

Registered Number: SC059500
Registered Charity Number: SC013978

LORETTO SCHOOL LIMITED
(a company limited by guarantee)

REPORT by the GOVERNORS
and
CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

CT:

LORETTO SCHOOL LIMITED
(a company limited by guarantee)

REPORT by the GOVERNORS and CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

CONTENTS

| | |
|---|---------|
| Reference and Administrative Details | 1 |
| Governors' Report | 2 - 11 |
| Independent Auditor's Report to the Members and Governors | 12 - 14 |
| Group Statement of Financial Activities (incorporating an Income and Expenditure account) | 15 |
| Company Statement of Financial Activities (incorporating an Income and Expenditure account) | 16 |
| Group Balance Sheet | 17 |
| Company Balance Sheet | 18 |
| Group Statement of Cash Flows | 19 |
| Company Statement of Cash Flows | 20 |
| Notes to the Consolidated Financial Statements | 21 - 38 |

LORETTO SCHOOL LIMITED
(a company limited by guarantee)

REPORT by the GOVERNORS and CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

REFERENCE, and ADMINISTRATIVE DETAILS

Details of the Governors are set out on page 10 of the Governors' Report

Clerk to the Governors

Claire Watt

Solicitors

A & W M Urquhart WS 16 Heriot Row Edinburgh
EH3 6HR

Auditor

CT Audit Limited
Chartered Accountants and Statutory Auditors
61 Dublin Street
Edinburgh
EH3 6NL

Investment Adviser

Rathbones Investment Management Limited
10 George Street
Edinburgh
EH2 2PF

Bankers

Barclays Bank plc
East of Scotland 9
Leicester
LE87 2BB

Registered Company Number:

Registered Number: SC059500
OSCR Charity Number: SC013978

Principal Office and Registered Office

Loretto School
1-7 Linkfield Road
Musselburgh
East Lothian
EH21 7RE

LORETTO SCHOOL LIMITED

GOVERNORS' REPORT (incorporating DIRECTORS' REPORT and STRATEGIC REPORT)

For the year ended 31 August 2025

These financial statements have been prepared in accordance with the "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, current statutory requirements and the charity's governing documents. The Governors' report incorporates the Directors' Report and the Strategic Report required by the Companies Act 2006.

Constitution and objectives

The charitable objectives of the School are set out in the Articles of Association, which were registered in 2013. The principal object is the provision of education to boys and girls from ages 3 to 18 whether on a boarding or day basis. The objects have been expanded to include the advancement of citizenship and community development by providing benefit to the local community through encouraging voluntary activity, developing civic values, involvement in the local community and the provision of facilities for the local community. The objects also provide for the furtherance of similar charitable purposes, objects or institutions.

The School is incorporated as a company limited by guarantee as described in its Articles of Association and has a trading subsidiary called Loretto Enterprises Limited and a dormant entity called Loretto International Limited. The Lamert Fund is also treated as a subsidiary of the school due to its shared trustees and similar charitable objectives. These financial statements present the results of the company and the consolidated results of the group.

Loretto School was founded in 1827 by the Reverend Thomas Langhorne. In 1862 the School was purchased by Hely-Hutcheson Almond, a distinguished scholar of strong and unconventional convictions. He had no time for slavish adherence to custom or fashion but encouraged individuality of outlook, integrity and service to the community.

Since Almond's death in 1903, the School has grown in size and reputation. It is small enough to allow each pupil to be known and nurtured by everyone and to feel part of the community, whilst being large enough to be able to offer the widest possible range of educational, cultural and athletic opportunity.

The School aims to develop the whole person – mind, body, spirit and to foster the tripartite relationship between pupil, family and School.

Loretto's Ethos and Vision Statements

Loretto's Ethos Statement is, '*Loretto is a community, built upon the knowledge that every Lorettonian is known and valued for what they bring to it. Our 'mind, body, spirit' approach allows the Lorettonian to grow into a confident, capable and independently-minded individual who can take their place in a wider society, both contributing to, and drawing from, it.*

Our Vision Statement is, '*Loretto seeks to produce intellectually inquisitive people who have the requisite life-skills and qualifications to contribute to organisations and communities in an effective manner, respecting the worth and talents of every individual around them. This is embedded in our ethos and values, forming the rationale and foundation for every activity in the community that is Loretto.*

Loretto is a small school, big on heart and big on ambition. It aims to be world class.

Recruitment and appointment, induction and training of Governors

The structure of the School consists of one governing body, the details of which and office bearers are shown on page 10. Governors are elected on a regular basis by the Board of Governors as outgoing Governors complete their term which is a maximum of ten years. The selection criteria used is based on several skills that the Board of Governors feel should be represented on the Board i.e., marketing, property, finance, legal, education, HR etc. New Governors are inducted through attending training courses and on an informal basis with meetings arranged with other Governors and members of the Senior Management Team. The Clerk to the Governors is responsible for organising and supervising this process. Regular informal gatherings are arranged with teaching and other staff and Governors are encouraged to participate in School events.

LORETTO SCHOOL LIMITED

GOVERNORS' REPORT (continued) (incorporating DIRECTORS' REPORT and STRATEGIC REPORT)

For the year ended 31 August 2025

Third party indemnity provision for Governors

The School has Governors and Officers' liability insurance, which provides cover against liabilities which they may incur personally as a result of claims alleging wrong doing, omission or breach of duty when acting in the capacity of Governor or Officer.

Related parties

The School carried out transactions with a number of related parties during the year.

The Loretto Foundation provides funding to the School for scholarships/bursaries and other projects. The Loretto Foundation is not a subsidiary of Loretto School Limited as it is not under its control and has separate charitable objectives and trustees.

Other than the payment of travel related expenses, the Governors receive no financial benefits as a result of being in the role. Travel related expenses were £nil for the financial year 2024/25 (2023/24: £nil)

The School has a wholly owned non-charitable subsidiary, Loretto Enterprises Limited, whose principal activity is the letting of School facilities to third parties during school holiday periods. All excess funds from the management and letting of School premises and facilities are normally donated to School under a covenant, to enable School to further enhance its charitable objectives.

The SS Lamert Scholarship & Bursary Fund is also treated as a subsidiary of the school due to its shared trustees and similar charitable objectives. The Trust provides scholarships for former pupils of Loretto School and bursaries for current pupils.

The School also has a third wholly owned non-charitable dormant subsidiary, Loretto International Limited.

Organisational structure and decision-making

The Board of Governors is legally responsible for school policy and the day-to-day operational management is delegated to the Head and the Head of Operations. The Board meets at least four times each year to determine and review the general strategy and policies for the School and to review its overall management and control, for which it is legally responsible. Oversight of implementation of strategies and policies has been delegated to ten committees: Finance & Revenue, Pastoral & Welfare, Infrastructure, Education, External Relations, Health & Safety, Strategy, Remuneration, Nominations, and HR. These bodies meet on a regular basis.

Various operational groups and committees meet regularly throughout the School session under the leadership of the Head and Head of Operations.

The pay of key management personnel is reviewed by the Remuneration and Nominations Committees on an annual basis. The key management personnel comprise the Head, Head of Operations, Senior Deputy Head and Head of Junior School.

Environmental Sustainability at Loretto

Loretto School recognises the global challenges associated with climate change and environmental sustainability and has established an Environmental Sustainability Policy that sets out the School's commitment to modernising its infrastructure and operations, through a range of initiatives. Our goal is to ensure that the School not only flourishes but does so in a way that is environmentally responsible and sustainable.

We seek to lead by example, inspiring future generations of pupils and staff to become agents of positive social and environmental change. Loretto acknowledges that its activities have both direct and indirect environmental impacts and is committed to reducing these as an integral part of its business strategy and operating methods.

LORETTO SCHOOL LIMITED

GOVERNORS' REPORT (continued) (incorporating DIRECTORS' REPORT and STRATEGIC REPORT)

For the year ended 31 August 2025

Strategic Report

Risk Management

The School is inherently exposed to various risks due to the nature of its operations. While not all risks can be eliminated, they are identified and assessed in line with the School's risk appetite through the relevant Board Committees, and are either mitigated or managed accordingly.

Risks include (but may not be limited to) the following:

- Operational, including key persons, business continuity and fraud.
- Financial, including liquidity risk.
- Reputational, including failure to follow the charity's objectives and performance risk.
- Regulatory & Legal.
- Ongoing risk of a pandemic.
- Scottish Child Abuse Inquiry.
- Wider political risk represented by a change in the Government's position on status of independent schools.
- Cyber crime

The School maintains a low appetite for risk in managing its operations, as demonstrated by:

- Robust governance structures, including oversight by the Board and its committees.
- Comprehensive policies and procedures designed to ensure compliance and operational integrity.
- Risk Assessments to identify, monitor and mitigate potential threats.
- Strong financial controls to safeguard assets and maintain fiscal responsibility.
- Business continuity and disaster recovery planning to minimise disruption in adverse scenarios.
- Proactive regulatory compliance and adherence to statutory requirements.
- Robust cyber security measures to protect systems, data and stakeholders from potential breaches and malicious activity

Key Organisation risks

The School operates in a challenging risk environment driven by political, economic, regulatory and social factors.

Financial sustainability remains a key focus with rising operating costs, inflationary pressures, and increased Employers National Insurance contributions placing a strain on budgets. The removal of the VAT exemption on independent school fees from 1 January 2025 introduced a further challenge, impacting affordability for some families. Despite these challenges, the School remains resilient and proactive. Through prudent financial planning, disciplined cost management and a strong commitment to accessibility through bursarial support, the School continues to ensure that its educational offering remains both high-quality and inclusive.

Market and strategic risks are also evolving. Demographic shifts, including a declining birth rate and changes in international markets could impact on long term enrolment forecasts. Additionally, increased competition is making many parents more price sensitive. With this in mind the School is ensuring it communicates its unique value proposition clearly, and is investing in areas that enhance the pupil experience.

Safeguarding and wellbeing remain central to our ethos. We continue to strengthen pastoral care and mental health support for pupils and staff, ensuring a safe and supportive environment.

The 2024/25 academic year marked the first year under the leadership of Pete Richardson as Head of Loretto. The School's strong Senior Leadership Team is well positioned to drive the School's strategic planning as it navigates a challenging environment for the independent school sector. During the year, the School continued to embed improved staff processes and strengthen the shared philosophy and culture ensuring alignment across the whole School.

Governance was further enhanced through the continued strengthening of the Board of Governors, while ongoing development of financial reporting and forecasting has delivered greater transparency and agility.

