

Loreto Education Trust

(A Company Limited by Guarantee not having a Share Capital)

Directors Report and Financial Statements

For the year ended 31st August 2020

Loreto Education Trust
(A Company Limited by Guarantee not having a Share Capital)

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Loreto Education Trust

(A Company Limited by Guarantee not having a Share Capital)

Directors' Report For the year ended 31st August 2020

Audited Financial Statements

The Directors present their report and the audited financial statements for the year ended 31st August 2020.

Principal Activity

The principal activity of the company is the advancement of education and to aid the development and implementation of the educational policy of the Institute of the Blessed Virgin Mary.

Principal Risks and Uncertainties

In the first half of 2020, the outbreak of Covid-19 spread throughout Asia, Europe and Worldwide. The initial impact of this has been severe and has resulted in a significant worldwide slowdown in economic activity. In Ireland, the economic impact of this pandemic has been characterised by the temporary closure of many businesses in "non-essential" areas to ensure that people's movements are restricted in order to slow down the spread of the virus. The effect of Covid-19 presents many risks for the company, the effects of which cannot be fully quantified at the time of approving the financial statements. As a result, the directors consider the implications of the Covid-19 pandemic to create some uncertainty at the time of approving the financial statements.

Although the effects cannot be fully determined, the directors believe that the main risks associated with Covid-19 are as follows;

- a prolonged period of government recommendations and restrictions on the movement of people to contain the virus
- a reduction in asset values

Directors and Secretary

The directors who served throughout the year, except as noted, were as follows:

Conor Bowman
Martin Boyd
Jennifer Edwards
Sr. Maria Hyland IBVM
Brian Lenehan
Dermot McCarthy
Sheila McManamly
Sr. Gerardine Mullen IBVM
Sr. Phil Murphy IBVM
Bernadette Ryan
Eileen Salmon
Bernadette Weir

The directors have no plans to change significantly the activities and operations of the company in the foreseeable future.

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Directors' Report

For the year ended 31st August 2020

Review of Business and Future Developments

The Irish Province of the Institute of the Blessed Virgin Mary, also known as the Loreto Sisters, transferred the Patronage of certain schools to the Company on 1st January 2008. The trusteeship of the following schools was transferred from the Institute of the Blessed Virgin Mary to the Company on that date.

Post Primary

Loreto Secondary School, Balbriggan, Co. Dublin.
Loreto High School, Beaufort, Rathfarnham, Dublin 14.
Loreto Secondary School, Bray, Co. Wicklow.
Loreto College, Cavan.
Loreto Secondary School, Clonmel, Co. Tipperary.
Loreto College, Crumlin Road, Dublin 12.
Loreto Abbey, Dalkey, Co. Dublin.
Loreto Secondary School, Fermoy, Co. Cork.
Loreto College, Foxrock, Dublin 18.
Loreto Secondary School, Kilkenny.
Loreto Secondary School Letterkenny, Co. Donegal.
Loreto College, Mullingar, Co. Westmeath.
Loreto Secondary School, St. Michaels, Navan, Co. Meath.
Loreto College, 53 St. Stephen's Green, Dublin 2.
Loreto College, Swords, Co. Dublin.
Loreto Secondary School, Pembroke Hill, Wexford.

Primary

St. Patrick's Loreto Primary School, Bray, Co. Wicklow.
Scoil Mhuire Ogh II, Crumlin Road, Dublin 12.
Loreto Primary School, Dalkey, Co. Dublin.
Loreto Primary School, Grange Road, Rathfarnham, Dublin 14.
Loreto Junior School, 53 St. Stephen's Green, Dublin 2.

Responsibility as co-trustees of the following schools was also transferred:-

Community

St. Aidan's Community School, Brookfield, Tallaght, Dublin 24.
Gorey Community School, Gorey, Co. Wexford.
Loreto Community School, Milford, Co. Donegal.
Portmarnock Community School, Portmarnock, Co. Dublin.
Pobalscoil na Trionoide, Youghal, Co. Cork.

In May 2019 the Irish Province of the Institute of the Blessed Virgin Mary also known as the Loreto Sisters, transferred the Trusteeship of Loreto College, Coleraine and Loreto Grammar School, Omagh to the Company.

