

LORETO GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021



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

LORETO GRAMMAR SCHOOL

CONTENTS

| | Page |
|--|-------------|
| Reference and administrative details | 1 |
| Trustees' report | 2 – 10 |
| Governance statement | 11 – 14 |
| Statement on regularity, propriety and compliance | 15 |
| Statement of trustees' responsibilities | 16 |
| Independent auditor's report on the accounts | 17 – 19 |
| Independent reporting accountant's report on regularity | 20 – 21 |
| Statement of financial activities including income and expenditure account | 22 – 23 |
| Balance sheet | 24 |
| Statement of cash flows | 25 |
| Notes to the accounts including accounting policies | 26 – 47 |

LORETO GRAMMAR SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

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
Dr J McCarthy
Mrs C Rawlings *
Mr V Sweeney *
Sr B Turtle IBVM

* members of the Finance and Premises Committee

Members

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

Senior management team

- Headteacher
- Deputy Headteacher
- Assistant Headteacher
- Assistant Headteacher
- Assistant Headteacher
- Director of Teaching School

Mrs Jane Beever
Mrs Nicola Walker
Mrs Frances Green
Mr Robin Latham
Mrs Angela Stokes
Mrs Victoria Atherton

- Director of Finance

Ms Helen Gill

Company registration number

08125396 (England and Wales)

Registered office

Dunham Road, Altrincham, Cheshire, WA14 4AH

Independent auditor

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

Bankers

Lloyds Bank Plc, 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 2021

The trustees and directors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

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. The academy trust operates an academy for pupils aged 11 to 19 and had a roll of 1,079 on the school census on 1 October 2021.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Loreto Grammar School are also the directors of the charitable company for the purposes of company law. The charitable company operates as Loreto Grammar School.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

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.

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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

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.

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 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.

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.

LORETO GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 and Audit/Risk Committee which meets at least termly to consider the strategic direction of the school, the internal controls, data protection and risk management;
- 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. The school also works with external QA providers in a number of areas in school including: curriculum, health and safety, governance, risk and control arrangements. The school is actively involved in benchmarking processes with other similar establishments.

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 2020/21 and consequently there was no time or pay bill spent on either facility time or any paid trade union activities.

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.

The Loreto Grammar School Trust, set up as a charitable trust in 2012, is administered by the academy and benefits from the school's exemption to register with the Charity Commission. The objects of the trust are, for the public benefit, to advance the education of pupils at the school. The Trust raises funds, accepts gifts and makes grants of money or other assets to the school to support the provision of education and claims gift aid on donations. The Trustees are Sr B Turtle, Mr J Lister, Mr V Sweeney, Prof M Ashley and Mrs J Beever.

The Loreto Parents' Association (Altrincham) is a separate charity (registered number 1178982).

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.

LORETO GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 five other Loreto Schools in England. 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. Other key documents include: the Compass, the Loreto Governance document and the Loreto Chaplaincy document.

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, Loreto Seville and Mary Ward Schule Nurnberg.

The vision of the trustees of Loreto Grammar School is to create a culture of success when the pupils flourish in all aspects of school life and 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 to be included in an Ofsted Best Practice review.

The school is a National Support School (NSS), and 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 continues to provide secondary schools in various North West Local authorities with ongoing educational support.

The Teaching School provides specific support and training for other establishments and has bid for strategic school improvement fund (SSIF) support monies on behalf of various 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 offers bespoke support for identified schools on a regular basis including leadership and management and teaching and learning support. Nine 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. The Director of Teaching Schools is the Chair of the Maths Hub NW2. 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. Teaching school status in England ceased to exist on 31st August 2021 and therefore the Loreto TSA completed its work. Work continues under the aegis of the Loreto Learning Support Partnership.

LORETO GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 has 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 2020/2021 we gave particular focus to the Loreto value of **JOY**, a value which states: Our schools and college are joyful places where students enjoy their learning and flourish in a safe and healthy environment where the unique value of each individual is recognised and celebrated.

Results are outstanding year on year and in the academic year 2020/21 the school achieved excellent results through the teacher assessed grades process (TAGS). At Advanced level 87% of all grades were at A*-B. At GCSE level 77% of all grades were at 9-7. The work carried out by teaching colleagues was thorough, and carried out with integrity and rigour. All results are available on the school website.

This academic year again was a very different experience for the school and many of the rich opportunities to enhance the curriculum continued to be limited or curtailed due to lockdown and COVID-19.

In anticipation of students returning to School in September 2020, a **pastoral survey was sent to parents** to complete for school to understand as fully as possible, the impact of COVID 19 on mental and physical wellbeing. In response to these results, the pastoral team began to identify appropriate interventions, such as support from adult mentors, School Chaplain, School Counsellor, School nurse.

On their return to School, students had a **Pastoral Day** which allowed them to talk and reconnect in a safe and structured environment and follow up discussion where appropriate, a focus on the value of joy, mental well-being activities and reassurance and clarification with regards to coronavirus safety measures. This work was invaluable as we moved forward into the academic year.

Despite all challenges, the classroom, virtual or otherwise, provided a stimulating environment and departments excelled in their provision of interesting and challenging curriculum opportunities. Microsoft Teams transformed the delivery experience in the second lockdown and those isolating were able to enjoy real-time lessons with their teachers. Learner engagement was high.

Quality assurance of remote teaching was carried out before Easter and identified that remote learning has been a success across all key stages. The process included looking at student work via work sampling, student voice and tours around each-other's virtual classrooms in MS Teams. The feedback identified many strengths to be shared. Students felt supported with their remote learning and felt that the balance of live lessons was positive.

We continued our staff CPD (Continuing Professional Development) training and shared opportunities and the focus on the classroom experience remained key. Topics conveyed included:

- Microsoft OneDrive
- Effective assessment in the remote classroom
- Dual coding for teachers who cannot draw - using visual aids in teacher explanation
- High quality support of students with SEND (Special Educational Needs and Disabilities)
- Literacy across the curriculum

In recognition of the increased time spent on-line, resources were signposted to parents during lockdown, our focus on Safer Internet Week in February 2021 was maintained and a Cyber Choices experience was introduced in April to years 7-11 by GMP (Greater Manchester Police) in addition to the support students receive in Computer Science lessons, PSHCE and form time.

In January when the stripy blazer went back into the virtual world we were prepared for the transition and all structures of support and communication were in place. The delivery of laptops and financial and pastoral support was in place and for identified pupils and children of key workers, school remained open throughout.