LORETTO SCHOOL LIMITED**GOVERNORS' REPORT (continued)
(incorporating DIRECTORS' REPORT and STRATEGIC REPORT)****For the year ended 31 August 2025****Strategic Report (continued)****Results and review for the year**

For the year ending 31 August 2025, total income for the Group was £12,643,016 (2024: £12,549,701), representing a 1% increase on the prior year. Fee income (net of bursaries, scholarships, and fee remissions but before deducting scholarships and bursaries) grew by 2% despite a slight decrease in average pupil numbers.

The School continues to demonstrate its commitment to accessibility, with £2,342,203 (2024: £1,984,414) allocated to bursaries, scholarships and other fee remissions, equivalent to 17% (2024: 15%) of gross fee income. Of this, 39% (2024: 43%) supported means-tested bursaries, 13% (2024: 14%) funded scholarships, and 48% (2024: 43%) related to other fee remissions including sibling discounts. Income in the Group Statement of Financial Activities is shown net of bursaries, scholarships and fee remissions.

Donations increased by 41% to £207,160 (2024: £147,070), reflecting strong support from our community. This includes a contribution from The Loretto Foundation to fund investment in Boarding Houses, reinforcing our commitment to enhancing facilities and the pupil experience. The majority of these improvements were completed in the year.

Total group expenditure amounted to £13,019,718 (2024: £12,965,170), reflecting a modest increase primarily driven by higher staff costs, offset in part by the input VAT benefit following the removal of VAT exemption on school fees. Staff costs totalled £7,961,686 (2024: £7,555,894) representing 61% of total expenditure (2024: 60%) with the rise largely attributable to the increase in employers' National Insurance Contribution from April 2025 and cost of living increases. Other significant areas of expenditure included catering costs of £1,222,227 (2024: £1,177,713), utility costs of £385,201 (2024: £455,570) and legal & professional fees of £100,782 (2024: £112,196). Utility costs are expected to rise in the year ahead as the current five-year contract concludes in September 2025.

The group deficit for the year after gains on investments was £352,354 (2024: deficit of £364,669). The group made an operational surplus of £155,806 (2024: £212,996) before depreciation and donations.

Capital projects

Capital expenditure amounted to £882,765 (2024: £837,759), reflecting significant investment in Schoolhouse, a mid-18th century, category B listed building. Work was finalised on converting Schoolhouse back to a co-ed senior boarding house and major roof restoration work was completed.

Cash

The bank and cash balance in the current year is £1,885,839, a decrease of £1,681,713 from the prior year (£3,567,552). This reduction reflects the investment in our estate and lower advance fee payments before 31 August 2025, partially offset by a positive operational performance.

LORETTO SCHOOL LIMITED

GOVERNORS' REPORT (continued) (incorporating DIRECTORS' REPORT and STRATEGIC REPORT)

For the year ended 31 August 2025

Results and review for the year

Reserves policy

The reserves policy considers the following principles:

- Reserves must have a specific purpose related to future spending or covering current and future risks.
- The size of the reserves should balance the benefit of current spending with the risks the reserves cover.
- They should be transparent and maintain the link with the purposes for which the income was given.
- They should ensure that sufficient resources are available so that unexpected events can be accommodated without causing current year problems, generating a deficit or cash flow issues.

Our current level of unrestricted reserves of £8,713,014 (2024: £9,236,381) is considered sufficient to cover our needs as set out in our reserves policy. This is represented largely by fixed assets and net current liabilities. Excluding fees in advance and deposits, which will not be settled by cash outflows but by provision of services, the School has a net current asset position of £1.4m (2024: £2.2m), so the overall net current liabilities position does not encumber the School's ability to meet its reserves policy.

Rathbones, the School's appointed discretionary fund manager, continued to manage the portfolio during the year. The opening value of the group's portfolio was £780,275 and after net acquisitions and an upturn in closing market valuation (£24,348 gain on revaluation of the investment), the closing value was £799,158. The investment manager continues to follow a medium risk strategy, adopting a balanced approach to income and capital growth.

The brief for investment is an objective of targeting real growth in capital and income over the medium to longer term while also providing a reasonable level of income. The performance is benchmarked against the Wealth Management Association Balanced Performance and is assessed annually over a 5-year period.

Plans for the future

The Senior Leadership Team have developed a comprehensive 5-Year Whole School Development Plan aimed at ensuring that the Loretto offering remains optimal and that the School operates with agility in a changing landscape. This plan sets out clear priorities for the whole school, including financial health, curriculum development, continuing professional development, quality assurance, pastoral and wellbeing, and community benefit.

Due to external economic factors, particularly the removal of the VAT exemption, the School has experienced a decline in pupil numbers, particularly from the international market. In response, the School has strengthened its Admissions and Marketing function, and is actively implementing initiatives to enhance visibility and engagement. A key development has been the launch of a new website designed to showcase the School, its facilities and the achievements of its pupils, supporting future enrolment growth. The Admissions team are also building on the solid relationships with key international agents, to broaden the School's reach and attract pupils from diverse markets. In addition, a robust programme of parental engagement is being adopted to recruit from the local market and support pupil retention.

Fee income alone cannot sustain an independent school in the long-term and considerable focus continues to be given to enhancing income streams from other sources, particularly lettings, camps, and events.

The development of the inter-relationships between the School, the Foundation, The Lorettonian Society and The Friends of Loretto continues to develop. The Foundation's focus is now upon more direct support to the School and both The Lorettonian Society and the Friends of Loretto are actively seeking to run large-scale fund-raising projects to support both capital projects and the marking of Loretto 200 in 2027.

The School is committed to maintaining its strong educational offering, enhancing operational agility, and investing in initiatives that strengthen its position. These plans will ensure that Loretto remains well-placed to deliver exceptional outcomes for pupils.

LORETTO SCHOOL LIMITED

GOVERNORS' REPORT (continued) (incorporating DIRECTORS' REPORT and STRATEGIC REPORT)

For the year ended 31 August 2025

Our Curriculum

Loretto School is dedicated to providing a comprehensive and nurturing educational experience that progresses seamlessly from the Junior School through to the Senior School.

Throughout the Junior School, we follow the Scottish Curriculum until Year 6, ensuring that our pupils are grounded in the principles of the national educational framework. As students transition into Year 6 and Year 7, they engage with a blended curriculum that serves as a launchpad for their forthcoming academic journey. This innovative approach synthesises the best elements of both the Scottish and English curricula, thereby facilitating a smooth transition across the River Esk into the Senior School. This dual exposure equips our pupils with diverse skills and perspectives, effectively preparing them for further academic pursuits.

In the Senior School, we implement the English Curriculum, which aligns with our commitment to maintaining high academic standards. Our students consistently achieve remarkable results: GCSE Mathematics and English scores are notably well above the national average. On average, each pupil takes eight GCSEs, resulting in an overall pass rate that exceeds national benchmarks. As our students progress to A Levels, they demonstrate exceptional aptitude, with a number of pupils achieving A* grades, signifying their academic excellence. Additionally, our BTEC programmes, particularly in sport, have garnered strong results, further highlighting our commitment to vocational education alongside traditional academic pathways.

We take immense pride in the success of our pupils, with 99% securing a place at either their first or second choice of university. Our graduates gain admission to prestigious institutions across Scotland, the wider UK, Europe, and the USA, reflecting the high calibre of education provided at Loretto School and our unwavering focus on student achievement.

Co-curricular activities

The co-curricular life at Loretto continues to thrive. Pupils participate in sport at least three times a week, with a wide range of academic, cultural and recreational activities offered daily after lessons, and a busy weekend activity programme is open to all senior pupils. The Sixth Form curriculum enhancement programme includes new academic societies, a lecture programme and tailored career and higher education guidance. Music, drama and the expressive arts remain vibrant, with consistently high levels of pupil engagement.

The School has a thriving Combined Cadet Force which engages in a wide range of activities through the Army and Navy contingents.

Sport

Loretto maintained its traditional seasonal sports structure, with girls playing hockey, lacrosse, and tennis, and boys playing rugby, hockey, and cricket. In the summer term, there was greater flexibility, with both girls and boys participating in cricket and tennis.

There have been highlights across all sports, some of which are highlighted below.

This academic year saw eighty Senior School pupils participate in a fourteen-day sports and cultural trip to Canada, representing the School in hockey and rugby while experiencing a range of cultural activities. The trip provided an excellent opportunity for team development and pre-season preparation, as well as creating lasting memories, reinforcing the School's commitment to offering enriching experiences beyond the classroom.

Our pupils continue to excel in rugby at both national and international levels. One Upper Sixth pupil undertook a school exchange in New Zealand, winning a national title with their team and gaining invaluable personal and professional experience. Another Upper Sixth leaver represented the Senior Edinburgh team in a pre-season game, while four boys were selected for the Scotland U18 training squad. At the younger level, our U13 boys achieved a notable victory by winning the inaugural Fettes 7s rugby competition.

Loretto achieved strong results across hockey competitions, winning the Senior Schools Boys' Plate and reaching the semi-finals in the Senior Girls' Plate, Junior Girls' Plate, and Junior Boys' Cup. Individual success was also evident, with one Senior School pupil representing Scotland U18 Hockey and several pupils competing at district and regional levels. These achievements reflect the depth of talent within the School and our commitment to developing sporting excellence.

LORETTO SCHOOL LIMITED

GOVERNORS' REPORT (continued) (incorporating DIRECTORS' REPORT and STRATEGIC REPORT)

For the year ended 31 August 2025

Sport (continued)

Our girls Lacrosse 1st team travelled to National Championships in Aldershot in March to compete against the top schools in the country. After strong performances on the Saturday, the team progressed to Division 1 for Sunday's fixtures; a fantastic achievement and testament to their skill and determination.

In cricket, Loretto's U12 girls won the McCreath Cricket Tournament.

During the Spring Term, the whole school took part in the annual March Hare cross-country event at Musselburgh Racecourse. The afternoon featured two races; a participation run for all pupils followed by a competitive race, promoting fitness, teamwork, and a great reminder of the inclusive and supportive environment nurtured at Loretto.

Golf

The Golf Academy continues to go from strength to strength, with record participation in 2024/25. The Loretto Junior Golf Tour has expanded, with a number of National Team players competing in our events from Germany, England, and Scotland. The Golf Academy has also been creating new partnerships to expand the number of events of the Loretto Junior Golf Tour to Golf Coast venues such as Gullane and Longniddry

Our teams have enjoyed outstanding success, with the U15 team winning the National Championships and securing a record three tournament victories, remaining undefeated, while the U18 team achieved second place finish in the National Order of Merit.

Individual achievements have been exceptional. One pupil finished runner-up in the South African Amateur Matchplay Championship and earned selection for England Boys, while another claimed victory in the European Schools Individual Championship.

