



# LocatED Property Limited

## Annual report and accounts

**for the year ended 31 March 2021**

**Company Number 10385637**

**HC 614**

**LocatED Property Limited**

**Annual report and accounts for the year ended 31 March 2021**

**A non-departmental public body**

Presented to the House of Commons pursuant to section 7 of the Government Resources and Accounts Act 2000

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# 1. STRATEGIC REPORT

## Chair's statement

Michael Strong, Board Chair



As the nation grapples with the effects and our continued recovery in the wake of the COVID-19 pandemic, I find myself reflecting on another successful year for LocatED.

In my role as Chair, I represent the interest of the Secretary of State for Education (the Secretary of State), and it is with great satisfaction that with the renewal of LocatED's mandate in December 2019, it was able to continue its role in 2020-21 supporting the Department for Education (the Department) to provide quality schools for future generations of children.

This year, however, I am particularly proud of all that LocatED has done beyond its core remit; rising to the challenge of supporting wider government in its efforts to combat COVID-19 and to see the nation through this most extraordinary of times. Over the course of the pandemic, five of the schools that LocatED holds, on behalf of the Department, in its property portfolio were co-opted by our Asset Management Team to serve as either testing, quarantine, or vaccination centres.

With the construction industry impacted by major delays due to COVID-19 restrictions, it became clear that several school building projects would not meet their target dates to open. Attempting to minimise further disruption to what had already been a turbulent year for the children, LocatED worked rapidly with the Department to source suitable temporary sites. The team rose to the challenge to ensure that the six schools had temporary accommodation ready for the start of term, so that the children had a safe environment as they eased back into learning with their peers, in person.

The periods of the pandemic in lockdown have been especially difficult for students, teachers and parents as they have negotiated the complexities of virtual classrooms, lack of childcare and home working. But, as we know, those kinds of complexities are magnified, coupled with the stress of daily living, when an adult or a child does not have a home. Keeping families safe in these most extenuating circumstances has been a priority across government. This led the Ministry of Housing Communities, and Local Government (MHCLG) to commission LocatED to find sites for its Rough Sleeping Initiative. Our Acquisitions Team found over 90 options across 11 locations, from Westminster to Oxford to Bristol. At the request of the Home Office our

Asset Management Team also conducted a review of the Department for Education property portfolio to find options for accommodation for asylum seekers.

Alongside these vital undertakings, LocatED has held steady, continuing to acquire land and buildings for school development at best value; managing held assets to generate returns for the taxpayer; disposing of sites and continuing to facilitate the development of large, complex and mixed-use projects.

In a time of uncertainty for us all, LocatED's success has been spearheaded by the dedication, professionalism, and focus of its team. I would like to thank LocatED's specialist teams, its vital support staff, and the Executive Team. I would also like to extend my thanks to my Non-executive Directors for their commitment to the company and its mission along with their time and sound advice. I am grateful to our many clients and partners in the public and private sector and particularly to the Department and to our Sponsorship Team.

### Chief Executive's perspective on performance

Lara Newman, Chief Executive



After an undeniably difficult year for each of us, I look forward to 2021-22 with relish and great ambition. Even in the midst of turmoil wrought by the COVID-19 pandemic, LocatED has continued operating at pace in what has remained a highly competitive market, working with private and public sector partners to acquire and optimise sites for new schools across England.

Since day one LocatED has demonstrated its property expertise in the industry and the value that adds, and will continue to add, to the Department. I am pleased to say that the team's hard work to overcome the year's challenges and adopt new ways of working has seen LocatED improve on its performance to garner "exceptional" and "good" ratings on all of its key performance indicators set and monitored by the Department in 2020-21.

Over the course of this year, our Acquisitions Team has exchanged on 26 sites for new schools and disposed of an additional three sites achieving £1.9m above their Red Book Valuations for taxpayers. Our Asset Management Team continued its diligent oversight of the live portfolio of 90 managed assets for the Department, the vast majority of which are land and buildings held prior to handover for development as new free schools. In 2020-21 the team's expertise enabled them to undertake this complex work while generating income and savings of £2.45m on the portfolio and achieving 100% statutory compliance across the estate, protecting the Secretary of State interest.

Quality public buildings and schools, particularly those that are mixed-use, play a central role in strengthening the fabric of our communities. LocatED has forged ahead, despite the difficulties the construction industry has faced this year, progressing six school-led mixed-use

developments. This culminated with the successful handover of Fulham Boys' School, the first of LocatED's mixed-use schemes to complete, in February 2021. This was a technically complex project on a very constrained site providing a school for 800 pupils with police facilities and nine penthouse apartments, the latter helping to offset the school construction costs. I am proud that the project went on to be awarded 'Project of the Year' at the 2021 Government Property Awards, recognising excellence across the government property sector.

We continue to extend the reach of our experience in mixed-use development and site optimisation through our advisory work; providing strategic and delivery support to the Department or the Surplus Land for Housing Pilot. This year 13 viable school projects from the original pilot that LocatED led, received ministerial approval to advance to the next stage of development. This progress, and the lessons learned to date, have solidified the scheme as a viable model to unlock funds to support additional capital investment in school buildings and, in turn, release land for much-needed new homes.

To increase the number of schools we can reach with this work, in 2020-21 we focused on leveraging the valuable insights gained from the past two years working on the pilot. We extended our research into how the Surplus Land for Housing model could combine with other government programmes and funding streams to help 'level up' schools and communities in the North and Midlands. These communities have equal need and right to improvements of their schools and new affordable homes. Whilst there are myriad opportunities for schools with surplus land in these regions, the reality of taking a project forward is currently made significantly more challenging due to lower land values and less investment from the property sector. We hope to pilot solutions to address and overcome these barriers.

In contrast, very few schools in London and other city centres have any surplus space, and land values remain extremely high. We are therefore considering how we may adapt our approach in a different way; to address serious condition issues on constrained sites. We are researching the concept of 'building up' using a self-funding model to rebuild the school on a smaller footprint - maintaining the sports and play space, with homes above to offset development costs. We hope to progress and test this concept that would provide schools with brand new facilities fit for the future and communities with new affordable homes, all at no extra cost to taxpayers.

LocatED will continue to advise on the initial 13 school projects and also support the Department to develop the programme going forward by spearheading research into these initiatives. I look forward to watching these first few schools, and hopefully many more, flourish along with their students and the wider community thanks to this programme.

