<u>4,656</u>

The academy received £15,000 (2018: £5,000) from the local authority in the year in respect of high needs funding.

There were no unfulfilled conditions or other contingencies in respect of government grant funding.

### 5 Other trading activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2019 £(000)	Total 2018 £(000)
Parental contributions	489	-	489	157
Other income	40	-	40	31
	<u>529</u>	<u>-</u>	<u>529</u>	<u>238</u>

### 6 Investment income

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2019 £(000)	Total 2018 £(000)
Short term deposits	<u>2</u>	<u>-</u>	<u>2</u>	<u>3</u>

# LORETO GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 7 Expenditure

	Staff costs £(000)	Non Pay Expenditure Premises £(000)	Other £(000)	Total 2019 £(000)	Total 2018 £(000)
Academy's educational operations					
- Direct costs	3,518	94	820	4,432	3,988
- Allocated support costs	617	491	136	1,244	1,255
- Teaching schools	134	-	57	191	367
	<u>4,269</u>	<u>585</u>	<u>1,013</u>	<u>5,867</u>	<u>5,610</u>

#### Net income/(expenditure) for the year includes:

	2019 £(000)	2018 £(000)
Fees payable to auditor for:		
- Audit	7	7
- Other services	2	2
Operating lease rentals	9	10
Depreciation of tangible fixed assets	102	108
Net interest on defined benefit pension liability	15	18

### 8 Charitable activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2019 £(000)	Total 2018 £(000)
<b>Direct costs</b>				
Educational operations	478	3,954	4,432	4,206
<b>Support costs</b>				
Educational operations	-	1,244	1,244	1,037
	<u>478</u>	<u>5,198</u>	<u>5,676</u>	<u>5,243</u>

#### Analysis of costs

	2019 £(000)	2018 £(000)
<b>Direct costs</b>		
Teaching and educational support staff costs	3,520	3,562
Staff development	11	11
Depreciation	94	98
Technology costs	77	85
Educational supplies and services	130	170
Examination fees	107	110
Educational consultancy	15	12
Other direct costs	478	158
	<u>4,432</u>	<u>4,206</u>



# LORETO GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 8 Charitable activities

Support costs	2019 £(000)	2018 £(000)
Support staff costs	616	546
Depreciation	8	10
Maintenance of premises and equipment	184	73
Cleaning	133	127
Energy costs	90	64
Rent, rates and other occupancy costs	37	65
Insurance	32	38
Security and transport	16	18
Catering	17	22
Interest on defined benefit pension scheme	15	18
Other support costs	87	47
Governance costs	9	9
	<u>1,244</u>	<u>1,037</u>

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2019 £(000)	2018 £(000)
Wages and salaries	3,288	3,283
Social security costs	286	296
Pension costs	677	652
	<u>4,251</u>	<u>4,231</u>
Agency staff costs	18	121
Staff restructuring costs	-	19
	<u>4,269</u>	<u>4,371</u>
Staff development and other staff costs	11	11
	<u>4,280</u>	<u>4,382</u>

Staff restructuring costs comprise:

Redundancy payments	-	19
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# LORETO GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 9 Staff

#### Staff numbers

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

	2019 Number	2018 Number
Teachers	67	69
Administration and support	32	25
Management	6	7
	<u>105</u>	<u>101</u>

#### Higher paid staff

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

	2019 Number	2018 Number
£70,001 - £80,000	-	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<u>1</u>	<u>-</u>

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £486,000 (2018: £538,000).

### 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 £1,211 (2018: £432) were reimbursed to 6 trustees (2018: 2 trustees).

The value of trustees' remuneration was as follows:

Mrs J Beever (Principal and trustee)

Remuneration: £100,001 - £105,000 (2018: £95,001 - £100,000)

Employer's pension contributions: £15,001 - £20,000 (2018: £15,001 - £20,000)

Mrs K Marchmont (staff trustee)

Remuneration: £30,001 - £35,000 (2018: £30,001 - £35,000)

Employer's pension contributions: £5,001 - £10,000 (2018: £5,001 - £10,000)

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

# LORETO GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 11 Trustees and officers insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