These accomplishments reflect the Academy's commitment to excellence and its growing reputation as a leading centre for junior golf development.

Music

Music at Loretto continues to thrive, with strong academic and co-curricular achievements. Our first A-Level Music candidate in several years achieved an 'A', and GCSE results remained consistent with other subjects despite higher grade boundaries making higher attainment levels more difficult to achieve. To support exam readiness, Loretto have introduced new cloud-based theory and aural software.

Instrumental and vocal lesson uptake remains steady. Senior School choir has continued to grow in size and the Chamber Choir has a loyal following. Preparation for a concert at the famous Rosslyn Chapel in November is underway and promises to be a great occasion.

An increased number of formal and informal concerts for soloists and ensembles has given Loretto's musicians more opportunity to perform. The Waterhouse Music Competition in March 2025 gave the school's best musicians a platform to showcase their abilities in front of the whole school in a competitive environment with a professional adjudicator and prizes.

Several pupils have participated in national ensembles, including the National Youth Choir of Scotland, the National Youth Choir of Great Britain, and the National Youth Orchestra of Scotland. Loretto remains committed to providing pupils with opportunities to engage in professional music-making and to nurture talent at every level.

A Loretto curriculum for music is in development which will create a pathway for all pupils to read, write, play, and create music. The ambition is to create long-term sustainability in the Music Department with all pupils possessing the skills required to read music, play an instrument/sing, and create their own music. As an offshoot from this, the skills taught will enhance pupils' academic skills across the complete range of learning types and abilities.

LORETTO SCHOOL LIMITED

GOVERNORS' REPORT (continued) (incorporating DIRECTORS' REPORT and STRATEGIC REPORT)

For the year ended 31 August 2025

Pastoral support and Wellbeing at Loretto

Pastoral care is at the heart of how we support each other in our community at Loretto. Our Deputy Head Pastoral leads a dedicated team of professionals including Housemasters and Housemistresses, Heads of Year, and nurses within the Health and Wellbeing Centre, all working together to ensure that each child is known, valued, and nurtured.

We encourage pupils to participate fully in school life, fostering a strong sense of belonging through shared experiences and diverse interests. Opportunities in Sport, Art, Drama, and Music enable pupils to develop skills beyond the classroom, and to experience success and embrace challenge in equal measure.

Every pupil belongs to both a Tutor group and a House community. Tutors act as the main point of contact for parents and meet their tutees daily, as well as holding weekly one-to-one sessions. Tutor groups, typically comprising 8–10 pupils from different houses, provide a supportive environment for communication and connection. Life Skills sessions, delivered by tutors and external speakers, cover important topics such as Body Image, Healthy Relationships, and Coping with Stress, equipping pupils for life both in and beyond school.

Our Health and Wellbeing Centre offers a wide range of services, including first aid, a weekly GP clinic for boarders, counselling, and a listening service, with referrals to external specialists where needed.

The House system provides a true home from home. Each boarding house has its own distinctive character and fosters friendships that often last a lifetime. Boarding promotes independence and confidence, preparing pupils for life after school. We have four senior houses and one coeducational junior house, accommodating full, weekly, and flexi boarders alongside day pupils. When pupils reach our fifth form they progress to our senior houses where there is a focus on preparation for external exams and the sixth form. Each House is led by an experienced Housemaster or Housemistress, supported by a residential Assistant Housemaster or Housemistress, a House Manager, and visiting House Assistants. Daily routines, including scheduled prep time, help pupils consolidate learning, while evenings offer opportunities to relax and enjoy activities with friends.

Social interaction across houses is encouraged through shared meals in our dining room, supporting each other at school fixtures, or taking part in activities such as concerts and school productions, ensuring a vibrant and inclusive community where kindness and friendship are central values.

Public benefit

The School's grant-making policy is to provide educational access to boys and girls from all backgrounds. Scholarships and Exhibitions are awarded on ability using set criteria for each subject, and all Bursaries are means-tested and reviewed annually. The School offers means tested bursaries up to 105% of fees.

This year, awards for scholarships, exhibitions and bursaries amounting to £1,221,845 were made to 164 pupils. This equates to 8.6% of gross fee income (2024: 8.4%). Of this total, 49 pupils benefited from £922,482 of means-tested bursaries. In addition, 115 pupils were awarded scholarships or exhibitions equating to £299,363.

Loretto is committed to supporting the local community through partnerships, discounted services, and active participation in local events. By working closely with local organisations, businesses, and residents, we aim to provide accessible and affordable services to the Musselburgh community. In addition to significant charitable support for pupils, we made our facilities and sports fields available, either free of charge or for a nominal fee, to a diverse range of sectors, including local schools, music groups, sports clubs, youth projects, and various charities.

Following the closure of the Brunton Theatre in early 2023, Loretto formed a partnership to enable them to continue to offer a wide range of events throughout the year.

Loretto's Pipe Band and dancers gave freely of their time throughout the year, with performances at various community events throughout the year.

LORETTO SCHOOL LIMITED

**GOVERNORS' REPORT (continued)
(incorporating DIRECTORS' REPORT and STRATEGIC REPORT)**

For the year ended 31 August 2025

Charitable Fundraising

Throughout the year, pupils have actively supported charitable causes through events such as bake sales, own-clothes days, fun runs, and chapel services. These efforts raised over £11,300 for a range of charities, including the My Name is Doddie Foundation, FetLor Youth Club, Army Benevolent Fund, Poppy Scotland, and Young Minds Trust. This reflects the School's commitment to fostering social responsibility and community engagement among pupils.

Governors

The governors who served during the year, and who have been appointed up to the date on which the financial statements have been formally approved, were as follows:

| Name | Appointed (A)/ Resigned (R) | Comments | A | B | C | D | E | F | G | H | I |
|----------------------|--------------------------------|---------------------------------|---|---|---|---|---|---|---|---|---|
| Peter McCutcheon | | Chair (G, H, I) | X | X | | | | | X | X | X |
| Emma Watson Mack | R 03/10/2025 | Chair (E) | | | | | X | | | | X |
| Simon Pengelley | R 20/06/2025 | Chair (D) | | | | X | | | | X | |
| Phillippa Hussey | R 20/06/2025 | | | | | X | | | | | |
| Christian Bruce | | Chair (C) | | | X | | | X | | | |
| Guy Stern | | | | | | X | | | | | |
| Alistair Rutherford | | | | | X | | X | | | | |
| Casey Stern | R 20/06/2025 | Chair (B) | | X | | | | | | | |
| Colin Davidson | | Ex Officio Member of Full Board | | | | | | | | | |
| Catriona Campbell | | | | X | | | | | | | |
| Paul Gilmour | | Chair (A) | X | | | | | | | | |
| Alison Dines | A 04/10/2024 | No Committee assigned as yet | | | | | | | | | |
| Kim Richmond McLaren | A 14/03/2025 | | | | | | | | | | |
| Timothy John Riddell | A 03/10/2025 | | | | | | | | | | |
| Rodger Green | A 03/10/2025 | | X | | | | | | | | |
| Angela Beaton | A 03/10/2025 | | | | | | | | | | |

No remuneration was received by any of the Governors during the year.

Key to Table

- A** Finance & Revenue Committee
- B** Pastoral and Welfare Committee
- C** Infrastructure Committee
- D** Education Committee (Inc Co-curricular Committee, combined)
- E** External Relations Committee
- F** Health and Safety Committee
- G** Strategy Committee
- H** Remuneration Committee
- I** Nominations Committee
- J** HR Committee
- K** Loretto Foundation

LORETTO SCHOOL LIMITED

GOVERNORS' REPORT (continued) (incorporating DIRECTORS' REPORT and STRATEGIC REPORT)

For the year ended 31 August 2025

Statement of Governors' responsibilities

The Governors (who are also Trustees under charity law and directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and charitable company will continue in operation.

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the group and charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to Auditor

In so far as the Governors are aware:

- there is no relevant audit information of which the group's auditor is unaware;
- the Governors have taken all steps that 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

Approved by the Board of Governors at its meeting on 5 December 2025 and signed on its behalf by:

Peter McCutcheon

Peter McCutcheon
Chairman

INDEPENDENT AUDITOR'S REPORT to the MEMBERS and TRUSTEES of

LORETTO SCHOOL LIMITED

For the year ended 31 August 2025

Opinion

We have audited the financial statements of Loretto School Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2025 which comprise the group and company statement of financial activities, the group and company balance sheets, the group and company statement of cash flows and the notes to the financial statements, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2025 and of the group's and parent charitable company's incoming resources and application of resources, including the group's and the parent charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 Governors' 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 group's or parent charitable company'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 Governors with respect to going concern are described in the relevant sections of this report.

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Governors' 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT to the MEMBERS and TRUSTEES of**LORETTO SCHOOL LIMITED (continued)****For the year ended 31 August 2025****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 Governors' Report, incorporating the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

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

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities, set out on page 11, the Governors (who are also the trustees under charity law and the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the group's and the parent charitable company'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 Governors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates and considered the risk of acts by the charitable company which were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT to the MEMBERS and TRUSTEES of



LORETTO SCHOOL LIMITED (continued)

For the year ended 31 August 2025

Auditor responsibilities for the audit of the financial statements (continued)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the charity's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the trustees and key management personnel;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

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.

A further description of our responsibilities is available 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 and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Jeremy Chittleburgh', written in a cursive style.

Jeremy Chittleburgh (Senior Statutory Auditor)
for and on behalf of CT Audit Limited
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh EH3 6NL
09 March 2026

CT Audit Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

LORETTO SCHOOL LIMITED**GROUP STATEMENT of FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)****For the year ended 31 August 2025**

| | Notes | Unrestricted funds £ | Restricted funds £ | Permanent Endowment funds £ | Total 2025 £ | Total 2024 £ |
|---|-------|----------------------------|--------------------------|--------------------------------------|--------------------|--------------------|
| INCOME AND ENDOWMENTS FROM: | | | | | | |
| Donations and legacies | 3 | 23,560 | 183,600 | - | 207,160 | 147,070 |
| Charitable activities | 3 | 12,020,770 | - | - | 12,020,770 | 11,773,074 |
| Other trading activities | 3 | 366,200 | - | - | 366,200 | 554,719 |
| Investments | 3 | 13,071 | 20,480 | - | 33,551 | 65,415 |
| Other income – gains on disposal of fixed assets | | 15,335 | - | - | 15,335 | 9,423 |
| Total income and endowments | | 12,438,936 | 204,080 | - | 12,643,016 | 12,549,701 |
| EXPENDITURE ON: | | | | | | |
| Raising funds | 4 | 342,736 | - | 4,127 | 346,863 | 394,573 |
| Charitable activities | | | | | | |
| Activities in furtherance of the charity's objects – Schools and grant making | 4 | 12,625,535 | 47,320 | - | 12,672,855 | 12,570,597 |
| Total expenditure | | 12,968,271 | 47,320 | 4,127 | 13,019,718 | 12,965,170 |
| Net expenditure/(income) excluding investment movement | | (529,335) | 156,760 | (4,127) | (376,702) | (415,469) |
| Net gains on investments | 8 | 5,968 | - | 18,380 | 24,348 | 50,800 |
| Net movement in funds | | (523,367) | 156,760 | 14,253 | (352,354) | (364,669) |
| Reconciliation of funds: | | | | | | |
| Fund balances brought forward at 1 September 2024 | | 9,236,381 | 216,171 | 589,015 | 10,041,567 | 10,406,236 |
| Fund balances carried forward at 31 August 2025 | | 8,713,014 | 372,931 | 603,268 | 9,689,213 | 10,041,567 |

All the results relate to continuing activities.