I am delighted that 2020-21 also saw LocatED increase its advisory support on the college estate to the DfE Higher/Further Education Directorate and the Education and Skills Funding Agency. The team responded to 34 advisory commissions supporting colleges with strategic property advice. This included development and transaction advice on proposed property transactions for ten Institutes of Technology in the DfE programme's first wave, and

identification of viable sites for the next wave. The LocatED team has taken a responsive approach to help colleges with their land strategies, mitigating future taxpayer costs and helping the Department rescue at-risk education provision in local areas.

Working on such a variety of initiatives throughout this year, my team and I have felt a renewed appreciation for our work supporting young people's education. I recognise that we are also uniquely placed to offer our property expertise to add value to other government departments and deliver on cross-government aims. I am therefore committed to continue our support of the government's COVID-19 recovery programme in any way possible, alongside our vital work for the Department. Following success in 2020-21 working with the Cabinet Office, One Public Estate, the Home Office and the Ministry of Housing, Community and Local Government, I anticipate even more demand for LocatED's strategic property advice and expertise in the future.

As we move forward with our goals and reflect upon our past successes, I remain ever mindful of the important steps LocatED can take to support a greener, more sustainable future. The LocatED team is committed to supporting the Government in its target to bring all greenhouse gas emissions to net zero by 2050. In the here and now, we are passionate advocates for the use of carbon neutral design, construction, and asset management; we enforce a mandate on these practices in projects where it is within our control. Our work and our industry provides us with a unique opportunity to influence the nation's progress toward reaching its sustainability goals, a responsibility I take as seriously as any key performance indicator.

As we recently outlined in LocatED's newly released 2020-2023 Corporate Plan and as we look toward the coming year, and beyond, we have agreed with the Secretary of State that LocatED will continue to broaden its operations to support the provision of education. With this remit we will further increase the scope, volume, and value of LocatED's specialist property advice and support to government as we rise to meet the new challenges and deliver exciting new developments in the education estate.

While recent events have shown it is truly impossible to predict the future, if I am sure of one thing it is that there is no team I would rather have in place than the one we do at LocatED. I remain proud of the work we have done and our positive and collaborative culture, hugely grateful for the support of our Board, the Department, and our partners across the public and private sector, and eager to see what the coming year has in store for us all.

### Statement of purpose and activities

LocatED has a Framework Document that has been agreed with the Department and sets out the broad framework within which LocatED operates. Each year the Department sets out the priorities for LocatED, including:

- Scope of work that the Department requires LocatED to carry out under each of these priorities; and
- The Department's commissioning expectations



All of this is detailed in an Annual Letter from the Minister, who is responsible for LocatED, to the Chair of LocatED's Board, setting out the objectives, funding and performance required each year. In 2020-21 LocatED was specifically responsible for achieving the following overall aims, which are set out in its Framework Document:

- Securing sites for free schools at the best market price ('Securing Sites')
- Managing sites held for free schools ('Managing Sites')
- Providing advice and where appropriate manage the disposal of sites ('Advice'); and
- Entering into more complex mixed-use developments in support of the delivery of new schools ('Mixed-use')
- Providing advice to the Department and other bodies involved in education provision and (with the agreement of the Department) other non-education bodies including other Government Departments about property and site issues

### Founding legislation and status of LocatED, its duties and powers

LocatED is established by incorporation under the Companies Act 2006 and is registered in England and Wales. It is a company limited by shares and is wholly owned by the Secretary of State for Education (the Secretary of State), for whom it is remitted to undertake work. LocatED is funded from the public purse by grant-in-aid from the Department and is a non-departmental public body (NDPB).

LocatED's Chair and Non-executive Directors are appointed by the Secretary of State. LocatED's duties and powers are specified in its Articles of Association (the Articles) and other governance documents, in particular the Framework Document entered into by the Department and LocatED.

The Department is responsible for decisions relating to LocatED's funding and control in relation to the provision of its services. LocatED's priorities and performance measures are set in light of the Secretary of State's powers to acquire land and invest in education.

LocatED must maintain proper accounts and prepare a set of annual accounts. The Directors are required to comply with duties concerning annual accounts under the Companies Act 2006.

### Classification

LocatED has been classified to the central government sector. In practice this means that the annual accounts of LocatED are consolidated into the Department's accounts.

For policy/administrative purposes LocatED is classified as an NDPB.

### Performance analysis

In 2020-21 LocatED's Key Performance Indicators (KPIs) were rated as follows, depending on the final achievement measured:

- **KPI1A – sites secured in good time (average time)**; average time taken to acquire sites from commission to exchange. This indicator measures the average time between the date an acquisition is commissioned, and the date contracts are exchanged to meet that commission (or an equivalent position is reached in securing a site) in months. The average time in 2020-21 was 11.9 months, which was rated exceptional.
- **KPI1B – sites secured in good time (percentage)**; percentage of active acquisition commissions fulfilled. This indicator measures the number of acquisition requirements successfully fulfilled over the course of the year as a percentage of all commissions active in the year. The result in 2020-21 was rated good.
- **KPI2 – good value acquisitions**; total cost of acquiring sites as a percentage of the summed Red Book Valuation of sites acquired. This indicator measures the total acquisition cost of all commercial purchases as a percentage of the total of all the Red Book Valuations for the sites acquired. The result in 2020-21 was rated good.
- **KPI3 – good engagement**; engagement score from surveys of colleagues and project contacts in the Department. This indicator measures the extent to which those surveyed agree that LocatED is working effectively with partners to deliver schools and providing accurate and timely information. The result in 2020-21 was rated exceptional.
- **KPI4 – timely advice**; percentage of property advice requirements completed on time. This indicator measures the percentage of specific advice commissions that LocatED completes within the required timescales. The result in 2020-21 was rated exceptional.
- **KPI5 – savings on site management**; savings made, and income gained through site management initiatives as a percentage of the initial site management budget. This indicator measures the amount saved by the Department through LocatED's work to improve the efficiency of site management. The result in 2020-21 was rated exceptional.
- **KPI6 – good value disposals**; total receipt from the disposal of sites as a percentage of the summed Red Book Value of the sites disposed of. The result in 2020-21 was rated exceptional.

### Forward look

In 2021-22 LocatED will continue to expand its work and expects to achieve the following on behalf of the Department:

- Continue to secure sites for free schools and other educational establishments
- Manage a large portfolio of sites and buildings held for free schools; the overwhelming majority are sites purchased for free schools and held prior to handover to free school trusts or contractors
- Produce income and minimise risk from these sites
- Provide advice to the Department, other government departments and bodies involved in schools, further education, and other social infrastructure
- Lead the Surplus Land for Housing Pilot to unlock funds to support additional capital investment in school buildings and, in turn, release land for new homes
- Research new initiatives to adapt the delivery model from the Surplus Land for Housing Pilot to benefit more schools across the country

- Take on additional complex, mixed-use developments in support of the efficient delivery of new schools
- Dispose of sites that are no longer required for educational use by the Department
- Support the Government's target to bring all greenhouse gas emissions to net zero by 2050 by advocating and mandating the use of carbon neutral design in construction and asset management.