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For the year ended 31st August 2020

The directors are not expecting to make any significant changes in the nature of the business in the near future. At the time of approving the financial statements, the company is exposed to the effects of the Covid-19 pandemic which has had a negative effect on its operating activities since the year end and has resulted in a lower than expected level of operating activity since the year end. In planning its future activities, the directors will seek to develop the company's activities whilst managing the effects of the difficulties caused by this outbreak.

Post Balance Sheet Events

In the first half of 2020, the Covid-19 virus spread worldwide. In common with many other countries, the Irish government issued guidance and restrictions on the movement of people designed to slow the spread of this virus. In early March 2020, many businesses closed voluntarily and throughout the month more restrictions were placed on people and businesses. On 28th March, all "non-essential" businesses were ordered to close temporarily.

The company reacted to these conditions by closing its offices with staff working from home. Whilst this has resulted in the company remaining operational during the period, there has been a reduction in operating levels as a result of Covid-19. The directors are confident that the company will be fully operational once the period of restriction is lifted.

Results

The results for the year are set out in the Income and Expenditure account on page 8.

Auditors

Walsh O'Brien Harnett have expressed their willingness to continue in office in accordance with the provisions of Section 383(2) of the Companies Act, 2014.

Statement of Relevant Audit Information

There is no relevant audit information of which the statutory auditors are unaware. The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

Proper Books of Account

The measures taken by the directors to ensure compliance with the requirements of Section 281 to 285 of the Companies Act 2014, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account of the company are maintained at Loreto Education Office, Foxrock, Dublin 18.

On behalf of the Board

Sr. Maria Hyland I.B.V.M.

Jennifer Edwards

Director

Director

27th November 2020

Loreto Education Trust
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Directors' Responsibilities Statement
For the Year Ended 31st August 2020

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined with reasonable accuracy and enable them to ensure that the financial statements and directors report comply with the Companies Act 2014 and enable the financial statements to be readily and properly audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that their company's auditor is aware of that information.

On behalf of the Board

Sr. Maria Hyland I.B.V.M.

Jennifer Edwards

Director

Director

27th November 2020

Independent Auditors' Report to the Members of Loreto Education Trust
(A Company Limited by Guarantee not having a Share Capital)
For the Year Ended 31st August 2020

Opinion

We have audited the financial statements of Loreto Education Trust for the year ended 31st August 2020 which comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and the related notes to the financial statements, including a summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", applying Section 1A of that Standard.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31st August 2020 and of its net movement in funds for the period then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the Provisions Available for Audits of Small Entities, in the circumstances set out in note 2 of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other Information

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

Independent Auditors' Report to the Members of Loreto Education Trust
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For the Year Ended 31st August 2020

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 financial statements 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.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

-in our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

-in our opinion, the Directors' Report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities

Respective responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, or has no realistic alternative but to do so.

**Independent Auditors' Report to the Members of Loreto Education Trust
(A Company Limited by Guarantee not having a Share Capital)
For the Year Ended 31st August 2020**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: <[www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8fa98202dc9c3a/Description of auditor's responsibilities for audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8fa98202dc9c3a/Description_of_auditor's_responsibilities_for_audit.pdf)> The description forms part of our Auditor's Report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 any responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Andrew Kevitt FCA
For and on behalf of Walsh O'Brien Harnett,
Chartered Accountants and Statutory Audit Firm,
104 Lower Baggot Street
Dublin 2**

15th December 2020

Loreto Education Trust
(A Company Limited by Guarantee not having a Share Capital)

Income and Expenditure Account
For the year ended 31st August 2020

	Notes	2020	2019
		€	€
Income		519,982	533,644
Administrative expenses		<u>538,631</u>	<u>571,583</u>
Operating (deficit)		(18,649)	(37,939)
Capital (Depreciation) / Appreciation		<u>(76,015)</u>	<u>148,196</u>
Overall (Deficit) / Surplus for year		(94,664)	110,257
Balance at 1st September 2019		<u>3,108,904</u>	<u>2,998,647</u>
Balance at 31st August 2020		<u><u>3,014,240</u></u>	<u><u>3,108,904</u></u>

The Loreto Education Trust had no recognised gains or losses in the two financial periods other than those dealt with in the Income and Expenditure account.