The Statement of Financial Activities meets the Companies Act 2006 requirements for an Income and Expenditure Account.

The notes on pages 21 to 38 form part of these financial statements.

LORETTO SCHOOL LIMITED**COMPANY STATEMENT of FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)****For the year ended 31 August 2025**

| | Notes | Unrestricted funds £ | Restricted funds £ | Total 2025 £ | Total 2024 £ |
|---|-------|----------------------------|--------------------------|--------------------|--------------------|
| INCOME AND ENDOWMENTS FROM: | | | | | |
| Donations and legacies | 3 | 81,710 | 183,600 | 265,310 | 92,087 |
| Charitable activities | 3 | 12,040,462 | - | 12,040,462 | 11,793,399 |
| Investments | 3 | 13,071 | - | 13,071 | 41,559 |
| Other income – gains on disposal of fixed assets | | 15,335 | - | 15,335 | 9,423 |
| Total income and endowments | | 12,150,578 | 183,600 | 12,334,178 | 11,936,468 |
| EXPENDITURE ON: | | | | | |
| Raising funds | 4 | 1,340 | | 1,340 | 1,321 |
| Charitable activities | | | | | |
| Activities in furtherance of the charity's objects - Schools and grant making | 4 | 12,544,124 | 32,920 | 12,577,044 | 12,453,726 |
| Total expenditure | | 12,545,464 | 32,920 | 12,578,384 | 12,455,047 |
| Net expenditure income excluding investment movement | | (394,886) | 150,680 | (244,206) | (518,579) |
| Net gains on investments | 8 | 5,968 | - | 5,968 | 12,452 |
| Net movement in funds | | (388,918) | 150,680 | (238,238) | (506,127) |
| Reconciliation of funds: | | | | | |
| Fund balances brought forward at 1 September 2024 | | 9,143,342 | 112,099 | 9,255,441 | 9,255,441 |
| Fund balances carried forward at 31 August 2025 | | 8,754,424 | 262,779 | 9,017,203 | 9,255,441 |

All the results relate to continuing activities.

The Statement of Financial Activities meets the Companies Act 2006 requirements for an Income and Expenditure Account.

The notes on pages 21 to 38 form part of these financial statements.

LORETTO SCHOOL LIMITED**GROUP BALANCE SHEET****As at 31 August 2025**

| | Notes | £ | 2025 £ | £ | 2024 £ |
|---|----------|--------------------|--------------------|--------------------|--------------------|
| Fixed assets | | | | | |
| Tangible assets | 7 | | 10,923,991 | | 10,784,123 |
| Investments | 8 | | 799,158 | | 780,275 |
| | | | <u>11,723,149</u> | | <u>11,564,398</u> |
| Current assets | | | | | |
| Stocks | 10 | 47,535 | | 67,248 | |
| Debtors | 11 | 681,485 | | 486,003 | |
| Cash at bank and in hand | | <u>1,885,839</u> | | <u>3,567,552</u> | |
| | | 2,614,859 | | 4,120,803 | |
| Creditors: Amounts falling due within one year | | | | | |
| | 12 | <u>(4,648,795)</u> | | <u>(5,643,634)</u> | |
| Net current liabilities | | | | | |
| | | | <u>(2,033,936)</u> | | <u>(1,522,831)</u> |
| Total assets less current liabilities | | | | | |
| | | | 9,689,213 | | 10,041,567 |
| Creditors: Amounts falling due after one year | | | | | |
| | 13/18 | | - | | - |
| Net assets | | | | | |
| | | | <u>9,689,213</u> | | <u>10,041,567</u> |
| The Funds of the charity | | | | | |
| Unrestricted funds | 15/16 | | 8,713,014 | | 9,236,381 |
| Restricted funds | 15/16/17 | | 372,931 | | 216,171 |
| Permanent endowment funds | 15/16 | | 603,268 | | 589,015 |
| Total charity funds | | | | | |
| | | | <u>9,689,213</u> | | <u>10,041,567</u> |

The financial statements were approved and authorised for issue by the Governors and signed on their behalf on 5 December 2025.

Peter McCutcheon

Peter McCutcheon, Chairman

Registered Number SC059500

The notes on pages 21 to 38 form part of these financial statements

LORETTO SCHOOL LIMITED
COMPANY BALANCE SHEET

As at 31 August 2025

| | Notes | £ | 2025 £ | £ | 2024 £ |
|---|----------|--------------------|------------------|--------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 7 | | 10,899,755 | | 10,752,027 |
| Investments | 8 | | 196,890 | | 192,262 |
| | | | <hr/> | | <hr/> |
| | | | 11,096,645 | | 10,944,289 |
| Current assets | | | | | |
| Stocks | 10 | 10,828 | | 11,350 | |
| Debtors | 11 | 795,151 | | 605,225 | |
| Cash at bank and in hand | | 1,837,558 | | 3,298,064 | |
| | | <hr/> | | <hr/> | |
| | | 2,643,537 | | 3,914,639 | |
| Creditors: Amounts falling due within one year | | | | | |
| | 12 | <u>(4,722,979)</u> | | <u>(5,603,487)</u> | |
| Net current liabilities | | | | | |
| | | | <hr/> | <hr/> | |
| | | | (2,095,822) | | (1,688,848) |
| Total assets less current liabilities | | | | | |
| | | | 9,017,203 | | 9,255,441 |
| Creditors: Amounts falling due after one year | | | | | |
| | 13 | | - | | - |
| Net assets | | | | | |
| | | | <hr/> | <hr/> | |
| | | | 9,017,203 | | 9,255,441 |
| The Funds of the charity | | | | | |
| Unrestricted funds | 15/16 | | 8,754,424 | | 9,143,342 |
| Restricted funds | 15/16/17 | | 262,779 | | 112,099 |
| | | | <hr/> | <hr/> | |
| Total charity funds | | | <u>9,017,203</u> | | <u>9,255,441</u> |

The financial statements were approved and authorised for issue by the Governors and signed on their behalf on 5 December 2025.

Peter McCutcheon

Peter McCutcheon, Chairman

Registered Number SC059500

The notes on pages 21 to 38 form part of these financial statements

LORETTO SCHOOL LIMITED

GROUP STATEMENT OF CASH FLOWS

For the year ended 31 August 2025

| Group | £ | 2025 £ | 2024 £ | £ |
|---|----------------|-------------------------|-----------------|-------------------------|
| Reconciliation of net income to net cash outflow from operating activities | | | | |
| Net expenditure | | (352,354) | | (364,669) |
| Increase in stocks | | 19,713 | | (1,708) |
| (Increase)/decrease in debtors | | (195,483) | | 74,951 |
| (Decrease)/increase in creditors | | (991,275) | | 1,156,406 |
| Net gains on investments | | (24,348) | | (50,801) |
| Net losses on the sale of fixed assets | | 12,215 | | - |
| Depreciation | | 715,347 | | 675,541 |
| Investment Income | | (33,551) | | (65,415) |
| Finance lease charges | | 15 | | 1,196 |
| Investment manager's fees | | 5,467 | | 5,388 |
| Net cash (outflow)/inflow from operating activities | | <u>(844,252)</u> | | <u>1,430,889</u> |
| Investing activities | | | | |
| Payments to acquire tangible fixed assets | (882,765) | | (837,759) | |
| Investment income received | 33,551 | | 65,415 | |
| Proceeds from Sale of Property, Plant & Equipment | <u>15,335</u> | | <u>5,213</u> | |
| Net cash outflow from investing activities | | <u>(833,879)</u> | | <u>(767,131)</u> |
| Financing activities | | | | |
| Bank interest paid | - | | - | |
| Finance lease repayments | <u>(3,580)</u> | | <u>(38,286)</u> | |
| Net cash outflow from financing activities | | <u>(3,580)</u> | | <u>(38,286)</u> |
| (Decrease)/increase in cash and cash equivalents | | <u>(1,681,713)</u> | | <u>625,472</u> |
| Cash and cash equivalents at start of reporting period | | 3,567,552 | | 2,942,080 |
| Cash and cash equivalents at end of reporting period | | <u><u>1,885,839</u></u> | | <u><u>3,567,552</u></u> |

| Analysis of changes in net debt | At 1 Sept 2024 £ | Cashflows £ | New finance leases £ | Other non- cash changes £ | At 31 Aug 2025 £ |
|---------------------------------|-------------------------|---------------------------|-------------------------------|------------------------------------|-------------------------|
| Cash | 3,567,552 | (1,681,713) | - | - | 1,885,839 |
| Finance Obligations | (3,565) | 3,565 | - | - | - |
| Total | <u><u>3,563,987</u></u> | <u><u>(1,678,148)</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>1,885,839</u></u> |