### Programme assurance

In 2020-21, LocatED's Chief Executive, as Accounting Officer, had responsibility for maintaining a sound system of governance, internal controls and risk management to support the achievement of LocatED's policies, aims and objectives, while safeguarding public funds and departmental assets. This is in accordance with the responsibilities in HM Treasury's (HMT) 'Corporate governance in central government departments: code of good practice'.

### Principal risks

These are described in the Governance Statement.

### Complaints to the Parliamentary Ombudsman

The Parliamentary and Health Service Ombudsman (the Ombudsman) can investigate complaints against the administrative actions of a wide range of government departments and other public bodies; or the actions of organisations acting on their behalf.

In 2020-21 no complaints relating to LocatED were received or accepted by the Ombudsman for investigation.

### Corporate Social Responsibility (CSR) including the environment

The LocatED team is proud to play its part in the delivery of new, world-class schools and in creating thousands of good school places for future generations of children. It is also committed to supporting improvements and efficiencies in the wider school estate.

To deliver this responsibly, LocatED has embedded ethical and sustainable business practices and takes account of the social, economic, and environmental impact of its activity. It leads its employees to adopt a community-focused approach and encourages their development and active participation in CSR initiatives and voluntary opportunities.

This year was the final year of delivery in LocatED's three-year CSR strategy. The strategy has three priority strands of activity that aim to meet the company's responsibility to its stakeholders across community, people and the environment. The progress made in each area in 2020-21 is detailed as follows.

## Community

LocatED does not, and cannot, work in a commercial or social vacuum. Part of LocatED's ethos is that it has responsibilities to its clients, suppliers, neighbours and to the wider communities it serves. LocatED has delivered the following initiatives:

### ■ **Volunteering**

During the year, 36.2% of employees took part in LocatED's volunteering scheme that offers each employee two paid days a year to undertake voluntary work of their choice

Employees volunteered by knitting necessities for those in need, litter picking, delivering meals to the vulnerable and elderly and in various roles supporting multi academy trusts (MATs), among many more worthwhile causes

### ■ **Apprenticeship Surveyor Programme**

LocatED has partnered with The University College of Estate Management (UCEM) to develop an Apprenticeship Surveyor Programme that will provide a mix of hands-on practical experience, structured learning, and development to support apprentices in completing the Assessment of Professional Competence.

LocatED supported two apprentices through this year's programme and hopes to increase the number over the next year.

LocatED also supports one apprentice studying for their Finance qualification.

### ■ LocatED is now a member of:

- Real Estate Balance - a campaigning organisation working to improve diversity and inclusion in the real estate industry
- The 5% Club - an organisation focused on creating momentum behind the recruitment of apprentices and graduates into the workforce

In addition LocatED is now also a Disability Confident employer

Three LocatED employees held voluntary positions on MAT boards and in school governing bodies, and the team has helped facilitate on-boarding and training events for new members of boards.

### ■ **Property guardianship**

The guardian arrangement put in place by LocatED at the Department's vacant property in Manchester continues to operate successfully. Guardian schemes make affordable living space available to the rental market and is one example of a range of cost-saving initiatives used to reduce portfolio holding costs. Guardians benefit from below market price rent and flexible terms and agree to vacate the property prior to redevelopment.

### ■ **Community use of vacant sites**

LocatED endeavours to provide community access to vacant sites in the portfolio where it is feasible.

However, due to the pandemic, the focus during 2020/21 has been to support the government’s response to COVID-19. Five sites have been made available for this purpose and uses have included mobile testing stations, a vaccination centre and an NHS nurse’s vaccination training centre.

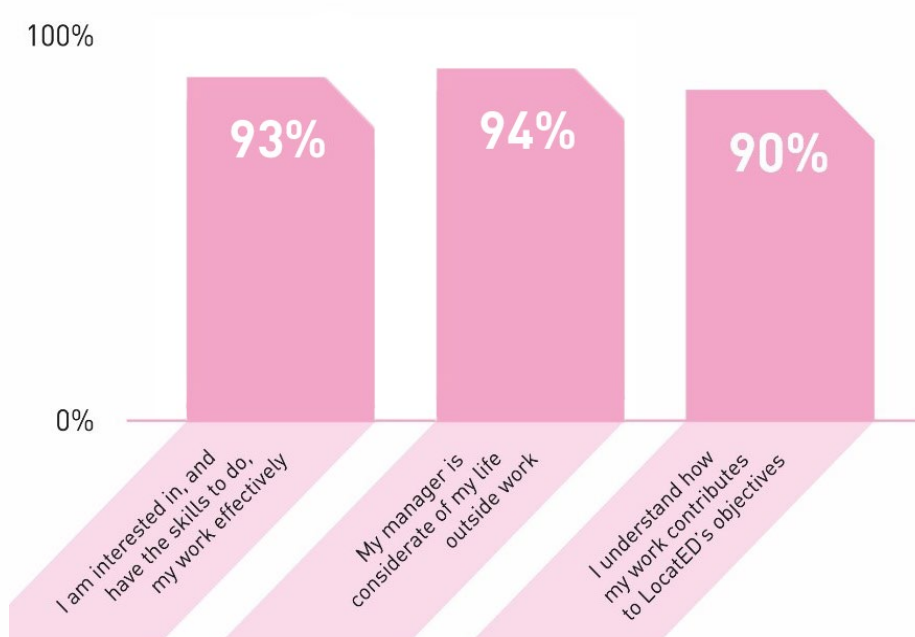
In 2021-22 LocatED is committed to developing and growing these initiatives to support the community. It aims to increase adoption of its voluntary programme and to offer a broader range of work experience opportunities for young people at LocatED to promote accessible routes into the property profession and business support services.

### People

LocatED has and will continue to prioritise the wellbeing of LocatED employees by:

- Providing a supportive, safe, and vibrant environment to work in
- Promoting equality of opportunity and real diversity
- Offering a fair and competitive total value proposition
- Enabling clear paths of personal and professional growth
- Providing opportunities to make an impact and to see that impact; and
- Encouraging a happy work/life balance and a true meritocracy.

In 2020-21 LocatED demonstrated progress towards these goals, with the following percentage of employees reporting in the annual employee survey their agreement with the statements:



In the same survey, 96% of respondents said they had not experienced bullying or harassment at work.