### 12 Tangible fixed assets

	Land and buildings	Plant and machinery	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£(000)	£(000)	£(000)	£(000)	£(000)	£(000)	£(000)
<b>Cost</b>							
At 1 September 2018	1,819	82	-	383	37	28	2,349
Additions	36	33	69	29	19	-	186
At 31 August 2019	1,855	115	69	412	57	28	2,536
<b>Depreciation</b>							
At 1 September 2018	231	42	-	342	19	8	642
Charge for the year	46	11	-	33	6	6	102
At 31 August 2019	278	53	-	375	25	14	745
<b>Net book value</b>							
At 31 August 2019	1,578	62	69	37	31	14	1,791
At 31 August 2018	1,588	40	-	41	18	20	1,707

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 102 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 £1,238,000 (2018: £1,248,000) in respect of buildings and £340,000 (2018: £340,000) in respect on land.

### 13 Debtors

	2019 £(000)	2018 £(000)
Trade debtors	34	45
VAT recoverable	32	17
Prepayments and accrued income	279	220
	<u>345</u>	<u>282</u>

# LORETO GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

<b>14</b>	<b>Creditors: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
		<b>£(000)</b>	<b>£(000)</b>
	Government loans	2	-
	Trade creditors	175	121
	Other creditors	90	83
	Accruals and deferred income	300	338
		<u>567</u>	<u>542</u>
<b>15</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>2019</b>	<b>2018</b>
		<b>£(000)</b>	<b>£(000)</b>
	Government loans	11	-
		<u>11</u>	<u>-</u>
	<b>Analysis of loans</b>		
	Wholly repayable within five years	13	-
	Less: included in current liabilities	(2)	-
		<u>11</u>	<u>-</u>
	Amounts included above	<u>11</u>	<u>-</u>
	<b>Loan maturity</b>		
	Debt due in one year or less	2	-
	Due in more than one year but not more than two years	2	-
	Due in more than two years but not more than five years	9	-
		<u>13</u>	<u>-</u>
	The Salix loan listed above is interest free and repayable over eight years.		
<b>16</b>	<b>Deferred income</b>	<b>2019</b>	<b>2018</b>
		<b>£(000)</b>	<b>£(000)</b>
	Deferred income is included within:		
	Creditors due within one year	122	233
		<u>122</u>	<u>233</u>
	Deferred income at 1 September 2018	233	52
	Released from previous years	(233)	(51)
	Resources deferred in the year	122	232
		<u>122</u>	<u>233</u>
	<b>Deferred income at 31 August 2019</b>	<u>122</u>	<u>233</u>

At the balance sheet date the academy trust was holding funds received in advance for school trips, school to school support and rates relief grants.

# LORETO GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 17 Funds

	Balance at 1 September 2018 £(000)	Income £(000)	Expenditure £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2019 £(000)
<b>Restricted general funds</b>					
General Annual Grant (GAG)	74	4,666	(4,772)	32	-
Other DfE / ESFA grants	35	288	(336)	13	-
Other government grants	-	15	(15)	-	-
Pension reserve	(464)	-	(164)	(565)	(1,193)
	<u>(355)</u>	<u>4,969</u>	<u>(5,287)</u>	<u>(520)</u>	<u>(1,193)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	734	-	(28)	-	706
DfE group capital grants	889	90	(62)	(42)	875
Capital expenditure from GAG	18	-	-	45	63
Private sector capital sponsorship	66	93	(12)	-	147
	<u>1,707</u>	<u>183</u>	<u>(102)</u>	<u>3</u>	<u>1,791</u>
<b>Total restricted funds</b>	<u>1,352</u>	<u>5,152</u>	<u>(5,389)</u>	<u>(517)</u>	<u>598</u>
<b>Unrestricted funds</b>					
General funds	456	562	(478)	(48)	492
<b>Total funds</b>	<u>1,808</u>	<u>5,714</u>	<u>(5,867)</u>	<u>(565)</u>	<u>1,090</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.

The transfer from unrestricted funds includes £32,000 to restricted general funds to cover a shortfall of incoming resources.

The transfer from the restricted fixed asset fund of £42,000 to restricted general funds relates to DFC funding used for revenue items.

The transfer from the restricted general fund of £45,000 to restricted fixed asset fund includes £30,000 relating to use of revenue funding for the purchase of fixed assets.