The notes on pages 21 to 38 form part of these financial statements

LORETTO SCHOOL LIMITED**COMPANY STATEMENT of CASH FLOWS****For the year ended 31 August 2025**

| Company | 2025 | | 2024 | |
|---|----------------|-------------------------|-----------------|-------------------------|
| | £ | £ | £ | £ |
| Reconciliation of net income to net cash outflow from operating activities | | | | |
| Net expenditure | | (238,238) | | (506,127) |
| Increase in stocks | | 522 | | 20,982 |
| Decrease/(increase) in debtors | | (189,926) | | 131,812 |
| (Decrease)/increase in creditors | | (876,943) | | 984,234 |
| Net gains on investments | | (5,968) | | (12,452) |
| Net losses on the sale of fixed assets | | 12,215 | | - |
| Depreciation | | 707,487 | | 668,335 |
| Investment Income | | (13,071) | | (41,559) |
| Finance lease charges | | 15 | | 1,196 |
| Investment manager's fees | | 1,340 | | 1,321 |
| Net cash (outflow)/inflow from operating activities | | <u>(602,507)</u> | | <u>1,247,742</u> |
| Investing activities | | | | |
| Payments to acquire tangible fixed assets | (882,765) | | (798,458) | |
| Investment income received | 13,071 | | 41,559 | |
| Proceeds from Sale of Property, Plant & Equipment | <u>15,335</u> | | <u>5,782</u> | |
| Net cash outflow from investing activities | | <u>(854,359)</u> | | <u>(751,117)</u> |
| Financing activities | | | | |
| Bank interest paid | - | | - | |
| Finance lease payments | <u>(3,580)</u> | | <u>(38,286)</u> | |
| Net cash outflow from financing activities | | <u>(3,580)</u> | | <u>(38,286)</u> |
| (Decrease)/increase in cash and cash equivalents | | <u>(1,460,506)</u> | | <u>458,339</u> |
| Cash and cash equivalents at start of reporting period | | 3,298,064 | | 2,839,725 |
| Cash and cash equivalents at end of reporting period | | <u><u>1,837,558</u></u> | | <u><u>3,298,064</u></u> |

| Analysis of changes in net debt | At 1 Sept 2024 | Cashflows | New finance leases | Other non- cash changes | At 31 Aug 2025 |
|--|---------------------------|---------------------------|-----------------------------------|--|---------------------------|
| | £ | £ | £ | £ | £ |
| Cash | 3,298,064 | (1,460,506) | - | - | 1,837,558 |
| Finance Obligations | (3,565) | 3,565 | - | - | - |
| Total | <u><u>3,294,499</u></u> | <u><u>(1,456,941)</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>1,837,558</u></u> |

The notes on pages 21 to 38 form part of these financial statements

LORETTO SCHOOL LIMITED**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS****For the year ended 31 August 2025****1. Accounting policies****Charity Information**

Loretto School Limited is a charitable company limited by guarantee, registered in Scotland. The registered office is noted on page 1. The nature of the Group's operations and principal activities are set out within the Governors' Report.

Basis of preparation

The financial statements have been prepared under the historical cost convention, modified for fair value as appropriate, and are in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and "Accounting and Reporting by Charities": Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 ("SORP (FRS 102)"). The financial statements have also been prepared in accordance with the Charities Accounts (Scotland) Regulations 2006 and the Charities and Trustee Investment (Scotland) Act 2005. The School has availed itself of s396 of the Companies Act 2006, as permitted by paragraph 4(1) of Schedule 1 of SI 2008 No 409, and adapted the Companies Act formats to reflect the specific nature of its activities. The School is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in Sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on a going concern basis. The principal accounting policies adopted are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The School is a qualifying entity for the purposes of FRS 102 and has taken exemptions in its individual financial statements from the disclosure requirements of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; and basis of determining fair values.

Consolidation

The consolidated financial statements incorporate those of Loretto School Limited and all its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to gain economic benefits). All financial statements are made up to 31 August 2025. All intra-group transactions and balances are eliminated on consolidation.

Going concern

The Board of Governors have considered the position regarding resources to continue in operational existence. The Board have reviewed sensitised cash flows and financial models prepared by the Management Team and, based upon this, the Board are confident that the Group has adequate resources to continue for at least the next twelve months with no material uncertainty. Thus the Governors continue to adopt the going concern basis of accounting in preparing the financial statements.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Expenditure on tangible fixed assets with values in excess of £3,000 is capitalised on initial recognition. Subsequent expenditure is only capitalised when it is probable that there will be future economic benefits attributable to the item.

LORETTO SCHOOL LIMITED**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 August 2025****1. Accounting policies (continued)****Depreciation**

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets, by equal instalments over their estimated useful economic lives as follows:

| | |
|--------------------------------|----------------|
| Buildings | 20 to 50 years |
| Plant & equipment | 10 years |
| Motor vehicles | 5 years |
| Driveways & synthetic surfaces | 10 years |
| Furniture & fittings | 5 years |
| IT equipment & software | 4 years |

No depreciation is charged on land or the buildings at Pinkie as in the opinion of the Governors, the buildings are maintained to a standard such that depreciation would be immaterial. This is contrary to the Companies Act 2006 but in the opinion of the Governors is necessary for the financial statements to show a true and fair view. No depreciation is charged on assets under construction until they become available for use.

Impairment of fixed assets

At each reporting end date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income and expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in income and expenditure, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial Instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial instruments

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

LORETTO SCHOOL LIMITED**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 August 2025****1. Accounting policies (continued)****Impairment of financial instruments**

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in income and expenditure.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in income and expenditure.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

Investments

Listed investments are included in the balance sheet at fair value (determined by reference to published market prices) and investments in subsidiaries are shown at cost in the Company's individual financial statements. Realised and unrealised gains and losses are recognised in net income and expenditure in the year in which they arise.

Investment income

Investment income is recognised in income and expenditure in the year in which it arises.

VAT

The School is registered for VAT. Irrecoverable VAT is charged to the Statement of Financial Activities.

Taxation

The School has been granted charitable status by HMRC and is not therefore liable for corporation tax on charitable income and gains.

LORETTO SCHOOL LIMITED**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 August 2025****1. Accounting policies (continued)****Income**

Income is recognised when there is probability of receipt, entitlement of funds and can be measured with sufficient reliability. Fees paid in advance are held on the balance sheet as a creditor and recognised in the period to which they relate.

Income represents the total invoice value, excluding value added tax, of fees rendered and income received to cover activities during the year. Income from charitable activities is shown net of discretionary awards i.e. bursaries and scholarships.

Income from charitable activities includes grant income from the Government's Coronavirus Job Retention Scheme, which is recognised in the period of employment to which it relates.

Donations, grants and legacies are recognised when the Group's entitlement to the income is probable and the amount can be reliably measured. For legacies, this is generally the earlier of the school being notified of an impending distribution or the legacy being received. On occasion, legacies will be notified to the school but with the amount not being able to be reliably measured. In these circumstances, the legacy is recognised when the amount becomes reliably measurable. Donations, grants and legacies subject to specific wishes of the donors are allocated to the relevant restricted funds or to endowment funds where the amount is required to be held as permanent capital. Donations, grants and legacies received for the general purposes of the school are allocated to unrestricted funds.

Income from other trading activities relates to the rental, letting and golf academy income of the trading subsidiary.

Gift aid donations received from Loretto Enterprises, a subsidiary company, are treated as income in the period in which they are received.

Expenditure

Expenditure is recognised on an accruals basis when there is a legal or constructive obligation. Where possible, expenditure has been charged directly to charitable expenditure.

Expenditure on raising funds includes financing costs and trading costs of the subsidiary.

Charitable expenditure comprises those costs incurred by the Group in the delivery of its activities and services for its beneficiaries.

Governance costs, which are included within charitable expenditure, include those costs associated with meeting the constitutional and statutory requirements of the charity.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance leases

Assets held under finance leases are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to income and expenditure over the period of the lease.

Operating leases

The annual rentals for operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

Scholarship and other trust funds

Scholarship and other trust funds are held by the company either in its own right or as trustee. These funds are included within unrestricted funds.

LORETTO SCHOOL LIMITED**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 August 2025****1. Accounting policies (continued)****Gifts in kind**

Properties, investments and other fixed assets donated to the Group are included as donation income at market value at the time of receipt.

Grants expenditure

Unconditional grants are charged to income and expenditure in the year when the offer is conveyed to the recipient.

Employee Benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pensions

Teaching staff are members of the Scottish Public Pensions Agency (SPPA) scheme which provides benefits based on final pensionable pay. The scheme is unfunded and it is not possible to identify the assets and liabilities of the scheme which are attributable to the Group. In accordance with FRS 102, the scheme is therefore accounted for as a defined contribution scheme and pension costs are charged to income and expenditure in the period to which the contributions relate.

Non-teaching staff are entitled to participate in a Stakeholder scheme. Pension costs are charged to income and expenditure in the period to which contributions relate.

Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements or estimation uncertainties have a significant effect on amounts recognised in the financial statements:

Bad debt provision

Management judges the recoverability of debtors and makes a provision where the debt is not expected to be recovered. Details of the bad debt provision in the period are in note 11.

Depreciation rates

Depreciation is calculated to fully write off the cost of assets over their estimated useful life. Management estimate the useful life of each asset. Details of the depreciation charged in the period are in note 7.

2. Surplus/(deficit) for the year is stated after charging:

| | Group | Company | Group | Company |
|----------------------------------|--------------|----------------|--------------|----------------|
| | 2025 | 2025 | 2024 | 2024 |
| | £ | £ | £ | £ |
| Auditor's remuneration (audit) | 33,000 | 24,100 | 28,550 | 22,750 |
| Accounting and tax services | 6,860 | 3,445 | 7,500 | 3,250 |
| Depreciation | 715,347 | 707,487 | 675,541 | 668,335 |
| Loss on disposal of fixed assets | 27,550 | 27,550 | - | - |
| Staff costs | 7,961,686 | 7,869,774 | 7,555,895 | 7,439,625 |
| Finance charges | 15 | 15 | 1,196 | 1,196 |

LORETTO SCHOOL LIMITED**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 August 2025****3. Income and endowments**

| | Group 2025 £ | Company 2025 £ | Group 2024 £ | Company 2024 £ |
|------------------------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| Charitable activities: | | | | |
| Fee income | 13,168,750 | 13,168,750 | 12,892,589 | 12,892,589 |
| Less: bursaries and scholarships | (1,232,347) | (1,221,845) | (1,147,892) | (1,139,192) |
| | <u>11,936,403</u> | <u>11,946,905</u> | <u>11,744,697</u> | <u>11,753,397</u> |
| Other related income | 84,367 | 93,557 | 28,377 | 40,002 |
| Total charitable activities | <u>12,020,770</u> | <u>12,040,462</u> | <u>11,773,074</u> | <u>11,793,399</u> |
| Investments | | | | |
| Bank and term deposit interest | 6,424 | 6,424 | 33,812 | 33,812 |
| Dividend income | 27,127 | 6,647 | 31,603 | 7,747 |
| | <u>33,551</u> | <u>13,071</u> | <u>65,415</u> | <u>41,559</u> |
| Other trading activities | <u>366,200</u> | <u>-</u> | <u>554,719</u> | <u>-</u> |
| Donations and legacies | <u>207,160</u> | <u>265,310</u> | <u>147,070</u> | <u>92,087</u> |

Group

All amounts included above were attributable to unrestricted funds except for £183,600 (2024: £89,875) of donations and for £20,480 (2024: £23,856) of investment income which was restricted.