Additionally, 69% of employees agreed that the learning and development activities they had undertaken at LocatED had improved their performance at work.

LocatED's People Team also successfully promoted a company-wide, comprehensive learning and development programme throughout 2020-21. Activities included:

- 49 lunchtime seminars, with speakers from across the public and commercial sectors as well as several wellbeing sessions
- 170 individual training and development activities and access to Whitehall and Industry Group events and courses.

## **Environment**

LocatED reduces its impact on the environment by cutting waste through office-based initiatives such as:

- Recycling material waste and cutting material usage
- Energy-efficient premises
- The promotion of home working alongside the use of sustainable travel planning and intelligent IT to minimise travel
- Utility saving practices
- Educating employees and promoting environmental initiatives in the workplace. In 2020-21 LocatED worked with the Regent Street Association sustainability team to promote training, events, and talks to employees.

Through the close management of the Secretary of State's portfolio of school sites, LocatED has minimised the impact of the vacant assets on the environment by:

- Ensuring low-energy use on sites where there is no immediate requirement for sites to be 'active'
- Achieving 100% statutory compliance on all sites in the portfolio
- Proactively managing third-party suppliers, agents and partners to ensure adherence to agreed service levels and environmental policy.

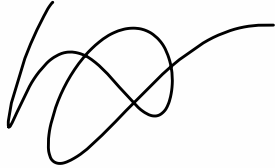
The team is committed to continue implementing and enhancing initiatives to drive efficiencies and lessen LocatED's environmental impact.

## **Health and safety**

LocatED recognises its obligations under the Health and Safety at Work Act of 1974, which imposes a statutory duty on employers to ensure, in so far as is reasonably practical, the health and safety of their employees whilst at work. LocatED is committed to providing a

healthy and safe working environment for all its employees and third parties who work in, or visit, its premises; it has a Health and Safety Policy in place to support this.

**The report was approved by the Board and signed for and on behalf of the Board by:**



**Lara Newman**

Chief Executive and Accounting Officer  
1 September 2021

LocatED Property Limited,  
6<sup>th</sup> Floor, Roxburghe House,  
273-287 Regent Street  
London, W1B 2HA

## 2. DIRECTORS' REPORT

### Principal activities of the company over the course of the year

LocatED was incorporated on 20 September 2016. It is registered in England and Wales and it is a property company launched to improve the capacity and capability available to the Department to acquire and manage sites to deliver new schools. The company does not enter into any research or development activities.

### The Directors of LocatED

The current Directors and Board members of LocatED are:



Chief Executive



Board Chair



Non-executive Board Member



Non-executive Board Member



Non-executive Board Member



Finance Director



Legal Counsel

Directors of the Board	Appointment to the Board	Resignation from the Board
Lara Newman	16 March 2017	n/a
Michael Wu	22 February 2017	n/a
Alyson Gerner	22 February 2017	n/a
Michael Strong	3 February 2017	n/a
Caroline Tolhurst	3 February 2017	n/a
Phil Ellis	3 February 2017	n/a
Julian Rudd-Jones	3 February 2017	n/a



The non-executive Board members have fixed term contracts. Caroline Tolhurst and Julian Rudd-Jones have a contract that expires on 31 March 2024 and Michael Strong and Phil Ellis have a contract that expires on the 31 March 2023.

### **Business review**

A review of LocatED's performance is included in the Strategic Report along with details of the KPIs that applied from 1 April 2020 to 31 March 2021.

### **Future developments of the business**

This information is included in the Chief Executive's perspective on performance section of the Strategic Report.

### **Directors' conflicts**

The Companies Act 2006 provides that Directors must avoid a situation where they have, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with a company's interests. Any interests must be brought to the attention of the Board and then dealt with in accordance with the Board's conflict of interest policy. A register of Directors' interests is maintained and made available for inspection at all Board meetings where Board decisions are made.

### **Directors' indemnity**

The Department, rather than LocatED, provides the Non-executive Directors and Executive Directors with third-party liability cover (subject to terms and conditions) through the Non-executive Directors' letters of appointment and Risk Protection Arrangements for LocatED.

### **Directors' remuneration**

The Directors' remuneration is shown in the Remuneration and Staff Report.

### **Political and charitable donations**

No political or charitable donations were made during the year ended 31 March 2021 (2019-20: £nil).

### **Financial risk, market risk, liquidity risk and cash flow risk**

There was no significant credit risk to LocatED during 2020-21. LocatED does not own the property that was acquired, so there is no market risk. Regarding liquidity and cash flow, cash was provided to meet LocatED's cash need, and the Department provided LocatED with a Keep Well agreement, the details of which are in the 'Going Concern' paragraph within this report.

### **Principal risks facing LocatED**

These are described in the Governance Statement.

## Dividends

The company has not paid any dividends during the period and no dividends are proposed by the Directors.

## Share capital

The company issued one £1 Ordinary share for a consideration of £1 on 20 September 2016. The sole shareholder is the Secretary of State for Education. Following the issue of the share, the issued share capital of the company is £1.

## Governance, internal controls and risk management

The Board accepts and acknowledges that it is both accountable and responsible for ensuring that the company has in place appropriate and effective systems, procedures, policies and processes for internal controls.

The Board believes that there have been appropriate internal controls and risk management in place throughout the year to 31 March 2021.

A full report on governance and risk management can be found in the Governance Statement.

## Equality and diversity

LocatED is committed to the principle of equal opportunities in employment and is opposed to any form of less favourable treatment or financial reward through direct or indirect discrimination, harassment, victimisation to employees or job applicants on the grounds of race, religious beliefs, political opinions, colour, ethnic origin, nationality, marital or parental status, gender, age, sexual orientation or disability.

LocatED is committed to the promotion and implementation of a culture of diversity, both internally and externally, and expects its employees to accept the duty it imposes upon itself not to discriminate, either in employment practices or in the provision of facilities and services, by reference to race, colour, ethnic or national origin, religion, creed, gender, sexual orientation, disability, appearance, age or marital status.

## Social and community issues

These are described in the Strategic Report, Corporate and Social Responsibility section.

## Pension

All employees have access to a pension scheme, which is described in the Remuneration and Staff Report.

## Financial commentary

All LocatED's expenditure was funded from grant-in-aid from the Department. The Department does not provide cash to LocatED to cover outstanding liabilities; however, the

Department will provide cash to cover these when they are paid. This amount is currently shown as the balance in the Statement of Changes in Taxpayers' Equity.

In the year to 31 March 2021 LocatED was given a budget of £9.535 million to cover its operating costs. This included £4.493million for project related pre-acquisition costs for sites, mixed-use developments and disposals.