LORETO GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

In January too, we celebrated Mary Ward's birthday with a mood board competition on the value Joy. Led by our two newly appointed Loreto educators, the competition drew many excellent entries and provided thoughtful opportunities for pupils' reflection. Our Loreto educator colleagues also developed and introduced the new Values award. They proposed the following:

This award should recognise and celebrate those people in our community *who are animated by the spirit of Mary Ward* and who are *committed to making a better world* (Our Vision and Values document).

We prepared for a mass Covid testing programme for the return to school in March. The Hall was set up as a test centre and, with tremendous support from volunteers from the parent and alumnae body, we were prepared. Our medic governors joined us to assess our provision and were satisfied that we were doing it right.

Throughout the year we continued with our charity work, which included awareness raising *and* fundraising for:

Barnardo's
CAFOD
Cornerstones
Revive
"When you Wish Upon a Star"
Encephalitis Society
RENATE (Religious in Europe Networking Against Trafficking and Exploitation).
Manchester Foodbank
Trafford Foodbank
School Council (who sold Loreto face masks)

There was a plethora of competition entries ranging from the Cypher Challenge Coding competition, NCSC (National Cyber Security Council) Cyber first girls' competition MUN competition, Silver Mace competitions, and the Royal Mail stamp design competition.

Our Year 10, Young Enterprise team, Brill box, won the teamwork competition in the regional finals. Two Year 10 pupils were part of the English-Speaking Union Northwest debating competition (on ZOOM) and chose the important title "Women should challenge not accept." We were national finalists in the ICAEW Business and accounting competition with two year 12 entries.

Our World book day was held online as were virtual field trips and even a remarkably successful work experience week for all of year 10 which took place online. We cherish our in-house debating competitions in Altrincham and the entire senior debate competition took place on TEAMS. This was a very fruitful experience. Year 10 virtual work experience took place in May. This was a very well planned and thoughtful experience which received very positive feedback from students. Sixth formers also had manifold online opportunities for work experience

We continued working with other diocesan schools through mini-DASH and we were encouraged to write to Pope Francis. Here is what Year 8 wrote:

Dear Pope Francis,
We understand that you have a dream, and we are the ones who can make it come true. You have shown us that we all have a common vision for a better and a more equal world. We must try to view the world as God's creation of love that we are a part of, and we can improve the world by listening and respecting what people around us have to say. God loves us unconditionally and wants us to do the same to other people by loving with our hearts and not our eyes. We all have the same mission and are born with the same vision regardless of our differences, and we strive to be more like God.

Thank you so much for taking the time to read our letter.
Year 8 Loreto Grammar School

LORETO GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Other opportunities included

- Awareness raising about child labour and a group of sixth formers organised themselves and produced a fantastic infographic and powerful prayer about child labour to be shared across the Mary Ward international community and the UN (United Nations)
- The head girl team wellbeing newsletter was a positive read for all pupils
- The history half term student led newsletter (including an edition about Fierce feminists) was a celebration of cross school and pupil research and passions.
- In June, the only residential trip this year took place at Castlehead. 138 Years 8s and 12 staff enjoyed a fantastic weekend in Cumbria once given the green light

The Joy of offering the summer school for the new year 7 saw 148/161 pupils attend over two weeks in August. Workload for teachers meant that we adjusted aspects of our normal assessment practices to try and alleviate any unnecessary burden whilst ensuring clear and continued accountability. Engagement with parents was weekly through headteacher updates, pastoral and academic catch-up calls and welfare call. Zoom update meetings were held and parents' evenings were virtual.

Loreto Grammar School was judged most recently as 40th Nationally in the Times top 100 Schools and in the top 10% of schools for progress. It was also voted in the top three school in the MEN (Manchester Evening News) real schools award

Objectives, strategies and activities

The academy's objective for the year ended 31 August 2021 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 2021 was 1,047.

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 2021 was 90.23 (109 headcount).

Public benefit

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit. The trustees believe that the charitable company's aims are demonstrably to the public benefit.

Strategic report

Impact of Covid-19 on the academy trust's performance

Pupil numbers remain unaffected by Covid-19 and applications for 2021-22 year 7 and post 16 places remain very high. The school is very oversubscribed

Free School Meals (FSM) during Covid-19

From March 2020 to the present day, Loreto has provided vouchers to Free School Meal students not in school as it was not feasible either to deliver meals or continue to provide these in school as the students live on average 8 miles away. In January 2021 we used "Wonde" to supply vouchers for a supermarket retailer of choice and this was reclaimed from the DfE until 25 January 2021 when we participated in Edenred, the fully funded national free school meals voucher scheme. We continue to carefully monitor attendance to allow the identification and provision of vouchers to isolating students as appropriate. The funding received by Loreto for the FSM during January to March 2021 was passed onto our Catering provider.

Loreto works with Trafford to provide holiday free school meal vouchers.

The academy places importance on staff retention and development in order to maintain the highest standards of teaching and learning. To that ends 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 very little movement in staffing.

LORETO GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 Statement of Accounting Policies.

Promoting the success of the company

The Trustees promote the success of Loreto Grammar School to achieve its charitable purposes and in doing so have regard to:

- The likely consequences of any decision in the long term
- The interests of all staff
- The need to foster good business relationships with suppliers and other partners and to maintain a reputation for high standards of business conduct
- The impact of the operations of the academy trust on the community and the environment
- The need to act fairly

Financial review

The trust's financial position for the period to 31 August 2021 demonstrates total income of £6,339,000 with a total funds carried forward balance as at 31 August 2021 of £637,000. Of this amount £2,049,000 relates to the restricted fixed assets fund, £2,007,000 pension deficit, leaving £595,000 of funds available to meet school expenditure.

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.

Covid-19 has had a fundamental impact on the financial performance of the academy trust. The requirements to test all staff and students and to track, identify and manage isolating students was a huge undertaking and incurred substantial additional staffing costs even with the support of many willing volunteers. Additional quantifiable costs of £107,000 were incurred during the year for staffing, IT remote working teacher PC's, cleaning, support to contractors and additional educational resources. The costs exceeded the additional funding received of £98,000 (including £3,000 for expenditure incurred in 2020/21) and an application was approved by the Loreto Grammar School Trust to provide funds towards the IT remote working project which covered the shortfall.

Loreto was delighted to provide an optional summer school funded by the DfE to support pupils in making up for education missed during the Covid-19 pandemic. This was a welcome opportunity to offer all new year 7 students an insight into the Loreto Community and also additional support for some of our Year 10 students to recover lost curriculum and prepare for year 11. The summer school was delivered at 5% less than the DfE allocation at a total cost of £39,485.

Looking forward to recovery funding in 2021/22, Loreto has opted into the 16-19 tuition fund and will also receive a school-led tutoring grant. However, as pupil premium numbers were only 5% at the October 2020 census, these funds are small at less than £8,000 in total.