The Financial Statements were approved by the directors and signed on their behalf by:

Sr. Maria Hyland I.B.V.M.

Director

Jennifer Edwards

Director

27th November 2020

Loreto Education Trust
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Balance Sheet
as at 31st August 2020

	Notes	2020		2019	
		€	€	€	€
Fixed Assets					
Tangible assets	6		5,252		7,476
Investments	7		6,028,388		6,104,403
			<u>6,033,640</u>		<u>6,111,879</u>
Current Assets					
Stocks	8	4,026		7,498	
Debtors	9	21,998		11,120	
Cash at bank and in hand		868,559		921,379	
			<u>894,583</u>		<u>939,997</u>
Creditors: amounts falling due within one year	10		<u>(74,475)</u>		<u>(103,464)</u>
Net Current Assets			820,108		836,533
Creditors: amounts falling due after more than one year	11		<u>(3,136,674)</u>		<u>(3,136,674)</u>
Net Assets			<u><u>3,717,074</u></u>		<u><u>3,811,738</u></u>
Reserves					
Capital Contribution			702,834		702,834
Accumulated funds	12		3,014,240		3,108,904
			<u>3,717,074</u>		<u>3,811,738</u>

The financial statements were approved by the directors and signed on its behalf by:

Sr. Maria Hyland I.B.V.M.

Director

Jennifer Edwards

Director

27th November 2020

Loreto Education Trust
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Cash Flow Statement
for the year ended 31st August 2020

	2020	2019
	€	€
Cash flows from operating activities		
Operating (Deficit) for the year	(18,649)	(37,939)
Adjustments for:		
Depreciation	2,224	4,966
	<u>(16,425)</u>	<u>(32,973)</u>
Movements in working capital:		
Movement in stock	3,472	(5,009)
Movement in debtors	(10,878)	(4,537)
Movement in creditors	(28,989)	25,369
Net Cash (Outflow) from operations	<u>(52,820)</u>	<u>(17,150)</u>
Cash flows from investing activities		
Payments to acquire tangible fixed assets	-	(4,244)
Cash (outflows) from investing activities	<u>-</u>	<u>(4,244)</u>
Net (decrease) in cash and cash equivalents	(52,820)	(21,394)
Cash and cash equivalents at 1st September 2019	921,379	942,773
Cash and cash equivalents at 31st August 2020	<u>868,559</u>	<u>921,379</u>

Sr. Maria Hyland I.B.V.M.

Director

27th November 2020

Jennifer Edwards

Director

Loreto Education Trust
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Notes to the Financial Statements
For the year ended 31st August 2020

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

1.1. Statement of compliance

The financial statements of the company for the year ended 31st August 2020 have been prepared on the going concern basis and in accordance with the provisions of FRS 102 Section 1A (Small Entities).

1.2. Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

1.3. Expenditure

Expenditure is accounted for on an accruals basis.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Office Equipment	-	10% Straight Line
Computer equipment	-	33.33% Straight Line

1.5. Investments

Investments are shown at the market value ruling at the year end date. All gains or losses on investments are reflected in the income and expenditure account. Income from other financial fixed asset investments, is recognised in the income and expenditure account in the year in which it is receivable.

1.6. Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate. The resulting monetary assets and liabilities are translated at the balance sheet rate or the contracted rate and the exchange differences are dealt with in the income and expenditure account.

1.7. Legacies and Donations

Legacies and donations are recognised when receivable or when the Loreto Education Trust becomes legally entitled to them. Receipts of property, investments or other gifts are included at market value.

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Notes to the Financial Statements
For the year ended 31st August 2020

1.8. Stock

Stock is stated at the lower of cost and net realisable value. Cost represents invoiced cost of purchase and transport charges.

1.9. Cash at Bank

Cash at bank and cash in hand includes cash, current and deposit or similar accounts.

1.10. Taxation

The company is registered as an exempt charitable company and consequently is not liable to corporation tax.