LocatED completed 28 site acquisition commissions in the year and managed over 90 properties held for free schools but not yet in use; however, it did this on behalf of the Department and so all costs were paid directly by the Department.

In 2021-22 LocatED will continue to get all its funding from grant-in-aid provided by the Department.

### **Relationships essential to the business of the company**

LocatED's operating model uses a range of shared services provided by the Department: Financial Accounting, Financial Management, Payments and Treasury Management, Information Technology and Property Management Services (in relation to LocatED's office premises). These arrangements have been in place since November 2016.

### **Auditor and remuneration paid to auditor**

LocatED has appointed the Comptroller and Auditor General as its external auditor. The National Audit Office (NAO) carries out the audit for and on behalf of the Comptroller and Auditor General. The remuneration paid to its external auditor for work during this financial year was £51,000 including VAT (2019-20 £58,200 including VAT). No non-audit work was undertaken by the auditors.

### **Events after the reporting period**

These are described in the Notes to the accounts.

### **Company registration**

LocatED is a company registered in England and Wales. Its registered address is 6<sup>th</sup> Floor, Roxburghe House, 273-287 Regent Street, London, W1B 2HA.

### **Going concern**

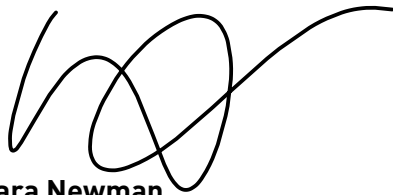
These accounts have been prepared on a going-concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The Directors have reviewed the forward plans of the Department. Funding from the Department, taking into account the amount required to meet LocatED's liabilities falling due in the year, has already been included in the Department's Estimate for the year. Parliament has approved the Estimate and there is no reason to believe that the Department's sponsorship and future Parliamentary approval will not be forthcoming.

On the 2 December 2019 HM Treasury approved the business case for LocatED to continue for a further three years, up to 31 March 2023. In 22-23 the Department will submit a further business case to HMT for LocatED's operation beyond March 2023.

In addition, the Department has provided LocatED with a Keep Well Agreement signed on behalf of the Secretary of State. This guarantees that if LocatED at any time determines that it will not have available to it sufficient cash or other liquid assets to meet its payment obligations in connection with its business activity, then it will promptly notify the Secretary of State (via the Department's Accounting Officer) of the shortfall and the Secretary of State will make available to LocatED, as soon as is reasonably practicable, funds sufficient to enable it to meet such payment obligations in full. LocatED will use the funds made available to it by the Secretary of State solely for the discharge when due of such payment obligations. The funds will be provided to LocatED in the form of a Grant-in-Aid.

The Directors therefore consider that it is appropriate for the accounts to be prepared on a going-concern basis.



**Lara Newman**

Chief Executive and Accounting Officer  
1 September 2021

LocatED Property Limited,  
6<sup>th</sup> Floor, Roxburghe House,  
273-287 Regent Street  
London, W1B 2HA

### 3. STATEMENT OF THE DIRECTORS' AND THE ACCOUNTING OFFICER'S RESPONSIBILITIES

The Directors and the Accounting Officer are responsible for preparing the Annual Report and Accounts in accordance with the applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the period.

In preparing the accounts, LocatED is required to comply with the requirements of the Companies Act 2006 and the Financial Reporting Manual (FReM) and in particular to:

- Properly select and apply accounting policies
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the company's ability to continue as a going concern.

The Directors and Accounting Officer are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company.

The Permanent Secretary and Principal Accounting Officer for the Department designated Lara Newman as Accounting Officer of LocatED in April 2017. The responsibilities of an Accounting Officer include responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding LocatED's assets as set out in 'Managing Public Money' published by HM Treasury.

Each of the current Directors and the Accounting Officer confirms that, to the best of their knowledge:

- The financial statements give a true and fair view of the assets, liabilities, financial position of the Company; and
- The Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company, together with a description of its risks and uncertainties.

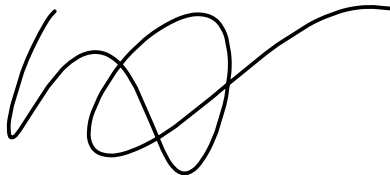
In addition, having taken all the matters considered by the Board and brought to the attention of the Board during the year into account, the Directors and Accounting Officer are satisfied that the annual report and accounts, taken as a whole, are fair, balanced and understandable.

### Directors' declaration

The Directors who held office at the date of approval of this Directors' Report confirm that, as far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors were aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

**The report was approved by the Board and signed for and on behalf of the Board by:**



**Lara Newman**

Chief Executive and Accounting Officer  
1 September 2021

LocatED Property Limited,  
6<sup>th</sup> Floor, Roxburghe House,  
273-287 Regent Street  
London, W1B 2HA

## 4. GOVERNANCE STATEMENT

### The purpose of the Governance Statement

The statement explains how the Chief Executive and Directors of LocatED have put in place arrangements for good corporate governance and reviews of the effectiveness of these arrangements to ensure compliance with HMT's 'Corporate governance in central government departments: code of good practice', where relevant to LocatED.

### Scope of responsibility

LocatED is an NDPB established to assist the Department in implementing its policies and achieving its aims and objectives in relation to free schools. This is further explained in the Strategic Report.

Regarding recruitment, LocatED was given delegated authority to offer appointments at the numbers and salary ranges set out in the staff and pay framework that was agreed with HMT, except where the potential remuneration was in excess of £100,000, in which case the approval of the Department was also required. The Secretary of State approved all pay awards including performance related payments.

A system of internal control has been in place to govern spending in LocatED for the financial period ending 31 March 2021 and up to the date of approval of the Annual Report and Accounts.