LORETO GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 at least equivalent to one month of the GAG, approximately £428,000. 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 £595,000.

Investment policy

Apart from cash held for the operation of the school, Loreto has no realisable investments. Surplus funds are placed in a Lloyds Bank 30-day notice deposit account to maximise interest and the level of funds on deposit is balanced with known and estimated cash requirements and is approved by the Finance and Premises Committee.

Principal risks and uncertainties

The governors assess the major risks to which the academy is exposed and the risk register is reviewed on an ongoing basis by the Chairs and Audit/Risk Committee and on an annual basis by the full governing body. Overall responsibility for risk management is retained by the board of trustees.

The principal risk presented in 2020/21 was and remains the continuing impact of the coronavirus pandemic and the effect on educational outcomes, future reputation of the academy trust, financial viability and day-to-day operation of the school. Key controls in place are:

- regular and clear communication with all stakeholders;
- regular updates of risk assessments relating to day to day operations and management of outbreaks;
- compliance with DFE, Trafford and Public Health England guidance and updates;
- strategies in place for teaching and learning should a) individuals isolate and b) the requirement be to move learning either fully or partially online;
- dynamic response applied to the pandemic as changes arise; and
- regular monitoring and action to impact on costs through monthly management accounts, half termly reports to Finance and Premises Committee including results, budget monitoring, detailed forecasts and long term projections.

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 2021. Future contribution rates are adjusted so as to reduce this deficit.

Fundraising

The Loreto Grammar School Trust and Loreto Parent Association (Altrincham) raise funds and make donations to benefit the school. The school also raises voluntary funds towards the cost of trips. There has been no undue pressure placed on any individual to donate or unreasonable intrusion on a person's privacy.

Across the school year we raised £4,761 for local and international charities, despite the third national lockdown after Christmas 2020. Staff, students and friends raised money for "When you Wish Upon a Star", CAFOD, the Encephalitis Society and RENATE (Religious in Europe Networking Against Trafficking and Exploitation). We also collected food and clothing for Cornerstone and Revive.

Loreto has not received any complaints from parents/carers or the public relating to fundraising.

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.
- The above is set in the context of the pandemic which has provided many complex challenges for the community.

LORETO GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Whole school objectives and plans for the 2021-22 year include:

- to continue to maintain excellence in standards;
- to review our whole-school and departmental approaches to assessment to prepared for the new Quality of Education framework in Ofsted; and
- to focus on and celebrate the value of **Freedom** whereby we nurture the growth of that 'singular freedom' which enables each person to become their best self. We encourage our students to take charge of their own lives and futures within a learning environment that celebrates diversity and nurtures independence of spirit.

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 6 December 2021 and signed on its behalf by:



.....
Mr James Lister
Chair of trustees

LORETO GRAMMAR SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 formally met three times during the period, supported by meetings held by subcommittees. The finance and premises committee met 6 times during the period and the Chairs and Audit/Risk committee met 3 times during the period.

Additional meetings were held during the year to review and approve the Covid-19 risk assessment relating to the day to day control framework and procedures to deal with outbreaks.

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 | 2 | 3 |
| Mrs Patricia Brown | 3 | 3 |
| Dr Thomas Earnshaw | 2 | 3 |
| Dr Kathryn Grady | 3 | 3 |
| Mr Jonathan Hassall | 2 | 3 |
| Sr Kathleen Hewitt IBVM | 3 | 3 |
| Mr James Lister | 3 | 3 |
| Dr Justin McCarthy | 3 | 3 |
| Mrs Catherine Rawlings | 3 | 3 |
| Mr Vincent Sweeney | 3 | 3 |
| Sr Bernadette Turtle IBVM (Cecilia Turtle) | 3 | 3 |

Governor attendance was impacted by the demands of Covid in their primary roles.

Governance reviews:

Loreto has a highly effective governing body comprising dedicated governors who use their wide range of expertise for the good of the school. Due to the exceptional circumstances around Covid-19 and the increased demands on governors in 2020/21, the external review of governance will not take place until 2021/22.

LORETO GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 | 6 | 6 |
| Mr Jim Lister (Chair) | 6 | 6 |
| Mrs Catherine Rawlings | 4 | 6 |
| Mr Vincent Sweeney | 3 | 6 |
| Prof Martin Ashley | 6 | 6 |
| Mrs Patricia Brown | 6 | 6 |

The Chairs and Audit/Risk Committee is a sub-committee of the main board of trustees. Its purpose is to meet soon after the start of the academic year to agree the work of the Governing Body and its committees for that term and beyond; to undertake tasks delegated to them by the Governing Body; to direct the programme of audit and internal scrutiny and to manage risk, including contingency and business continuity planning. Attendance at meetings in the period was as follows:

| Trustee | Meetings attended | Out of possible |
|--|-------------------|-----------------|
| Mrs Jane Beever | 3 | 3 |
| Mr Jim Lister (Chair of Chairs section) | 2 | 3 |
| Mr Martin Bourke | 1 | 3 |
| Mr Vincent Sweeney (Chair of Audit/Risk section) | 3 | 3 |
| Dr K Grady | 3 | 3 |
| Mrs Patricia Brown | 3 | 3 |

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 or by using a framework where available.

The accounting officer for the academy trust has ensured the delivery of 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
- Schools Buying Hub, government frameworks and benchmarking
- Maximisation of external funds
- Review of major contracts

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 for the next 3 academic years. The budget requests and 3 year plans are rigorously reviewed by the headteacher, deputy headteacher and director of finance 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 recent years due to the continuing constraints of school budgets.

The Finance Committee, headteacher and director of finance 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.

LORETO GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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.

Schools buying hub, DfE approved Frameworks for Schools and benchmarking

The trust regularly compares utility, stationery and IT equipment prices with the DfE "schools buying hub" and reviews DfE approved frameworks to ensure best value.

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. Internal and external benchmarking data consistently show Loreto's spend broadly in line with other schools with the exception of premises and energy costs. These are expected to be high due to the age of the buildings and nature of the site and reflects the resources invested to make them as fit for purpose as possible in the pre coronavirus setting. All premises contracts are regularly reviewed to identify opportunities for greater value for money.

Maximisation of external funds

The trust was successful in a bid to the 2020/21 Condition Improvement Fund to replace the original heating system in the Babthorpe block constructed in 1957. As the outcome of the bid was not announced by the DfE until summer 2021, the work will take place during autumn 2021.

A new catering contractor was engaged during 2019/20 and the contract was negotiated to include the provision of a fully funded permanent canopy in the "pink flagged" courtyard which was ready for use to provide much needed space from September 2020.