Company

All amounts included above were attributable to unrestricted funds except for £183,600 (2024: £89,875) of donations which was restricted.

4. Analysis of total expenditure and gains on investments

| Group | Staff costs £ | Other costs £ | Depreciation £ | 2025 £ | 2024 £ |
|----------------------------------|--------------------------|--------------------------|---------------------------|-------------------|-------------------|
| Raising funds: | | | | | |
| Investment management fees | - | 5,467 | - | 5,467 | 5,388 |
| Trading costs of subsidiary | - | 333,536 | 7,860 | 341,396 | 389,185 |
| | <u>-</u> | <u>339,003</u> | <u>7,860</u> | <u>346,863</u> | <u>394,573</u> |
| Charitable activities: | | | | | |
| Schools and grant-making: | | | | | |
| Teaching | 5,671,063 | 521,598 | - | 6,192,661 | 5,979,683 |
| Welfare | 779,757 | 1,782,227 | - | 2,561,984 | 2,573,815 |
| Premises | 476,867 | 896,209 | - | 1,373,076 | 1,553,409 |
| Support costs of schooling | 1,033,999 | 760,488 | 707,487 | 2,501,974 | 2,424,715 |
| Governance costs | - | 43,160 | - | 43,160 | 38,975 |
| School's operating costs | <u>7,961,686</u> | <u>4,003,682</u> | <u>707,487</u> | <u>12,672,855</u> | <u>12,570,597</u> |
| Total | <u>7,961,686</u> | <u>4,342,685</u> | <u>715,347</u> | <u>13,019,718</u> | <u>12,965,170</u> |

LORETTO SCHOOL LIMITED**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 August 2025****4. Analysis of total expenditure and gains on investments (continued)**

Other costs for the support of schooling are made up of £450,654 (2024: £437,930) administration costs, £207,059 (2024: £226,588) in marketing and admission costs and £102,775 (2024: £71,571) in bad debt costs.

Governance costs include audit fees and travel and expenses claims by Governors.

Grants, awards and prizes consists of bursaries, scholarships and prizes awarded to pupils.

All amounts above were attributable to unrestricted funds except for £47,320 (2024: £134,593) of expenditure on charitable activities which related to restricted funds and £4,127 (2024: £4,068) which related to Endowment Funds.

Of the £24,348 net gains on investments (2024: £50,800 net gains on investments), £5,968 of gains (2024: £12,452 of gains) were unrestricted.

| Company | Staff costs | Other costs | Depreciation | 2025 | 2024 |
|----------------------------------|--------------------|--------------------|---------------------|-------------------|-------------------|
| | £ | £ | £ | £ | £ |
| Raising funds: | | | | | |
| Investment management fees | - | 1,340 | - | 1,340 | 1,321 |
| | - | 1,340 | - | 1,340 | 1,321 |
| Charitable activities: | | | | | |
| Schools and grant-making: | | | | | |
| Teaching | 5,671,063 | 521,598 | - | 6,192,661 | 5,979,683 |
| Welfare | 779,757 | 1,782,227 | - | 2,561,984 | 2,573,815 |
| Premises | 476,867 | 896,209 | - | 1,373,076 | 1,553,409 |
| Support costs of schooling | 942,145 | 770,996 | 707,487 | 2,420,628 | 2,315,619 |
| Governance costs | - | 28,695 | - | 28,695 | 31,200 |
| School's operating costs | 7,869,832 | 3,999,725 | 707,487 | 12,577,044 | 12,453,726 |
| Total | 7,869,832 | 4,001,065 | 707,487 | 12,578,384 | 12,455,047 |

Other costs for the support of schooling are made up of £461,152 (2024: £473,692) administration costs, £207,059 (2024: £226,588) in marketing and admission costs and £102,775 (2024: £71,571) in bad debt costs.

Governance costs include audit fees and travel and expenses claims by Governors.

Grants, awards and prizes consists of bursaries, scholarships and prizes awarded to pupils.

All amounts above were attributable to unrestricted funds except for £32,920 (2024: £125,293) of expenditure on charitable activities which related to restricted funds.

All of the Company's gains and losses on investments in the current and prior year were unrestricted.

LORETTO SCHOOL LIMITED**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 August 2025**

| 5. Staff | Group 2025 £ | Group 2024 £ |
|--------------------------------|-----------------------------|-----------------------------|
| Salaries | 6,059,260 | 5,958,997 |
| Social security costs | 690,916 | 607,233 |
| Other pension costs | 1,018,892 | 925,020 |
| Redundancy and severance costs | 72,786 | - |
| Agency staff costs | 104,055 | 49,115 |
| Apprenticeship levy | 15,777 | 15,530 |
| | <u>7,961,686</u> | <u>7,555,895</u> |

The School total staff costs amounted to £91,912 (2024: £116,270) less than the above totals which reflects staff costs relating to Loretto Enterprises Limited.

| The average monthly numbers of persons employed by the Company during the year was as follows:- | Group & Company | |
|--|----------------------------|------------------------|
| | 2025 Number | 2024 Number |
| Teachers | 106 | 111 |
| Administration, cleaning and clerical | 67 | 73 |
| Ground staff and maintenance | 14 | 15 |
| | <u>187</u> | <u>199</u> |

The following employees received remuneration during the year greater than £60,000:

| | Group & Company | |
|---------------------|----------------------------|------------------------|
| | 2025 Number | 2024 Number |
| £60,000 - £69,999 | 4 | 2 |
| £70,000 - £79,999 | 3 | 2 |
| £80,000 - £89,999 | 2 | - |
| £90,000-£99,999 | - | 1 |
| £110,000 - £119,999 | 1 | - |
| £140,000-£149,999 | 1 | 1 |
| | <u>11</u> | <u>6</u> |

| | Group & Company | |
|--|----------------------------|-------------------|
| | 2025 £ | 2024 £ |
| Remuneration of key management personnel, including Employers' NI and Employers' pension | <u>497,880</u> | <u>522,900</u> |

No Governors received any remuneration or expenses in either year.

6. Taxation

No provision for corporation tax has been made as the School has charitable status for taxation purposes.

LORETTO SCHOOL LIMITED**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 August 2025****7. Tangible fixed assets - Group**

| Cost | Land & buildings £ | Motor Vehicles £ | Plant & equip. £ | Furniture & fittings £ | IT equipment & software £ | Assets Under Construction £ | Total £ |
|---------------------------------|---|---------------------------------|---|---|--|--|--------------------|
| As at 1 September 2024 | 15,886,792 | 525,413 | 1,339,782 | 783,436 | 1,272,322 | 688,860 | 20,496,335 |
| Additions | 314,736 | - | 68,816 | 16,155 | 69,610 | 413,448 | 882,765 |
| Disposals | - | (70,245) | (14,847) | (1,922) | (17,942) | (62,982) | (167,938) |
| Transfers | 1,026,680 | | 12,646 | | | (1,039,326) | - |
| As at 31 August 2025 | 17,228,208 | 454,718 | 1,406,397 | 797,668 | 1,323,991 | - | 21,211,162 |
| Accumulated depreciation | | | | | | | |
| As at 1 September 2024 | 6,557,354 | 458,831 | 850,684 | 664,738 | 1,117,623 | 62,982 | 9,712,212 |
| Charge for the year | 451,734 | 10,970 | 141,729 | 11,780 | 91,274 | - | 715,347 |
| Disposals for the year | | (70,245) | (860) | (223) | (6,078) | (62,982) | (140,388) |
| As at 31 August 2025 | 7,009,088 | 399,376 | 991,553 | 676,295 | 1,202,819 | - | 10,287,171 |
| Net book value | | | | | | | |
| As at 31 August 2025 | 10,219,120 | 47,482 | 414,844 | 121,373 | 121,172 | - | 10,923,991 |
| As at 31 August 2024 | 9,329,438 | 34,216 | 489,098 | 118,698 | 154,699 | 625,878 | 10,784,123 |

As at 31 August 2025 land had a net book value of £2,537,116 and no depreciation was charged on these assets.

All land and buildings are freehold. Charges have been granted over certain land and buildings held by the school in relation to the overdraft facility.

LORETTO SCHOOL LIMITED**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 August 2025****7. Tangible fixed assets - Company**

| Cost | Land & buildings £ | Motor Vehicles £ | Plant & equip. £ | Furniture & fittings £ | IT equipment & software £ | Assets Under Construction £ | Total £ |
|---------------------------------|---|---------------------------------|---|---|--|--|--------------------|
| As at 1 September 2024 | 15,886,792 | 485,842 | 1,339,782 | 783,436 | 1,272,322 | 688,860 | 20,457,034 |
| Additions | 314,736 | - | 68,816 | 16,155 | 69,610 | 413,448 | 882,765 |
| Disposals | - | (70,245) | (14,847) | (1,922) | (17,942) | (62,982) | (167,938) |
| Transfers | 1,026,680 | | 12,646 | | | (1,039,326) | - |
| As at 31 August 2025 | 17,228,208 | 415,597 | 1,406,397 | 797,668 | 1,323,991 | - | 21,171,861 |
| Accumulated depreciation | | | | | | | |
| As at 1 September 2024 | 6,557,354 | 451,626 | 850,684 | 664,738 | 1,117,623 | 62,982 | 9,705,007 |
| Charge for the year | 451,734 | 10,970 | 141,729 | 11,780 | 91,274 | - | 707,487 |
| Disposals for the year | | (70,245) | (860) | (223) | (6,078) | (62,982) | (140,388) |
| As at 31 August 2025 | 7,009,088 | 392,351 | 991,553 | 676,295 | 1,202,819 | - | 10,272,106 |
| Net book value | | | | | | | |
| As at 31 August 2025 | 10,219,120 | 23,246 | 414,844 | 121,373 | 121,172 | - | 10,899,755 |
| As at 31 August 2024 | 9,329,438 | 34,216 | 489,098 | 118,698 | 154,699 | 625,878 | 10,752,027 |

As at 31 August 2025 land had a net book value of £2,537,116 and no depreciation was charged on these assets.

All land and buildings are freehold. Charges have been granted over certain land and buildings held by the school in relation to the overdraft facility.