### The organisation's governance framework

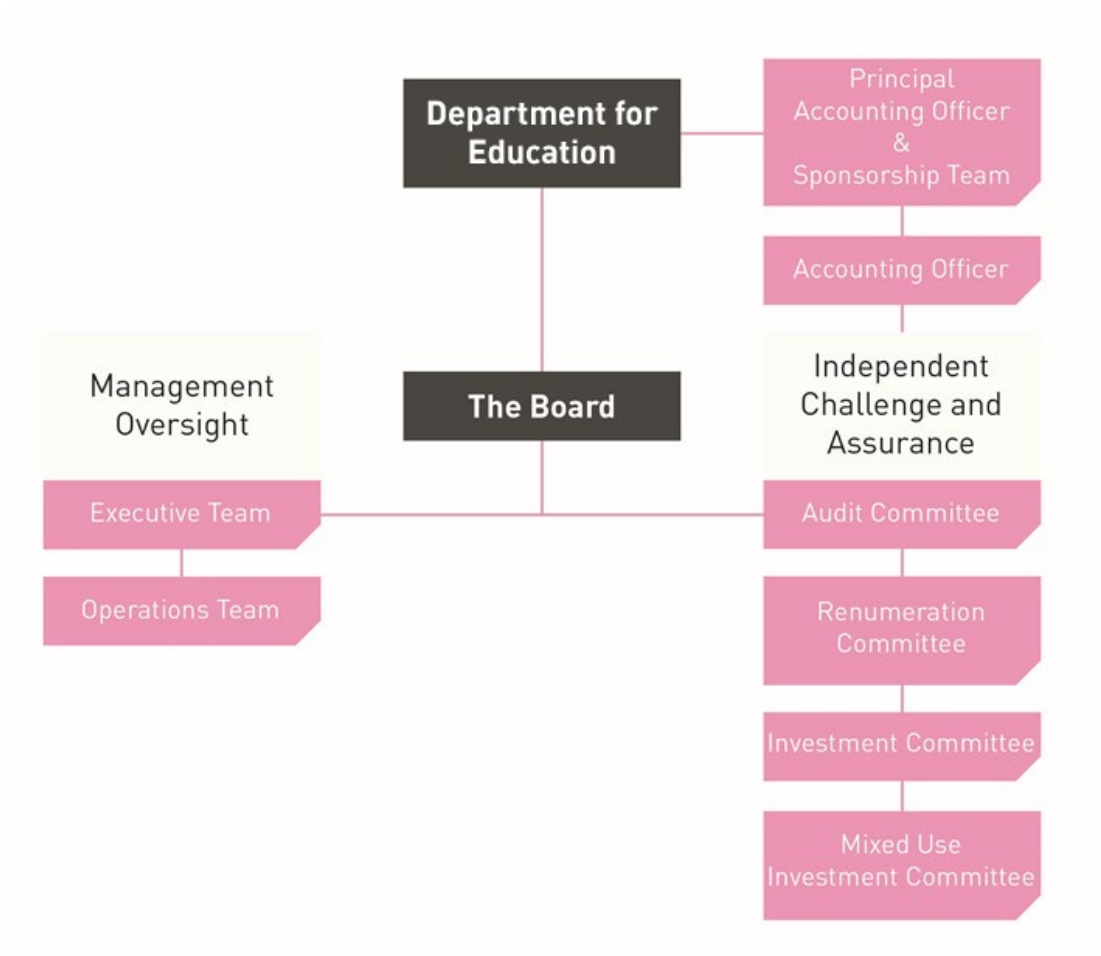
As sole shareholder, the Secretary of State resolved to adopt the Articles on 4 January 2017; these were subsequently approved by the LocatED Board on 22 February 2017 subject to amendment. The Secretary of State subsequently adopted the amended Articles on 7 March 2017.

LocatED's other governance documents of relevance to the current year consist of:

- The Framework Document dated 26 April 2017 and updated 13 September 2018, which specifies the broad corporate framework within which LocatED must operate. It sets out the roles and responsibilities of the Board, Chair and the Accounting Officer as well as LocatED's objectives. This document is underpinned by HMT's Managing Public Money and other government-wide corporate governance requirements and recommendations
- The annual letter dated 16 June 2020, which is referenced in the Framework Document. This sets out LocatED's detailed objectives, its funding for this financial year and KPIs against which it will be judged
- The letter dated 8 May 2017 from the Department's Accounting Officer appointing the Chief Executive as Accounting Officer
- The letter dated 10 June 2020 from the Permanent Secretary of the Department confirming LocatED's budget allocation for the financial year 2020-21

- The Keep Well Agreement between the Secretary of State and LocatED, pursuant to which the Secretary of State guarantees certain liabilities and obligations required to support LocatED as a going concern.

### The Board and committees



#### The Board

As at 1 April 2020 the Board consisted of the Chair, three Non-executive Directors, the Chief Executive and two Executive Directors. The Shareholder’s Observer is invited to attend the Board, Audit and Remuneration Committee meetings and receives all the relevant papers. The Board met for eight out of 12 months and each member, as well as the Shareholder’s Observer, was provided in advance with all the relevant information relating to the matters to be discussed.

#### Function

Establishing and taking forward the strategic aims and objectives of LocatED consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State. It provides leadership, strategic direction and specialist expertise as well as independent scrutiny to ensure that effective arrangements are in place for assurance on risk management, governance and internal controls. It provides independent perspective and assurance on capability, and independent support, guidance and challenge on the progress and implementation of the business plan. It scrutinises the performance of the



organisation in meeting agreed goals and objectives and monitors the reporting of performance, including financial targets.

<b>Member</b>	<b>Role</b>	<b>Meetings attended</b>
Michael Strong	Chair and Non-executive Director	8
Caroline Tolhurst	Non-executive Director	8
Phil Ellis	Non-executive Director	8
Julian Rudd-Jones	Non-executive Director	8
Lara Newman	Chief Executive	8
Alyson Gerner	Finance Director, Executive Director	8
Michael Wu	Legal Counsel and Company Secretary, Executive Director	8
Rory Kennedy, Shareholder's Observer or deputy	Director of Capital, DfE	8

### The Board's annual review of its own processes and practices

Presentations on a wide range of subjects relevant to the business continue to be provided before Board meetings and are regularly attended by Board members. The Board undertook a self-assessment exercise in February 2021, the results of which were reviewed by the Board in March 2021. As a result, further training is to be provided to Board members and the terms of reference for the Board and each Board committee are being updated.

On 13 January 2021, the Board confirmed that in 2020-21 the Board and committees had received papers in advance and in a format that provides them with the information that they require.

The Shareholder's Observer attends the Board and gives a summary of any new developments within the Department.

### Highlights of the Board and committee reports

During 2020-21, the Board took forward the strategic aims and objectives of LocatED whilst ensuring effective arrangements remain in place to provide assurance on risk management and governance. The Board provided challenge and scrutiny in respect of LocatED's expanded remit, in particular in respect of third party advice and the Department's Surplus Land for Housing Pilot. It also provided comments and advice in respect of LocatED's Corporate Plan.

The work of the Board is supported by four Board committees:

## **Audit Committee (AC)**

During 2020-21 the Audit Committee approved the Government Internal Audit Agency (GIAA) internal audit plan, the GIAA charter, the NAO's external audit plan and the Risk Management Strategy.