The trust continues to explore all avenues for funding to maintain and improve the school premises.

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 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operation, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process of identifying, evaluating and managing the academy trust's significant risks that have been in place for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring system with an annual budget and monthly financial reports which are reviewed and agreed by the board of trustees;
- regular review by the Finance and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defining purchasing (assets purchase or capital investment) guidelines;
- delegation of authority and segregations of duties; and
- identification and management of risks.

LORETO GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The board of trustees buy in an internal audit service from Mr Michael J Prior, an independent qualified chartered accountant, as internal auditor. The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the period included:

- Procurement
- Payroll and HR
- Risk Management
- Premises
- Safeguarding
- Data and IT Issues
- Ofsted preparations

Each term, the internal auditor reports to the board of trustees through the Chairs and Audit/Risk Committee on the operation of the systems of internal control and on the discharge of the board of trustee's financial responsibilities and prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor has delivered his schedule of work as planned and identified no material control issues arising as result of the work.

The ESFA conducted a routine Financial Management and Governance Review of the academy during the autumn 2020 term and the board of trustees oversaw the implementation of the actions to address the 4 mandatory requirements and 6 recommendations for improvement made. There were no instances of irregularity or impropriety noted and the mandatory items mainly related to procedural requirements to document matters where the trust is already compliant.

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 internal auditor;
- the work of the external auditor;
- the routine Financial Management and Governance Review undertaken by the ESFA in November 2020;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on 6 December 2021 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 2021

As accounting officer of Loreto Grammar School, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy 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 2020.

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 2020.

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



Mrs Jane Beever
Accounting officer

Date: 6 December 2021

LORETO GRAMMAR SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare 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 2019 and the Academies Accounts Direction 2020 to 2021;
- 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 6 December 2021 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 2021

Opinion

We have audited the accounts of Loreto Grammar School for the year ended 31 August 2021 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 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and 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 2021 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 2019 and the Academies Accounts Direction 2020 to 2021.

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

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

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

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

Other information

The 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 2021

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 has 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.

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

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

LORETO GRAMMAR SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

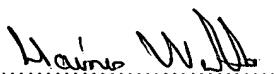
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Identify and test journal entries, in particular any journal entries posting with unusual account combinations.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

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: 6 December 2021

LORETO GRAMMAR SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 7 August 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

LORETO GRAMMAR SCHOOL

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

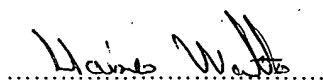
FOR THE YEAR ENDED 31 AUGUST 2021

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Haines Watts
Reporting Accountant

Date: 6 December 2021

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 2021

| | Notes | Unrestricted funds £(000) | Restricted funds: General £(000) Fixed asset £(000) | Total 2021 £(000) | Total 2020 £(000) |
|---|----------|---------------------------------|---|-------------------------|-------------------------|
| Income and endowments from: | | | | | |
| Donations and capital grants | 3 | 24 | - | 173 | 227 |
| Charitable activities: | | | | | |
| - Funding for educational operations | 4 | - | 5,663 | - | 5,663 |
| - Teaching school | 26 | 113 | 197 | - | 310 |
| Other trading activities | 5 | 169 | - | - | 169 |
| Investments | 6 | - | - | - | - |
| Total | | <u>306</u> | <u>5,860</u> | <u>173</u> | <u>6,339</u> |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| - Educational operations | 8 | 46 | 5,796 | 155 | 5,997 |
| - Teaching school | 26 | - | 310 | - | 310 |
| Total | 7 | <u>46</u> | <u>6,106</u> | <u>155</u> | <u>6,307</u> |
| Net income/(expenditure) | | 260 | (246) | 18 | 32 |
| Transfers between funds | 17 | (139) | 20 | 119 | - |
| Other recognised gains/(losses) | | | | | |
| Actuarial losses on defined benefit pension schemes | 19 | - | (127) | - | (127) |
| Net movement in funds | | 121 | (353) | 137 | (95) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | <u>474</u> | <u>(1,654)</u> | <u>1,912</u> | <u>732</u> |
| Total funds carried forward | | <u>595</u> | <u>(2,007)</u> | <u>2,049</u> | <u>637</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 2021

| Comparative year information Year ended 31 August 2020 | Notes | Unrestricted funds £(000) | Restricted funds: General £(000) | Fixed asset £(000) | Total 2020 £(000) |
|---|-------|---------------------------------|-------------------------------------|-----------------------|-------------------------|
| Income and endowments from: | | | | | |
| Donations and capital grants | 3 | 9 | - | 218 | 227 |
| Charitable activities: | | | | | |
| - Funding for educational operations | 4 | - | 5,176 | - | 5,176 |
| - Teaching school | 26 | 111 | 230 | - | 341 |
| Other trading activities | 5 | 408 | - | - | 408 |
| Investments | 6 | 1 | - | - | 1 |
| Total | | <u>529</u> | <u>5,406</u> | <u>218</u> | <u>6,153</u> |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| - Educational operations | 8 | 273 | 5,540 | 106 | 5,919 |
| - Teaching school | 26 | - | 338 | - | 338 |
| Total | 7 | <u>273</u> | <u>5,878</u> | <u>106</u> | <u>6,257</u> |
| Net income/(expenditure) | | 256 | (472) | 112 | (104) |
| Transfers between funds | 17 | (274) | 265 | 9 | - |
| Other recognised gains/(losses) | | | | | |
| Actuarial losses on defined benefit pension schemes | 19 | - | (254) | - | (254) |
| Net movement in funds | | (18) | (461) | 121 | (358) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | <u>492</u> | <u>(1,193)</u> | <u>1,791</u> | <u>1,090</u> |
| Total funds carried forward | | <u>474</u> | <u>(1,654)</u> | <u>1,912</u> | <u>732</u> |

LORETO GRAMMAR SCHOOL

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2021

| | | 2021 | 2020 |
|---|-------|---------|---------|
| | Notes | £(000) | £(000) |
| Fixed assets | | | |
| Tangible assets | 12 | 2,049 | 1,912 |
| Current assets | | | |
| Debtors | 13 | 193 | 288 |
| Cash at bank and in hand | | 1,020 | 828 |
| | | 1,213 | 1,116 |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 14 | (611) | (633) |
| Net current assets | | 602 | 483 |
| Total assets less current liabilities | | 2,651 | 2,395 |
| Creditors: amounts falling due after more than one year | 15 | (7) | (9) |
| Net assets before defined benefit pension scheme liability | | 2,644 | 2,386 |
| Defined benefit pension scheme liability | 19 | (2,007) | (1,654) |
| Total net assets | | 637 | 732 |
| Funds of the academy trust: | | | |
| Restricted funds | 17 | | |
| - Fixed asset funds | | 2,049 | 1,912 |
| - Pension reserve | | (2,007) | (1,654) |
| Total restricted funds | | 42 | 258 |
| Unrestricted income funds | 17 | 595 | 474 |
| Total funds | | 637 | 732 |