LORETTO SCHOOL LIMITED**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 August 2025****8. Investments**

| | Group | |
|---|----------------------------|----------------------------|
| | 2025 | 2024 |
| | £ | £ |
| Market value at 1 September 2024 | 776,887 | 717,444 |
| Acquisitions at cost | 258,924 | 51,843 |
| Disposals at opening market value | (284,922) | (43,200) |
| Gains/(losses) on revaluation | 26,748 | 50,800 |
| | <hr/> | <hr/> |
| Market value at 31 August 2025 | 777,637 | 776,887 |
| Cash held by Rathbones at 31 August 2025 | 21,521 | 3,388 |
| Total market value at 31 August 2025 | <hr/> 799,158 <hr/> | <hr/> 780,275 <hr/> |

| | Company | |
|---|----------------------------|----------------------------|
| | 2025 | 2024 |
| | £ | £ |
| Market value at 1 September 2024 | 191,432 | 176,860 |
| Acquisitions at cost | 63,467 | 12,707 |
| Disposals at opening market value | (70,840) | (10,587) |
| Gains/(losses) on revaluation | 6,556 | 12,452 |
| | <hr/> | <hr/> |
| Market value at 31 August 2025 | 190,615 | 191,432 |
| Cash held by Rathbones at 31 August 2025 | 5,275 | 830 |
| Total market value at 31 August 2025 | <hr/> 196,890 <hr/> | <hr/> 192,262 <hr/> |

The investments comprise Government Stocks, Equities and Investment Trusts on UK stock exchanges, and were re-valued at 31 August 2025 by reference to readily available market prices. The revaluation was carried out by Rathbones Investment Management Limited. The investments include £1,000 invested in a subsidiary, held at cost (note 9)

Within the group investment portfolio the following holdings represent more than 5% of the total.

| | |
|-----------------------------------|----------------------|
| Findlay Park Funds – American Inc | £ 82,826 ===== |
|-----------------------------------|----------------------|

9. Investment in Subsidiary

| | Company | |
|---|-------------------|-------------------|
| | 2025 | 2024 |
| | £ | £ |
| Shares in Loretto Enterprises Limited (company number SC098762) | <hr/> 1,000 <hr/> | <hr/> 1,000 <hr/> |

Loretto School Limited holds directly all the ordinary shares in Loretto Enterprises Limited, therefore the School has 100% control. Loretto Enterprises Limited's registered office is the same as the School (1-7 Linkfield Road, Musselburgh EH21 7RE).

LORETTO SCHOOL LIMITED

NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2025

At 31 August 2025 the results of Loretto Enterprises are summarised as:-

| | 2025 | 2024 |
|--|------------------|---------------|
| | £ | £ |
| Turnover | 366,200 | 554,720 |
| Cost of sales | (114,095) | (179,145) |
| Gross Profit | 252,105 | 375,575 |
| Administrative Expenses | (328,404) | (337,937) |
| Other operating income | 3,792 | 56,400 |
| (Loss)/profit on ordinary activities before taxation | (72,507) | 94,038 |
| Gift aid donations to parent charity treated as dividends paid | (61,942) | (1,417) |
| Retained (loss)/profit for the year | (134,449) | 92,621 |
| | | |
| Fixed assets | 24,236 | 32,096 |
| | | |
| Current assets | | |
| • Stock of items for resale | 36,707 | 55,898 |
| • Debtors | 12,511 | 39,501 |
| • Cash at bank and in hand | 48,281 | 269,488 |
| | 97,499 | 364,887 |
| Creditors: amounts falling due within one year | (162,146) | (302,945) |
| Net (deficit)/assets | (40,411) | 94,038 |

In addition, the School has control of, and shares charitable objectives with, the SS Lamert Scholarship and Bursary Fund (charity number SC039627) and this charity is therefore considered to be a subsidiary of the School. At 31 August 2025 the SS Lamert Scholarship & Bursary Fund had a net surplus of £20,333 (2024: £48,837) after investment gains, and net funds at the year end of £713,421 (2024: £693,087).

| 10. Stock | Group | Company | Group | Company |
|---------------------------|--------------|----------------|--------------|----------------|
| | 2025 | 2025 | 2024 | 2024 |
| | £ | £ | £ | £ |
| Goods for own consumption | 10,236 | 10,236 | 10,521 | 10,521 |
| Goods for resale | 37,299 | 592 | 56,728 | 829 |
| | 47,535 | 10,828 | 67,249 | 11,350 |

| 11. Debtors | Group | Company | Group | Company |
|---------------------------------------|--------------|----------------|--------------|----------------|
| | 2025 | 2025 | 2024 | 2024 |
| | £ | £ | £ | £ |
| Fee debtors | 392,838 | 392,838 | 179,540 | 179,540 |
| Provision for doubtful debts | (235,618) | (235,618) | (133,009) | (133,009) |
| Other debtors | 269,133 | 265,655 | 31,784 | 5,016 |
| Prepayments | 254,134 | 254,134 | 407,687 | 395,943 |
| Amounts due from group undertakings | - | 117,144 | - | 157,735 |
| Amounts due from related undertakings | 998 | 998 | - | - |
| | 681,485 | 795,151 | 486,002 | 605,225 |

LORETTO SCHOOL LIMITED**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 August 2025**

| 12. Creditors: Amounts falling due within one year | Group 2025 £ | Company 2025 £ | Group 2024 £ | Company 2024 £ |
|---|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| Fees and deposits in advance | 3,461,070 | 3,461,070 | 4,565,964 | 4,565,964 |
| Other creditors and accruals | 860,771 | 801,368 | 934,251 | 787,240 |
| Amounts owing to group undertakings | - | 124,553 | - | 106,212 |
| Social security and other taxes | 326,954 | 335,988 | 139,854 | 140,506 |
| Finance lease creditor | - | - | 3,565 | 3,565 |
| | <u>4,648,795</u> | <u>4,722,979</u> | <u>5,643,634</u> | <u>5,603,487</u> |

| Group & Company | At 1 September 2024 £ | Income Released £ | Income Deferred £ | At 31 August 2025 £ |
|----------------------------|--------------------------------------|----------------------------------|----------------------------------|------------------------------------|
| Fees in Advance | 3,243,626 | (3,243,626) | 2,430,581 | 2,430,581 |
| Pupil Deposits | 1,300,762 | (819,495) | 549,222 | 1,030,489 |
| Activity Deposits | 21,576 | (21,576) | - | - |
| | <u>4,565,964</u> | <u>(4,084,697)</u> | <u>2,979,803</u> | <u>3,461,070</u> |

13. Creditors: Amounts falling due after one year

| | Group 2025 £ | Company 2025 £ | Group 2024 £ | Company 2024 £ |
|------------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| Finance lease creditor | - | - | - | - |

14. Financial instruments

| | Group 2025 £ | Group 2024 £ |
|--|-----------------------------|-----------------------------|
| The following assets are carried at fair value through income and expenditure. | | |
| Investments | <u>799,158</u> | <u>780,275</u> |

Fair Value

Investments are measured at fair value through income and expenditure. Fair value is determined by reference to quoted market prices in active markets and is not subject to any valuation techniques.

Financial risk management

The Group has exposure to the following risks arising from financial instruments measured at fair value through income and expenditure.

Market Risk

Market risk is the risk that changes in market prices, such as equity prices, will affect the Group's income or the value of its investment holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The company's policy is to ensure that its investment portfolio is diversified and actively managed by external professional investment managers.

LORETTO SCHOOL LIMITED**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 August 2025****15. Analysis of net assets between funds**

| Group | | | | |
|-----------------------------------|---------------------------|-------------------------|------------------------|--------------------|
| At 31 August 2025 | Unrestricted funds | Restricted funds | Endowment funds | Total funds |
| Fund balances are represented by: | £ | £ | £ | £ |
| Tangible fixed assets | 10,923,991 | - | - | 10,923,991 |
| Investments | 195,890 | - | 603,268 | 799,158 |
| Current assets | 2,241,928 | 372,931 | - | 2,614,859 |
| Current liabilities | (4,648,795) | - | - | (4,648,795) |
| Long term liabilities | - | - | - | - |
| | <u>8,713,014</u> | <u>372,931</u> | <u>603,268</u> | <u>9,689,213</u> |

| At 31 August 2024 | Unrestricted funds | Restricted funds | Endowment funds | Total funds |
|-----------------------------------|---------------------------|-------------------------|------------------------|--------------------|
| Fund balances are represented by: | £ | £ | £ | £ |
| Tangible fixed assets | 10,784,123 | - | - | 10,784,123 |
| Investments | 191,260 | - | 589,015 | 780,275 |
| Current assets | 3,904,632 | 216,171 | - | 4,120,803 |
| Current liabilities | (5,643,634) | - | - | (5,643,634) |
| Long term liabilities | - | - | - | - |
| | <u>9,236,381</u> | <u>216,171</u> | <u>589,015</u> | <u>10,041,567</u> |

| Company | | | | |
|-----------------------------------|---------------------------|-------------------------|------------------------|--------------------|
| At 31 August 2025 | Unrestricted funds | Restricted funds | Endowment funds | Total funds |
| Fund balances are represented by: | £ | £ | £ | £ |
| Tangible fixed assets | 10,899,755 | - | - | 10,899,755 |
| Investments | 196,890 | - | - | 196,890 |
| Current assets | 2,380,758 | 262,779 | - | 2,643,537 |
| Current liabilities | (4,722,979) | - | - | (4,722,979) |
| Long term liabilities | - | - | - | -12 |
| | <u>9,017,203</u> | <u>262,779</u> | <u>-</u> | <u>9,017,203</u> |

| At 31 August 2024 | Unrestricted funds | Restricted funds | Endowment funds | Total funds |
|-----------------------------------|---------------------------|-------------------------|------------------------|--------------------|
| Fund balances are represented by: | £ | £ | £ | £ |
| Tangible fixed assets | 10,752,027 | - | - | 10,752,027 |
| Investments | 192,262 | - | - | 192,262 |
| Current assets | 3,802,540 | 112,099 | - | 3,914,639 |
| Current liabilities | (5,603,487) | - | - | (5,603,487) |
| Long term liabilities | - | - | - | - |
| | <u>9,143,342</u> | <u>112,099</u> | <u>-</u> | <u>9,255,441</u> |

LORETTO SCHOOL LIMITED**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 August 2025****16. Reconciliation of movement in funds**

| Group | At 1 Sept 2024 | Income | Expenditure | Investment gains & (losses) | At 31 Aug 2025 |
|----------------------------|---------------------------|-------------------|---------------------|--|---------------------------|
| | £ | £ | £ | £ | £ |
| Unrestricted funds | 9,236,381 | 12,438,936 | (12,968,271) | 5,968 | 8,713,014 |
| Restricted funds (note 17) | 216,171 | 204,080, | (47,320) | - | 372,931 |
| Endowment funds | 589,015 | - | (4,127) | 18,380 | 603,268 |
| | <u>10,041,567</u> | <u>12,643,016</u> | <u>(13,019,718)</u> | <u>24,348</u> | <u>9,689,213</u> |

| Company | At 1 Sept 2024 | Income | Expenditure | Investment gains & (losses) | At 31 Aug 2025 |
|----------------------------|---------------------------|-------------------|---------------------|--|---------------------------|
| | £ | £ | £ | £ | £ |
| Unrestricted funds | 9,143,342 | 12,242,490 | (12,637,376) | 5,968 | 8,754,424 |
| Restricted funds (note 17) | 112,099 | 183,600 | (32,920) | - | 262,779 |
| | <u>9,255,441</u> | <u>12,426,090</u> | <u>(12,670,296)</u> | <u>5,968</u> | <u>9,017,203</u> |

Unrestricted funds are free to be used in accordance with the charitable objectives of the School. Endowment funds represent permanent funds of the School's subsidiary charity, The SS Lamert Scholarship & Bursary Fund. These are invested to provide incomes for bursaries and grants for former pupils in higher education.