### **Function**

To advise the Board and provide assurance on processes for risk, controls, anti-fraud policies, whistleblowing arrangements, special investigations and governance, including the Governance Statement and the rest of the Annual Report and Accounts of LocatED. It also reviews planned activity and results from both internal and external audits and management reports. The Audit Committee Terms of Reference were adopted by the Board on 22 February 2017.

During 2020-21 the Audit Committee met three times. The membership and their attendance is listed below:

<b>Members</b>	<b>Meetings attended</b>
Caroline Tolhurst (Chair)	3
Phil Ellis	3

Other attendees by invitation are: LocatED Finance Director, LocatED Legal Counsel, representatives from the NAO, representatives from GIAA and the Shareholder's Observer.

## **Investment Committee (IC)**

During 2020-21 the Investment Committee assessed and approved 28 acquisitions and two disposals.

### **Function**

To approve all acquisitions, disposals and any other transactional decisions escalated to it by LocatED's Accounting Officer. The IC Terms of Reference were adopted by the Board on 15 July 2020 and then again 4 April 2021

During 2020-21 the Investment Committee met fifteen times. The membership and their attendance is listed below:

<b>Members</b>	<b>Meetings attended</b>
Julian Rudd-Jones (Chair)	15
Lara Newman	13
Phil Ellis	15

Other attendees by invitation are: LocatED Finance Director, LocatED Legal Counsel, Acquisitions Director, and Associate Director – Planning and Construction.

## Mixed-use Investment Committee (MUIC)

### Function

To approve mixed-use transactions and support the Board in discharging its responsibilities for ensuring that any proposed mixed-use activities, meet the terms of the commissioning instructions from the Department, the terms of the delegated authorities and mixed-use project acquisition criteria agreed with the Department (collectively the 'Mixed-use Requirements'). The MUIC Terms of Reference were adopted by the Board on 15 July 2020 and then again 4 April 2021.

During 2020-21 the Mixed-use Investment Committee met fifteen times.

The membership and their attendance is listed below:

<b>Members</b>	<b>Meetings attended</b>
Julian Rudd-Jones (Chair)	15
Lara Newman	11
Phil Ellis	15
Paul Mustow, Department for Education (or Nominated Deputy)	15

Other attendees by invitation are: LocatED Finance Director, Legal Counsel, Acquisitions Director, and Associate Director – Planning and Construction.

## Remuneration Committee (RC)

### Function

Operation of the pay framework outlined in the Framework Document, ensuring that the remuneration arrangements support strategic aims and enable the recruitment, motivation and retention of employees. The Remuneration Committee Terms of Reference were adopted by the Board on 22 February 2017.

During 2020-21 the Remuneration Committee met three times. The membership and their attendance is listed below:

<b>Members</b>	<b>Meetings attended</b>
Michael Strong (Chair)	3
Caroline Tolhurst	3

Other attendees by invitation are: LocatED Chief Executive, Shareholder's Observer, LocatED Chief People Officer.

## Risk management

### Key issues and risks facing the entity

LocatED's principal risk categories are shown below.

<b>Risk category</b>	<b>Definition</b>
Strategic	Risks that impinge on the effective and timely delivery of LocatED's strategic objectives.
Operational, performance & programme delivery	The risk that annual KPI and operating results may not meet departmental, management and stakeholder expectations, as a result of inadequate or failed internal processes, people and systems.
Financial	Risks that impinge the effective management of finances in accordance with financial regulation, legislation and standards and financial constraints.
Reputational & conduct risk	Risk arising from an adverse perception of LocatED and its activities by partners, stakeholders and the general public.
Regulatory, compliance & legal	The risk of a breach of laws, regulations, and/or codes of practice, or changes in regulation and/or law which might adversely impact LocatED's business.
Commercial	The risk of weakness in the management of commercial transactions, partnerships, supply chains and contractual requirements, resulting failure to meet business requirements and achieve value for money.
Political & economic	The risk that changes in the political and/or macro-economic environment might impact the achievement of business objectives.

Within these risk categories there are a number of unique risks to LocatED that it monitors and manages effective mitigation for. These risks result from the nature of its strategic objectives, corporate KPIs given by the Department and exposure to the commercial property market:

#### Site acquisition risk

- LocatED does not complete the required site acquisition commissions from the Department to meet demand for the free schools' programme
- The sites that LocatED acquires are not appropriate for the commission
- LocatED fails to achieve its Key Performance Indicators for value for money and timely delivery.

#### Site acquisition risk mitigation

The way in which LocatED manages its site acquisition risks are detailed below.

LocatED has recruited people that have the required commercial capability and expertise to find the right sites. These people are well engaged with the commercial property market and are experts in planning, construction, development, and site acquisition.

In addition, LocatED has an established and effective Programme Management Function and an Investment Committee that provides oversight and independent challenge for all acquisitions, assessing the suitability of the sites, the risks associated with them and value for money.

LocatED reports its achievement against its KPIs to its Board each month, identifies any risk to their achievement and proposes corrective action, it also reports this to the Department every quarter.

### **Asset management risk**

- LocatED manages sites on behalf of the Department; there is a risk that these sites do not comply with statutory legislation and health and safety.

#### **Asset management risk mitigation**

The newly awarded Facilities Management contract was mobilised in 2020-21 as well as a new Managing Agents contract also being awarded and mobilised. Together these two new contracts align procurement activities to their pertinent sector frameworks through Crown Commercial Service, effectively mitigating procurement risk.

### **Risk monitoring and escalation**

In 2016-17 LocatED developed a risk management strategy that was agreed by LocatED's Audit Committee in March 2017. The document was updated in January 2020 and reviewed in February 2021; and it has been fully implemented. The risks detailed in the Strategic Risk Register are reviewed by the relevant committees such as the Investment Committee and the Remuneration Committee and the Board every quarter. LocatED's Operational Management Team review on a rotating basis two risks detailed in the Operational Risk Register on a monthly basis. The Audit Committee reviews all risks from both Risk Registers each time it meets.

The Board and Audit Committee have risk management as a focus and scrutinise strategic risks, countermeasures, contingencies and advice to ensure LocatED is effectively managing the risks. There is also a joint risk register between LocatED and the Department and this is reviewed monthly at the LocatED Governance and Sponsorship meeting and at LocatED's Strategic Quarterly Performance Review.

Risks relating to acquisitions are detailed in the reports prepared for the Investment Committee and are used to inform decision-making.

LocatED has designed a robust system of governance, internal control and risk management to manage risk to an appropriate level rather than eliminate all risk of failure to achieve policies, aims and objectives. Therefore, it can only provide reasonable and not absolute

assurances of effectiveness. The system of internal control is based on an ongoing process designed to:

- Identify and prioritise the risks to the achievement of LocatED's delivery aims and objectives
- Evaluate the likelihood of those risks being realised and the impact should they be realised; and
- Take reasonable steps to manage them efficiently, effectively and economically.