The accounts were approved by the trustees and authorised for issue on 6 December 2021 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 2021

| | Notes | 2021 £(000) | 2020 £(000) |
|--|-------|----------------|----------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 20 | 313 | 114 |
| Cash flows from investing activities | | | |
| Dividends, interest and rents from investments | | - | 1 |
| Capital grants from DfE Group | | 23 | 24 |
| Capital funding received from sponsors and others | | 150 | 195 |
| Purchase of tangible fixed assets | | (291) | (229) |
| Net cash used in investing activities | | (118) | (9) |
| Cash flows from financing activities | | | |
| Repayment of long term bank loan | | (2) | (2) |
| Net cash used in financing activities | | (2) | (2) |
| Net increase in cash and cash equivalents in the reporting period | | 193 | 103 |
| Cash and cash equivalents at beginning of the year | | 828 | 725 |
| Cash and cash equivalents at end of the year | | 1,020 | 828 |

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Loreto Grammar School is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Loreto Grammar School meets the definition of a public benefit entity under FRS102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie 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.

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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.

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. These include severance and redundancy payments.

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 |
| 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 2021

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 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 based on 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 net income or expenditure 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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

1.12 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds for the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 25.

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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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 2021 £(000) | Total 2020 £(000) |
|---------------------|---------------------------------|-------------------------------|-------------------------|-------------------------|
| Private sponsorship | 24 | - | 24 | 9 |
| Capital grants | - | 23 | 23 | 23 |
| Other donations | - | 150 | 150 | 195 |
| | <u>24</u> | <u>173</u> | <u>197</u> | <u>227</u> |

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the academy trust's educational operations

| | Unrestricted funds £(000) | Restricted funds £(000) | Total 2021 £(000) | Total 2020 £(000) |
|------------------------------------|---------------------------------|-------------------------------|-------------------------|-------------------------|
| DfE/ESFA grants | | | | |
| General annual grant (GAG) | - | 5,175 | 5,175 | 4,839 |
| Other DfE/ESFA grants: | | | | |
| Pupil premium | - | 49 | 49 | 44 |
| Teachers' pension grant | - | 205 | 205 | 204 |
| Teachers' pay grant | - | 73 | 73 | 72 |
| Other DfE/ESFA grants | - | 41 | 41 | - |
| | <u>-</u> | <u>5,543</u> | <u>5,543</u> | <u>5,159</u> |
| Other government grants | | | | |
| Local authority grants | - | 22 | 22 | 9 |
| | <u>-</u> | <u>22</u> | <u>22</u> | <u>9</u> |
| COVID-19 additional funding | | | | |
| DfE/ESFA | | | | |
| Catch-up premium | - | 63 | 63 | 8 |
| Other DfE/ESFA COVID-19 funding | - | 35 | 35 | - |
| | <u>-</u> | <u>98</u> | <u>98</u> | <u>8</u> |
| Total funding | <u>-</u> | <u>5,663</u> | <u>5,663</u> | <u>5,176</u> |

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Teachers' Pay Grant, Teachers' Pension Grant and Pupil Premium is no longer reported under the Other DfE group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy trust received £63,000 of funding for COVID-19 catch-up premium and costs incurred in respect of this funding totalled £63,000.

The academy trust received £22,000 (2020: £9,000) from the local authority in year, being £12,000 high needs funding and £10,000 for other local authority funding.

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

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

| | Unrestricted funds £(000) | Restricted funds £(000) | Total 2021 £(000) | Total 2020 £(000) |
|------------------------|---------------------------------|-------------------------------|-------------------------|-------------------------|
| Parental contributions | 47 | - | 47 | 147 |
| Other income | 122 | - | 122 | 261 |
| | <u>169</u> | <u>-</u> | <u>169</u> | <u>408</u> |

6 Investment income

| | Unrestricted funds £(000) | Restricted funds £(000) | Total 2021 £(000) | Total 2020 £(000) |
|---------------------|---------------------------------|-------------------------------|-------------------------|-------------------------|
| Short term deposits | - | - | - | 1 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>1</u> |

7 Expenditure

| | Staff costs £(000) | Non-pay expenditure Premises £(000) | Other £(000) | Total 2021 £(000) | Total 2020 £(000) |
|----------------------------------|-----------------------|---|-----------------|-------------------------|-------------------------|
| Academy's educational operations | | | | | |
| - Direct costs | 3,995 | 142 | 482 | 4,619 | 4,784 |
| - Allocated support costs | 858 | 639 | 191 | 1,688 | 1,473 |
| | <u>4,853</u> | <u>781</u> | <u>673</u> | <u>6,307</u> | <u>6,257</u> |

Net income/(expenditure) for the year includes:

| | 2021 £(000) | 2020 £(000) |
|---|----------------|----------------|
| Fees payable to auditor for: | | |
| - Audit | 7 | 7 |
| - Other services | 2 | 1 |
| Operating lease rentals | 20 | 20 |
| Depreciation of tangible fixed assets | 155 | 106 |
| Net interest on defined benefit pension liability | 29 | 23 |
| | <u>213</u> | <u>157</u> |

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Charitable activities

| | Unrestricted funds £(000) | Restricted funds £(000) | Total 2021 £(000) | Total 2020 £(000) |
|--|---------------------------------|-------------------------------|-------------------------|-------------------------|
| Direct costs | | | | |
| Educational operations | 46 | 4,360 | 4,406 | 4,470 |
| Support costs | | | | |
| Educational operations | - | 1,591 | 1,591 | 1,449 |
| | <u>46</u> | <u>5,951</u> | <u>5,997</u> | <u>5,919</u> |
| Analysis of costs | | | 2021 | 2020 |
| | | | £(000) | £(000) |
| Direct costs | | | | |
| Teaching and educational support staff costs | | | 3,892 | 3,794 |
| Staff development | | | 18 | 8 |
| Depreciation | | | 142 | 98 |
| Technology costs | | | 110 | 82 |
| Educational supplies and services | | | 93 | 119 |
| Examination fees | | | 92 | 83 |
| Educational consultancy | | | 13 | 13 |
| Other direct costs | | | 46 | 273 |
| | | | <u>4,406</u> | <u>4,470</u> |
| Support costs | | | | |
| Support staff costs | | | 761 | 690 |
| Depreciation | | | 13 | 8 |
| Maintenance of premises and equipment | | | 328 | 315 |
| Cleaning | | | 124 | 116 |
| Energy costs | | | 95 | 81 |
| Rent, rates and other occupancy costs | | | 45 | 52 |
| Insurance | | | 33 | 24 |
| Security and transport | | | 4 | 7 |
| Catering | | | 20 | 16 |
| Interest on defined benefit pension scheme | | | 29 | 23 |
| Other support costs | | | 128 | 107 |
| Governance costs | | | 11 | 10 |
| | | | <u>1,591</u> | <u>1,449</u> |