The transfer from unrestricted funds of £15,000 to restricted general funds relates to the introduction of the Salix loan as an opening balance adjustment.

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 2019.

# LORETO GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 17 Funds

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

	Balance at 1 September 2017 £(000)	Income £(000)	Expenditure £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2018 £(000)
<b>Restricted general funds</b>					
General Annual Grant (GAG)	172	4,615	(4,704)	(9)	74
Other DfE / ESFA grants	35	131	(131)	-	35
Other government grants	-	5	(5)	-	-
Pension reserve	(645)	-	(149)	330	(464)
	<u>(438)</u>	<u>4,751</u>	<u>(4,989)</u>	<u>321</u>	<u>(355)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	762	-	(28)	-	734
DfE group capital grants	956	10	(67)	(10)	889
Capital expenditure from GAG	-	-	(1)	19	18
Private sector capital sponsorship	69	9	(12)	-	66
	<u>1,787</u>	<u>19</u>	<u>(108)</u>	<u>9</u>	<u>1,707</u>
<b>Total restricted funds</b>	<u>1,349</u>	<u>4,770</u>	<u>(5,097)</u>	<u>330</u>	<u>1,352</u>
<b>Unrestricted funds</b>					
General funds	<u>456</u>	<u>513</u>	<u>(513)</u>	<u>-</u>	<u>456</u>
<b>Total funds</b>	<u>1,805</u>	<u>5,283</u>	<u>(5,610)</u>	<u>330</u>	<u>1,808</u>

### 18 Analysis of net assets between funds

	Unrestricted Funds £(000)	General £(000)	Restricted funds: Fixed asset £(000)	Total Funds £(000)
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	1,791	1,791
Current assets	1,070	-	-	1,070
Creditors falling due within one year	(567)	-	-	(567)
Creditors falling due after one year	(11)	-	-	(11)
Defined benefit pension liability	-	(1,193)	-	(1,193)
<b>Total net assets</b>	<u>492</u>	<u>(1,193)</u>	<u>1,791</u>	<u>1,090</u>

# LORETO GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Analysis of net assets between funds

	Unrestricted Funds £(000)	General £(000)	Restricted funds: Fixed asset £(000)	Total Funds £(000)
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	1,707	1,707
Current assets	456	651	-	1,107
Creditors falling due within one year	-	(542)	-	(542)
Defined benefit pension liability	-	(464)	-	(464)
<b>Total net assets</b>	<b>456</b>	<b>(355)</b>	<b>1,707</b>	<b>1,808</b>

### 19 Pension 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 2016.

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' 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

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 2019

#### 19 Pension and similar obligations

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 16.48%))
- 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%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The pension costs paid to the TPS in the period amounted to £426,000 (2018: £439,000).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are noted below. The agreed contribution rates for future years are 17.1% for employers and 5.5% - 12.5% 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.

Total contributions made	2019 £(000)	2018 £(000)
Employer's contributions	101	96
Employees' contributions	38	36
Total contributions	139	132
Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.1	3.2
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8
Expected return on assets	4.8	5.5



# LORETO GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 19 Pension and similar obligations

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

	2019 Years	2018 Years
Retiring today		
- Males	20.6	21.5
- Females	23.1	24.1
Retiring in 20 years		
- Males	22.0	23.7
- Females	24.8	26.2

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as set out below:

#### Sensitivity analysis

##### Changes in assumptions at 31 August 2019

	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	12%	548
0.5% increase in the Salary Increase Rate	2%	91
0.5% increase in the Pension Increase Rate	10%	444

#### The academy trust's share of the assets in the scheme

	2019 Fair value £(000)	2018 Fair value £(000)
Equities	2,207	2,042
Bonds	486	480
Property	260	210
Other assets	292	270
Total market value of assets	3,245	3,002

The actual return on scheme assets was £146,000 (2018: £154,000).