17. Restricted Funds - For the year ended 31 August 2025

| Group | Balance at 1 Sep 2024 | Income | Expenditure | Transfer | Balance at 31 Aug 2025 |
|------------------------------------|----------------------------------|----------------|--------------------|-----------------|-----------------------------------|
| | £ | £ | £ | £ | £ |
| Bursaries | 18,890 | - | - | - | 18,890 |
| Loretto Innovation Prize Fund | 10,706 | - | (10,706) | - | - |
| Paragolfer Fund | 1,087 | - | - | - | 1,087 |
| LGBTQ+ Society | 1,989 | - | - | - | 1,989 |
| Sports | 20,714 | 1,500 | (22,214) | - | - |
| Loretto Uniform Exchange Awards | 5,703 | - | - | - | 5,703 |
| Henderson Legacy | 3,000 | - | - | - | 3,000 |
| Pinkie Pavilion | 50,000 | - | - | - | 50,000 |
| Other | 10 | 200 | - | - | 210 |
| Loretto Foundation – refurbishment | - | 181,900 | - | - | 181,600 |
| Lamert Bursary Fund - endowment | 104,072 | 20,480 | (14,400) | - | 110,152 |
| | <u>216,171</u> | <u>204,080</u> | <u>(47,320)</u> | <u>-</u> | <u>372,931</u> |

LORETTO SCHOOL LIMITED**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 August 2025****17. Restricted Funds - For the year ended 31 August 2025 (continued)**

| Company | Balance at 1 Sep 2024 | Income | Expenditure | Transfers | Balance at 31 Aug 2025 |
|------------------------------------|----------------------------------|----------------|--------------------|------------------|-----------------------------------|
| <u>Restricted</u> | £ | £ | £ | £ | £ |
| Bursaries | 18,890 | - | - | - | 18,890 |
| Loretto Innovation Prize Fund | 10,706 | - | (10,706) | - | - |
| Paragolfer Fund | 1,087 | - | - | - | 1,087 |
| LGBTQ+ Society | 1,989 | - | - | - | 1,989 |
| Sports | 20,714 | 1,500 | (22,214) | - | - |
| Loretto Uniform Exchange Awards | 5,703 | - | - | - | 5,703 |
| Henderson Legacy | 3,000 | - | - | - | 3,000 |
| Pinkie Pavilion | 50,000 | - | - | - | 50,000 |
| Other | 10 | 200 | - | - | 210 |
| Loretto Foundation – refurbishment | - | 181,900 | - | - | 181,900 |
| | 112,099 | 183,600 | (32,920) | - | 262,779 |

18. Restricted Funds - For the year ended 31 August 2024

| Group | Balance at 1 Sep 2023 | Income | Expenditure | Transfers | Balance at 31 Aug 2024 |
|---------------------------------|----------------------------------|----------------|--------------------|------------------|-----------------------------------|
| | £ | £ | £ | £ | £ |
| Bursaries | 18,890 | - | - | - | 18,890 |
| Loretto Innovation Prize Fund | 14,485 | 15,000 | (18,779) | - | 10,706 |
| Paragolfer Fund | 1,087 | - | - | - | 1,087 |
| LGBTQ+ Society | 1,989 | - | - | - | 1,989 |
| Sports | 111,056 | 7,329 | (97,672) | - | 20,713 |
| Loretto Uniform Exchange Awards | - | 12,546 | (6,842) | - | 5,704 |
| Henderson Legacy | - | 5,000 | (2,000) | - | 3,000 |
| Pinkie Pavilion | - | 50,000 | - | - | 50,000 |
| Other | 10 | - | - | - | 10 |
| Lamert Bursary Fund - endowment | 89,516 | 23,856 | (9,300) | - | 104,072 |
| | 237,033 | 113,731 | (134,593) | - | 216,171 |

| Company | Balance at 1 Sep 2023 | Income | Expenditure | Gains & (Losses) | Balance at 31 Aug 2024 |
|---------------------------------|----------------------------------|---------------|--------------------|---------------------------------|-----------------------------------|
| <u>Restricted</u> | £ | £ | £ | £ | £ |
| Bursaries | 18,890 | - | - | - | 18,890 |
| Loretto Innovation Prize Fund | 14,485 | 15,000 | (18,780) | - | 10,705 |
| Paragolfer Fund | 1,087 | - | - | - | 1,087 |
| LGBTQ+ Society | 1,989 | - | - | - | 1,989 |
| Sports | 111,056 | 7,329 | (97,672) | - | 20,713 |
| Loretto Uniform Exchange Awards | - | 12,546 | (6,841) | - | 5,705 |
| Henderson Legacy | - | 5,000 | (2,000) | - | 3,000 |
| Pinkie Pavilion | - | 50,000 | - | - | 50,000 |
| Other | 10 | - | - | - | 10 |
| | 147,517 | 89,875 | (125,293) | - | 112,099 |

LORETTO SCHOOL LIMITED

NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2025

17. Restricted Funds - For the year ended 31 August 2024 (continued)

Details of the purposes of restricted funds are set out below:

- Bursaries – to assist with the funding of School fees for pupils on a means tested basis
- Loretto Innovation Prize Fund – to encourage entrepreneurship and innovation at the School
- Paragolfer Fund – represents monies received towards the purchase of two paragolfer carts to enable disabled people to play golf
- Lamert Funds – represents monies earned by the SS Scholarship and Bursaries Fund to be used for means tested bursaries and educational grants to former pupils
- Sports Fund - represents monies received for the support of sporting activities at Loretto School
- Pinkie Pavilion – represents donations received for a building restoration project.
- Loretto Foundation – represents donations for refurbishment of school properties

18. Commitments

It is anticipated that scholarships awarded by the School will exceed income generated by the scholarship fund in the coming year. The deficit will be funded by other School funds.

The total amounts payable in respect of hire purchase agreements for equipment and vehicles, up to the end of each lease, according to dates when payments are due, are:

| Group and Company | 2025 | 2024 |
|--------------------------|-------------|--------------|
| | £ | £ |
| 1 year | - | 3,565 |
| 2 - 5 years | - | - |
| | <u>-</u> | <u>3,565</u> |

19. Capital Commitments

As at 31 August 2025, the school had contracted for capital expenditure not yet recognised amounting to £Nil (2024: £268,964).

20. Pension Schemes

Teaching staff participate in the Scottish Public Pensions Agency (SPPA) Scottish Teachers’ Superannuation Scheme (STSS).

The STSS scheme is an unfunded multi-employer defined benefit scheme so has no assets. The School is also unable to identify its share of the underlying liabilities of the scheme and therefore accounts for the contributions to the scheme as if it were a defined contribution scheme. As the scheme is unfunded there can be no surplus or shortfall. Pension contributions will be set by the scheme’s actuary at a level to meet the cost of pension as they accrue. A full actuarial valuation was carried out at 31 March 2020 and details can be found in the separate statement of the STSS. The employer contributions to the scheme increased from 23.0% to 26.0% on 1 April 2024. The employer contributions for 2024/25 were £850,150 (2023/24: £794,434). There were outstanding employer contributions at 31 August 2025 of £80,749 (2024: £95,928).

LORETTO SCHOOL LIMITED**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 August 2025****20. Pension Schemes (continued)**

Following a review of the School's pension and benefit arrangements, the decision was made to cease contributions to the existing Standard Life arrangement for non-teaching staff from 31 July 2025, and enrol staff into a Legal & General WorkSave Master Trust from 1 August 2025. A small number of employees who are invested in With Profits actively remain in the Standard Life arrangement, although it is closed to new entrants.

The School operates both the Standard Life and Legal & General arrangements in line with the auto-enrolment rules, with employee's contribution of 3% plus employer's contribution of 5%. Alternatively, there is an enhanced rate of employer's contribution of 9% where the employee contributes 6%. The Legal & General scheme operates as a salary sacrifice scheme for eligible employees.

The cost of employer contributions to the Standard Life scheme in the year ended 31 August 2025 was £157,366 (2024: £130,586). There were outstanding employer contributions at 31 August 2025 of £1,457 (2024: £13,137).

The cost of employer contributions to the L&G scheme in the year ended 31 August 2025 was £11,916 (2024: £Nil). There were outstanding employer contributions at 31 August 2025 of £11,916 (2024: £Nil).

21. Related Parties

Loretto School Limited undertook related party transactions with Loretto Enterprises Limited. Loretto Enterprises Limited is a wholly owned subsidiary. During the year, Loretto School Limited made £101,103 (2024: £127,896) of sales to Loretto Enterprises Limited and £28,996 (2024: £19,529) of purchases from Loretto Enterprises Limited. Loretto School Limited received a donation of £61,942 (2024: £1,417) from Loretto Enterprises in the year. At the balance sheet date, £117,144 (2024: £157,734) was due from Loretto Enterprises. At the balance sheet date, Loretto School Limited owes to SS Lamert Scholarship & Bursary Fund £124,553 (2024: £105,873) and SS Lamert Scholarship & Bursary Fund owes to Loretto School Limited £Nil (2024: £Nil).

During the year some Governors and members of Key Management Personnel had children attending Loretto School as per the below table. Any fee discounts, scholarships or bursaries awarded to children of Governors are awarded using the same process and criteria outlined in the School's admissions and awards booklet.

Casey Stern (Governor of the School) controls a private language school that purchased accommodation from the School with a value of £54,350 during the year (2024: £Nil).

Loretto Foundation is a separately constituted charity with separate control and governance, but shares a minority of trustees with Loretto School. The remuneration of key management personnel is disclosed in note 5.

22. Contingent Liabilities

The School has received notification of claims for unspecified damages in respect of alleged historic abuse. If any claim was successful, it is difficult to determine the financial extent to which the School could be liable or the timing of any possible outflows.