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

Staff costs

Staff costs during the year were:

| | 2021 £(000) | 2020 £(000) |
|---|----------------|----------------|
| Wages and salaries | 3,529 | 3,438 |
| Social security costs | 328 | 284 |
| Pension costs | 968 | 919 |
| Staff costs - employees | 4,825 | 4,641 |
| Agency staff costs | 9 | 5 |
| Staff restructuring costs | 6 | - |
| Staff development and other staff costs | 4,840 | 4,646 |
| | 18 | 12 |
| Total staff expenditure | 4,858 | 4,658 |

Staff restructuring costs comprise:

| | | |
|--------------------|---|---|
| Severance payments | 6 | - |
|--------------------|---|---|

Staff numbers

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

| | 2021 Number | 2020 Number |
|----------------------------|----------------|----------------|
| Teachers | 68 | 69 |
| Administration and support | 35 | 35 |
| Management | 6 | 6 |
| | 109 | 110 |

Higher paid staff

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

| | 2021 Number | 2020 Number |
|---------------------|----------------|----------------|
| £60,001 - £70,000 | 3 | 3 |
| £100,001 - £110,000 | 1 | 1 |

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

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 and national insurance contributions) received by key management personnel for their services to the academy trust was £707,000 (2020: £656,000).

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 £Nil (2020: £286) were reimbursed to trustees (2020:2 trustees).

The value of trustees' remuneration was as follows:

Mrs J Beever (Principal and trustee)

Remuneration: £105,001 - £110,000 (2020: £100,001 - £105,000)

Employer's pension contributions: £15,001 - £20,000 (2020: £15,001 - £20,000)

Mrs K Marchmont (staff trustee) *

Remuneration: £Nil (2020: £10,001 - £15,000)

Employer's pension contributions: £Nil (2020: £1 - £5,000)

*Resigned 10 March 2020

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

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.

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Tangible fixed assets

| | Land and buildings | Plant and machinery | Computer equipment | Fixtures, fittings & equipment | Motor vehicles | Total |
|-----------------------|-----------------------|------------------------|-----------------------|--------------------------------------|-------------------|--------|
| | £(000) | £(000) | £(000) | £(000) | £(000) | £(000) |
| Cost | | | | | | |
| At 1 September 2020 | 1,949 | 115 | 457 | 218 | 28 | 2,767 |
| Additions | 2 | 119 | 57 | 113 | - | 291 |
| At 31 August 2021 | 1,951 | 234 | 514 | 331 | 28 | 3,058 |
| Depreciation | | | | | | |
| At 1 September 2020 | 328 | 69 | 396 | 42 | 20 | 855 |
| Charge for the year | 49 | 29 | 37 | 34 | 6 | 155 |
| At 31 August 2021 | 377 | 98 | 433 | 76 | 26 | 1,010 |
| Net book value | | | | | | |
| At 31 August 2021 | 1,574 | 137 | 81 | 255 | 2 | 2,049 |
| At 31 August 2020 | 1,621 | 46 | 61 | 176 | 8 | 1,912 |

The net book value of land and buildings comprises:

| | 2021 £(000) | 2020 £(000) |
|---------------------------------|----------------|----------------|
| Long leaseholds (over 50 years) | 1,574 | 1,621 |

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 £1,234,000 (2020: £1,281,000) in respect of buildings and £340,000 (2020: £340,000) in respect on land.

13 Debtors

| | 2021 £(000) | 2020 £(000) |
|--------------------------------|----------------|----------------|
| Trade debtors | 16 | 10 |
| VAT recoverable | 36 | 59 |
| Other debtors | - | 23 |
| Prepayments and accrued income | 141 | 196 |
| | 193 | 288 |

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

14 Creditors: amounts falling due within one year

| | 2021 £(000) | 2020 £(000) |
|------------------------------|----------------|----------------|
| Government loans | 2 | 2 |
| Trade creditors | 216 | 164 |
| Other creditors | 96 | 94 |
| Accruals and deferred income | 297 | 373 |
| | <u>611</u> | <u>633</u> |

15 Creditors: amounts falling due after more than one year

| | 2021 £(000) | 2020 £(000) |
|---|------------------------|------------------------|
| Government loans | 7 | 9 |
| | <u>7</u> | <u>9</u> |
| Analysis of loans | 2021 £(000) | 2020 £(000) |
| Wholly repayable within five years | 9 | 11 |
| Less: included in current liabilities | (2) | (2) |
| | <u>7</u> | <u>9</u> |
| Amounts included above | <u>7</u> | <u>9</u> |
| Loan maturity | | |
| Debt due in one year or less | 2 | 2 |
| Due in more than one year but not more than two years | 2 | 2 |
| Due in more than two years but not more than five years | 5 | 7 |
| | <u>9</u> | <u>11</u> |

The Salix loan listed above is interest free and repayable over eight years. The loan is recovered by two yearly payments in the General Annual Grant issued by the Education and Skills funding Agency.

16 Deferred income

| | 2021 £(000) | 2020 £(000) |
|--|----------------|----------------|
| Deferred income is included within: | | |
| Creditors due within one year | <u>127</u> | <u>231</u> |
| Deferred income at 1 September 2020 | 231 | 122 |
| Released from previous years | (231) | (122) |
| Resources deferred in the year | <u>127</u> | <u>231</u> |
| Deferred income at 31 August 2021 | <u>127</u> | <u>231</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 2021