2. Provisions Available for Small Entities

In accordance with many other businesses of our size and nature we use our auditors to prepare and submit returns to the Revenue Commissioners, the Companies Registration Office and to assist in the preparation of the financial statements.

3. Status

The liability of the members is limited.

Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are members or within one year thereafter for the payment of the debts and liabilities of the company contracted before they ceased to be members and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors among themselves such amount as may be required, not exceeding € 1.

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Notes to the Financial Statements
For the year ended 31st August 2020

4. Employees

Number of employees

The average number of employees (including directors) during the year were:

	2020	2019
Management	5	4
	5	4
	5	4

Employment costs

	2020	2019
	€	€
Salaries	154,356	119,724
Pension costs	5,750	6,219
Social welfare costs	16,870	17,489
	176,976	143,432
	176,976	143,432

5. Operating (Deficit)

	2020	2019
	€	€

Operating (Deficit) is stated after charging:

Depreciation of tangible assets	2,224	4,966
Auditors' remuneration	8,281	6,765
	8,281	6,765

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Notes to the Financial Statements
For the year ended 31st August 2020

6. Tangible assets

	Computer Equipment	Office Equipment	Total
	€	€	€
Cost			
At 1st September 2019	25,194	22,296	47,490
Additions	-	-	-
At 31st August 2020	<u>25,194</u>	<u>22,296</u>	<u>47,490</u>
Depreciation			
At 1st September 2019	23,947	16,067	40,014
Charge for the year	1,235	989	2,224
At 31st August 2020	<u>25,182</u>	<u>17,056</u>	<u>42,238</u>
Net book value			
At 31st August 2020	<u>12</u>	<u>5,240</u>	<u>5,252</u>
At 31st August 2019	<u>1,247</u>	<u>6,229</u>	<u>7,476</u>

7. Financial Fixed Assets

	2020	2019
	€	€
Opening Market Value	6,104,403	5,956,207
Capital (Depreciation) / Appreciation	(76,015)	148,196
Closing Market Value	<u>6,028,388</u>	<u>6,104,403</u>

8. Stocks

	2020	2019
	€	€
Stock	<u>4,026</u>	<u>7,498</u>

9. Debtors

	2020	2019
	€	€
Sundry debtors & prepayments	<u>21,998</u>	<u>11,120</u>

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Notes to the Financial Statements
For the year ended 31st August 2020

10. Creditors: amounts falling due within one year	2020	2019
	€	€
Accruals	70,412	99,344
PAYE	4,063	4,120
	<u>74,475</u>	<u>103,464</u>
	<u><u>74,475</u></u>	<u><u>103,464</u></u>
11. Creditors: amounts falling due after more than one year	2020	2019
	€	€
Amounts due to the Institute of the Blessed Virgin Mary	3,136,674	3,136,674
	<u>3,136,674</u>	<u>3,136,674</u>
	<u><u>3,136,674</u></u>	<u><u>3,136,674</u></u>
12. Accumulated Fund	2020	2019
	€	€
Balance at 1st September 2019	3,108,904	2,998,647
Overall (Deficit) / Surplus	(94,664)	110,257
	<u>3,014,240</u>	<u>3,108,904</u>
	<u><u>3,014,240</u></u>	<u><u>3,108,904</u></u>

13. Related party transactions

Expenditure includes a licence fee of €10,000 (2019: €10,000) and charges of €30,000 (2019: €30,000) by the Institute of the Blessed Virgin Mary Irish Province to the company for services provided.

14. Capital commitments

The company had no material capital commitments at 31st August 2020.

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Notes to the Financial Statements
For the year ended 31st August 2020

15. Post-Balance Sheet Events

In the first half of 2020, the Covid-19 virus spread worldwide. In common with many other countries, the Irish government issued guidance and restrictions on the movement of people designed to slow the spread of this virus. In early March 2020, many businesses closed voluntarily and throughout the month more restrictions were placed on people and businesses. On 28th March, all “non-essential” businesses were ordered to close temporarily.

This has had a negative impact on the company since the year end and operating activity has reduced as a result.

At the time of approving the financial statements, there is some uncertainty regarding how the balance sheet may be impacted based on events since the year end and as a result an estimate of its financial effect cannot be made.

16. Approval of financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 27th November 2020.