# LORETO GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 19 Pension and similar obligations

Amount recognised in the Statement of Financial Activities	2019 £(000)	2018 £(000)
Current service cost	217	227
Past service cost	33	-
Interest income	(85)	(70)
Interest cost	100	88
Total operating charge	265	245

Changes in the present value of defined benefit obligations	2019 £(000)	2018 £(000)
At 1 September 2018	3,466	3,429
Current service cost	217	227
Interest cost	100	88
Employee contributions	38	36
Actuarial loss/(gain)	626	(246)
Benefits paid	(42)	(68)
Past service cost	33	-
At 31 August 2019	4,438	3,466

Changes in the fair value of the academy trust's share of scheme assets	2019 £(000)	2018 £(000)
At 1 September 2018	3,002	2,784
Interest income	85	70
Actuarial gain	61	84
Employer contributions	101	96
Employee contributions	38	36
Benefits paid	(42)	(68)
At 31 August 2019	3,245	3,002

# LORETO GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 20 Reconciliation of net expenditure to net cash flow from operating activities

	2019 £(000)	2018 £(000)
Net expenditure for the reporting period (as per the statement of financial activities)	(153)	(327)
Adjusted for:		
Capital grants from DfE and other capital income	(183)	(19)
Investment income receivable	(2)	(3)
Defined benefit pension costs less contributions payable	149	131
Defined benefit pension scheme finance cost	15	18
Depreciation of tangible fixed assets	102	108
(Increase) in debtors	(63)	(72)
Increase in creditors	23	150
<b>Net cash used in operating activities</b>	<b>(112)</b>	<b>(14)</b>

### 21 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £(000)	2018 £(000)
Amounts due within one year	20	20
Amounts due in two and five years	55	57
Amounts due after five years	23	27
	<u>98</u>	<u>104</u>

### 22 Capital commitments

	2019 £(000)	2018 £(000)
Expenditure contracted for but not provided in the accounts	18	-

# **LORETO GRAMMAR SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **23 Related party transactions**

Owing to the nature of the academy trust's operations 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 a trustee has an interest. All transactions involving such organisations are conducted at arms' length and in accordance with the academy trust's financial regulations and normal procurement procedures.

Loreto Educational Trust is a member of Loreto Grammar School. During the year £2,000 (2018: £2,000) was paid to Loreto Educational Trust by the academy for fees relating to the 2018 academic year.

Mrs P Brown a governor of the trust is also a governor at St Antony's Catholic College. During the year £700 (2018: £Nil) was paid and £17,500 (2018: £158,823) was received from St Antony's Catholic College for fees relating to teaching schools support.

Sister B Turtle a governor of the trust is also a governor at Loreto College (St Albans). During the year £663 (2018: £Nil) was paid to Loreto College (St Albans). Sister B Turtle is also a governor at Loreto Preparatory School. During the year £1,639 (2018: £Nil) was received from Loreto Preparatory School.

Sister K Hewitt a governor of the trust is also a member of the Institute of Blessed Virgin Mary commonly called Loreto Sisters, During the year £2,030 (2018: £36) was paid to Loreto Sisters.

At the end of the year, £1,464 (2018: £1,488) was due to the academy from Loreto Preparatory School.

At the end of the year, £Nil (2018: £4,000) was due from the academy to Loreto Educational Trust.

At the end of the year, £Nil (2018: £31,716) was due from the academy to St Antony's Catholic College.

### **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 ESFA. In the accounting period ending 31 August 2019 the trust received £11,007 (2018: £11,453) and disbursed £7,631 (2018: £10,940) from the fund. An amount of £5,016 (2018: £4,456) is included in creditors relating to undistributed funds that are repayable to the ESFA. The academy intends to fully distribute this amount in 2018/19 through back claims owing.

# LORETO GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 26 Teaching Schools

		2019 £(000)	2018 £(000)
<b>Income</b>			
<b>Direct Income</b>			
- Other income	56		96
<b>Other Income</b>			
- Fundraising and other trading activities	145		271
		201	367
<b>Total Income</b>			
<b>Expenditure</b>			
<b>Direct Costs</b>			
- Direct staff costs	123	244	
- Other direct costs	20	47	
<b>Total direct costs</b>	143		291
<b>Other costs</b>			
- Support staff costs	11	19	
- Technology costs	11	9	
- Other support costs	25	47	
- Share of governance costs	1	1	
<b>Total other costs</b>	48		76
<b>Total Expenditure</b>		(191)	(367)
Transfers between funds excluding depreciation		-	-
Surplus/(Deficit) from all sources		10	-
<b>Teaching school balances at 1 September 2018</b>			
<b>Teaching school balances at 31 August 2019</b>		10	-