17 Funds

| | Balance at 1 September 2020 £(000) | Income £(000) | Expenditure £(000) | Gains, losses and transfers £(000) | Balance at 31 August 2021 £(000) |
|---------------------------------------|---|------------------|-----------------------|---|---|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 5,176 | (5,196) | 20 | - |
| Pupil premium | - | 49 | (49) | - | - |
| Catch-up premium | - | 63 | (63) | - | - |
| Other DfE/ESFA COVID-19 funding | - | 35 | (35) | - | - |
| Other DfE/ESFA grants | - | 56 | (56) | - | - |
| Other government grants | - | 22 | (22) | - | - |
| Teachers' pension grant | - | 205 | (205) | - | - |
| Teachers' pay grant | - | 73 | (73) | - | - |
| Teaching school grants | - | 181 | (181) | - | - |
| Pension reserve | (1,654) | - | (226) | (127) | (2,007) |
| | <u>(1,654)</u> | <u>5,860</u> | <u>(6,106)</u> | <u>(107)</u> | <u>(2,007)</u> |
| Restricted fixed asset funds | | | | | |
| Inherited on conversion | 678 | - | (28) | - | 650 |
| DfE group capital grants | 877 | 23 | (43) | - | 857 |
| Capital expenditure from GAG | 31 | - | (32) | 119 | 118 |
| Private sector capital sponsorship | 326 | 150 | (52) | - | 424 |
| | <u>1,912</u> | <u>173</u> | <u>(155)</u> | <u>119</u> | <u>2,049</u> |
| Total restricted funds | <u>258</u> | <u>6,033</u> | <u>(6,261)</u> | <u>12</u> | <u>42</u> |
| Unrestricted funds | | | | | |
| General funds | 474 | 306 | (46) | (139) | 595 |
| Total funds | <u>732</u> | <u>6,339</u> | <u>(6,307)</u> | <u>(127)</u> | <u>637</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. £119,000 has been transferred from the GAG fund as assets funded by revenue grants.

The transfer from unrestricted funds includes £139,000 to restricted general funds to cover restricted expenditure.

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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

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

| | Balance at 1 September 2019 £(000) | Income £(000) | Expenditure £(000) | Gains, losses and transfers £(000) | Balance at 31 August 2020 £(000) |
|-------------------------------------|---|------------------|-----------------------|---|---|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 4,839 | (5,104) | 265 | - |
| Pupil premium | - | 44 | (44) | - | - |
| Other DfE/ESFA grants | - | 506 | (506) | - | - |
| Other government grants | - | 17 | (17) | - | - |
| Pension reserve | (1,193) | - | (207) | (254) | (1,654) |
| | <u>(1,193)</u> | <u>5,406</u> | <u>(5,878)</u> | <u>11</u> | <u>(1,654)</u> |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion | 706 | - | (28) | - | 678 |
| DfE group capital grants | 875 | 23 | (30) | 9 | 877 |
| Capital expenditure from GAG | 63 | - | (32) | - | 31 |
| Private sector capital sponsorship | 147 | 195 | (16) | - | 326 |
| | <u>1,791</u> | <u>218</u> | <u>(106)</u> | <u>9</u> | <u>1,912</u> |
| Total restricted funds | <u>598</u> | <u>5,624</u> | <u>(5,984)</u> | <u>20</u> | <u>258</u> |
| Unrestricted funds | | | | | |
| General funds | <u>492</u> | <u>529</u> | <u>(273)</u> | <u>(274)</u> | <u>474</u> |
| Total funds | <u>1,090</u> | <u>6,153</u> | <u>(6,257)</u> | <u>(254)</u> | <u>732</u> |

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Analysis of net assets between funds

| | Unrestricted Funds £(000) | Restricted funds: General £(000) | Fixed asset £(000) | Total Funds £(000) |
|--|---------------------------------|--|-----------------------|--------------------------|
| Fund balances at 31 August 2021 are represented by: | | | | |
| Tangible fixed assets | - | - | 2,049 | 2,049 |
| Current assets | 595 | 618 | - | 1,213 |
| Creditors falling due within one year | - | (611) | - | (611) |
| Creditors falling due after one year | - | (7) | - | (7) |
| Defined benefit pension liability | - | (2,007) | - | (2,007) |
| Total net assets | 595 | (2,007) | 2,049 | 637 |

| | Unrestricted Funds £(000) | Restricted funds: General £(000) | Fixed asset £(000) | Total Funds £(000) |
|--|---------------------------------|--|-----------------------|--------------------------|
| Fund balances at 31 August 2020 are represented by: | | | | |
| Tangible fixed assets | - | - | 1,912 | 1,912 |
| Current assets | 1,116 | - | - | 1,116 |
| Creditors falling due within one year | (633) | - | - | (633) |
| Creditors falling due after one year | (9) | - | - | (9) |
| Defined benefit pension liability | - | (1,654) | - | (1,654) |
| Total net assets | 474 | (1,654) | 1,912 | 732 |

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 multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

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 teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 AUGUST 2021**

19 Pension and similar obligations**Valuation of the Teachers' Pension Scheme**

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £640,000 (2020: £617,000).

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 as noted below. The agreed contribution rates for future years are 17.1% for employers and 5.5 to 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 | 2021 | 2020 |
|---------------------------------|---------------|---------------|
| | £(000) | £(000) |
| Employer's contributions | 131 | 118 |
| Employees' contributions | 45 | 42 |
| | <hr/> | <hr/> |
| Total contributions | 176 | 160 |
| | <hr/> | <hr/> |

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

| Principal actuarial assumptions | 2021 % | 2020 % |
|--|-----------|-----------|
| Rate of increase in salaries | 3.65 | 3.1 |
| Rate of increase for pensions in payment/inflation | 2.90 | 2.3 |
| Discount rate for scheme liabilities | 1.65 | 1.7 |

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

| | 2021 Years | 2020 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| - Males | 20.5 | 20.5 |
| - Females | 23.3 | 23.1 |
| Retiring in 20 years | | |
| - Males | 21.9 | 22.0 |
| - Females | 25.3 | 25.0 |

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 2021 | Approximate % increase to employer liability | Approximate monetary amount (£000) |
|--|--|--|
| 0.1% decrease in Real Discount Rate | 2% | 139 |
| 0.1% increase in the Salary Increase Rate | 0% | 16 |
| 1 year increase in member life expectancy | 4% | 257 |
| 0.1% increase in the Pension Increase Rate | 2% | 121 |

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

| | 2021 Fair value £(000) | 2020 Fair value £(000) |
|------------------------------|------------------------------|------------------------------|
| Equities | 2,999 | 2,431 |
| Bonds | 706 | 572 |
| Property | 309 | 250 |
| Other assets | 396 | 322 |
| Total market value of assets | 4,410 | 3,575 |

The actual return on scheme assets was £720,000 (2020: £221,000).

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

| Amount recognised in the statement of financial activities | 2021 £(000) | 2020 £(000) |
|---|----------------|----------------|
| Current service cost | 328 | 302 |
| Interest income | (62) | (60) |
| Interest cost | 91 | 83 |
| Total operating charge | 357 | 325 |
| Changes in the present value of defined benefit obligations | 2021 £(000) | 2020 £(000) |
| At 1 September 2020 | 5,229 | 4,438 |
| Current service cost | 328 | 302 |
| Interest cost | 91 | 83 |
| Employee contributions | 45 | 42 |
| Actuarial loss | 785 | 415 |
| Benefits paid | (61) | (51) |
| At 31 August 2021 | 6,417 | 5,229 |
| Changes in the fair value of the academy trust's share of scheme assets | 2021 £(000) | 2020 £(000) |
| At 1 September 2020 | 3,575 | 3,245 |
| Interest income | 62 | 60 |
| Actuarial gain | 658 | 161 |
| Employer contributions | 131 | 118 |
| Employee contributions | 45 | 42 |
| Benefits paid | (61) | (51) |
| At 31 August 2021 | 4,410 | 3,575 |

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Reconciliation of net income/(expenditure) to net cash flow from operating activities

| | 2021 £(000) | 2020 £(000) |
|--|----------------|----------------|
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | 32 | (104) |
| Adjusted for: | | |
| Capital grants from DfE and other capital income | (173) | (218) |
| Investment income receivable | - | (1) |
| Defined benefit pension costs less contributions payable | 197 | 184 |
| Defined benefit pension scheme finance cost | 29 | 23 |
| Depreciation of tangible fixed assets | 155 | 106 |
| Decrease in debtors | 95 | 57 |
| (Decrease)/increase in creditors | (22) | 67 |
| Net cash provided by operating activities | 313 | 114 |

21 Analysis of changes in net funds

| | 1 September 2020 £(000) | Cash flows £(000) | 31 August 2021 £(000) |
|--|-------------------------------|----------------------|-----------------------------|
| Cash | 828 | 192 | 1,020 |
| Loans falling due within one year | (2) | - | (2) |
| Loans falling due after more than one year | (9) | 2 | (7) |
| | 817 | 194 | 1,011 |

22 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

| | 2021 £(000) | 2020 £(000) |
|-----------------------------------|----------------|----------------|
| Amounts due within one year | 16 | 16 |
| Amounts due in two and five years | 10 | 25 |
| | 26 | 41 |

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

22 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under other contractual commitments was:

| | 2021 £(000) | 2020 £(000) |
|-----------------------------------|----------------|----------------|
| Amounts due within one year | 4 | 4 |
| Amounts due in two and five years | 14 | 14 |
| Amounts due after five years | 16 | 20 |
| | <u>34</u> | <u>38</u> |

The other contractual commitments relate to the land at Booth Road.

23 Related party transactions

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

Expenditure related party transactions:

Loreto Educational Trust is a member of Loreto Grammar School. During the year £2,000 (2020: £2,000) was paid to Loreto Educational Trust by the academy for fees relating to the 2020/21 academic year. £2,000 was due to Loreto Education Trust as at 31 August 2021 (2020: £Nil).

Mrs P Brown, a governor of the trust, is also a governor at St Antony's Catholic College. During the year £nil (2020: £369) was paid and £nil was received (2020: £650) from St Antony's Catholic College.

Sister B Turtle, a governor of the trust, is also a governor at Loreto College St Albans, Loreto High School Chorlton and Loreto Preparatory School. During the year £70 (2020: £955) was received from Loreto College St Albans, £nil (2020: £955) from Loreto High School Chorlton and £1,450 (2020: £2,642) from Loreto Preparatory School.

Sister K Hewitt, a governor of the trust, is also a member of the Institute of the Blessed Virgin Mary, commonly known as the Loreto Sisters. During the year £nil (2020: £nil) was paid to Loreto Sisters and £nil (2020: £4,611) was received as the Loreto Schools annual staff induction programme was postponed due to Covid.

At the end of the year, £70 was due to the academy from Loreto High School Chorlton and £nil (2020: £1,596) was due to the academy from Loreto Preparatory School.

C Milone-Hassall, spouse of J Hassall, a trustee, was employed by the academy as an invigilator during the year 2020/21. C Milone-Hassall's appointment was made in open competition and J Hassall was not involved in the decision-making process regarding appointment. C Milone-Hassall was paid within the normal pay scale for her role and received no special treatment as a result of her relationship to a trustee.

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

23 Related party transactions

Income related party transactions:

Mr J Lister, Mr V Sweeney, Sr B Turtle and Prof M Ashley are Trustees of the Loreto Grammar School Trust. During the year the Loreto Grammar School Trust donated £109,306 (2020: £112,592) to the academy trust. At the end of the year, £3,500 (2020: £9,787) of this donation was due to the academy from the Loreto Grammar School Trust.

Dr T Earnshaw is a trustee of the Loreto Parents Association (Altrincham). During the year, the Loreto Parents Association (Altrincham) donated £28,000 (2020: £5,220) to the academy to equip the technology teaching spaces with up to date specialist resources providing the students with the digital technology and capabilities to enhance their GCSE and A Level and prepare them for a future technological life. No amounts were owed at the year end (2020: £Nil).

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 2021 the trust received £7,800 (2020: £10,400) and disbursed £6,404 (2020: £10,061) from the fund. An amount of £2,046 (2020: £650) is included in creditors relating to undistributed funds that are repayable to the ESFA. The academy intends to fully distribute this amount in 2021/22 through back claims owing.

LORETO GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

26 Teaching school trading account

| | 2021 £000 | 2021 £000 | 2021 £000 | 2020 £000 | 2020 £000 | 2020 £000 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Income | | | | | | |
| Direct Income | | | | | | |
| Other income | | 56 | | | 43 | |
| SSIF | | 141 | | | 187 | |
| Other Income | | | | | | |
| Fundraising and other trading activities | | 113 | | | 111 | |
| Total Income | | | 310 | | | 340 |
| Expenditure | | | | | | |
| Direct Costs | | | | | | |
| Direct staff costs | 184 | | | 133 | | |
| Staff development | - | | | - | | |
| Other direct costs | 110 | | | 181 | | |
| Total direct costs | | 294 | | | 314 | |
| Other costs | | | | | | |
| Support staff costs | 16 | | | 19 | | |
| Technology costs | - | | | 2 | | |
| Other support costs | - | | | 2 | | |
| Share of governance | - | | | 1 | | |
| Total other costs | - | 16 | | - | 24 | |
| Total expenditure | | | (310) | | | (338) |
| Transfers between funds excluding depreciation | | | | | | |
| Surplus/(Deficit) from all sources | | | - | | | 2 |
| Teaching school balances at 1 September 2020 | | 13 | | | 11 | |
| Teaching school balances at 31 August 2021 | | 13 | | | 13 | |