### Sources of assurance

GIAA was appointed to provide LocatED with internal audit services from 1 April 2017. GIAA focuses on risk and prepares a risk-based audit plan.

GIAA carried out three audits in 2020-21: 1. Core Financial Controls; 2. Payroll 3. Acquisition of Land and one advisory report; Third Party Advice Process. In two of the three cases, the opinion given by GIAA was 'Moderate' which indicated that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control and in the case of Payroll the opinion given by the GIAA was 'Substantial' which indicated that the framework of governance, risk management and control is adequate and effective.

The GIAA's Head of Internal Audit has provided LocatED with her annual report, which incorporates her opinion on LocatED's system of governance, risk management and internal control. Her opinion has been informed by the internal audit work completed during the year, in line with the internal audit plan agreed by management and the Audit Committee. Of the four possible opinion ratings, the overall opinion rating given was Moderate. This indicates a relatively stable assurance position. LocatED has accepted this assessment and has either implemented or is working to implement the suggested improvements.

### Countering fraud, error and debt

In the year to 31 March 2021 no fraud was detected in relation to LocatED's transactions.

### Knowledge, information assurance and protective security

LocatED has established and implemented an information asset process consistent with Department requirements and has established its own data protection policy with Board approval. It has also taken significant steps to ensure compliance with the General Data Protection Regulations (GDPR), strengthening its data protection policy, delivering training to employees, appointing a Data Protection Officer and ensuring that any contracts it enters into, are GDPR compliant.

LocatED still operates on the same technology platform as the Department and LocatED's Accounting Officer remains the Senior Information Responsible Owner (SIRO).

## Report on personal information breaches

All NDPBs are required to report personal data-related incidents that have occurred during the financial year in accordance with the standard disclosure format issued by the Cabinet Office.

The Cabinet Office defines a 'personal data-related incident' as a loss, unauthorised disclosure or insecure disposal of protected personal data. 'Protected personal data' is data that a department, or its delivery partner, agrees the release or loss of which could cause harm or distress to individuals:

- Information that links one or more identifiable living person with information about them, the release of which would put the person or persons at significant risk of harm or distress
- Any source of information about 1,000 or more identifiable individuals, other than information sourced from the public domain.

LocatED had no protected personal data-related incidents that it judged significant enough to report formally to the Information Commissioner's Office in 2020-21 and it had no protected personal data-related incidents reported in 2020-2021 that were significant enough for the Department to record centrally. This was the same in 2019-20.

## Conclusion

In the year to 31 March 2021 LocatED had developed a sound system of governance, risk management and internal control.

**The report was approved by the Board and signed for and on behalf of the Board by:**



**Lara Newman**

Chief Executive and Accounting Officer  
1 September 2021

LocatED Property Limited,  
6<sup>th</sup> Floor, Roxburghe House,  
273-287 Regent Street  
London, W1B 2HA

## 5. REMUNERATION AND STAFF REPORT

### Chief Executive and Board members' remuneration policy

The Chief Executive and all staff are paid in accordance with the Pay Framework provided by the Department and agreed with HMT that sets out the pay ranges and benefits for all members of staff. LocatED manages performance and non-consolidated performance awards for staff in accordance with the Framework Document and Pay Framework.

The Chief Executive has a permanent contract, subject to six months' notice by either party. The Legal Counsel and Finance Director are on secondment from the Department and their appointments are fixed. The Chair and Non-executive Directors that remain in post and are covered by this report hold appointments as follows; Caroline Tolhurst and Julian Rudd-Jones have a contract that expires on 31 March 2024 and Michael Strong and Phil Ellis have a contract that expires on the 31 March 2023.

Early termination for Executive Directors (who are not secondees), other than for misconduct, would result in the individual receiving statutory compensation payments.

### Remuneration (salary, fees, performance related pay (PRP) and pensions) of Directors of LocatED (subject to audit)

Director	Salary *	PRP Payments	Pension Benefits	Total	Salary	PRP Payments	Pension Benefits	Total
	2020-21 £'000	2020-21 £'000	2020-21 £'000	2020-21 £'000	2019-20 £'000	2019-20 £'000	2019-20 £'000	2019-20 £'000
Lara Newman Chief Executive	200-205	35-40	13	250-255	195-200	30-35	12	240-245
Michael Wu Legal Counsel	95-100	-	28	120-125	95-100	0-5	28	125 -130
Alyson Gerner Finance Director	95-100	5-10	29	135-140	95-100	-	29	125-130
Michael Strong Chair and Non-executive Director	20-25	-	-	20-25	20-25	-	-	20-25
Caroline Tolhurst Non-executive Director	15-20	-	-	15-20	10-15	-	-	10-15
Jayne Maclennan Non-executive Director (resigned 31 March 2020)	0	-	-	0	10-15	-	-	10-15
Phil Ellis Non-executive Director	15-20	-	-	15-20	10-15	-	-	10-15



Director	Salary *	PRP Payments	Pension Benefits	Total	Salary	PRP Payments	Pension Benefits	Total
	2020-21 £'000	2020-21 £'000	2020-21 £'000	2020-21 £'000	2019-20 £'000	2019-20 £'000	2019-20 £'000	2019-20 £'000
Julian Rudd-Jones Non-executive Director	15-20	-	-	15-20	10-15	-	-	10-15

\* 'Salary' includes gross salary; recruitment and retention allowances, and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by LocatED and thus recorded in the accounts. The Non-executive Directors receive fees.

## Notes

- Alyson Gerner and Michael Wu are on secondment. Alyson Gerner's secondment ends on the 31 March 2023 and Michael Wu's on the 31 March 2022. £163k was paid to the Department in respect of the Director's services of Michael Wu and £177k was paid to the Department in respect of the Director's services of Alyson Gerner. These figures include salary, pension, employer social security costs and VAT. In addition in 21-22 a further £18k will be paid to the Department for a payment owed to HMRC for Alyson Gerner for the period 1<sup>st</sup> April 19 to the 31<sup>st</sup> March 2020.

The Non-executive Directors are not entitled to be part of LocatED's pension scheme or receive payments under the Performance Related Pay scheme.

## Fair pay disclosure (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

The Hutton fair pay disclosure for LocatED is as follows:

Remuneration	2020-21	2019-20
Band of highest paid director's remuneration	£235,000-£240,000	£230,000-£235,000
Median	£71,976	£69,750
Range of staff remuneration (£)	£25k to £30k - £235k to £240k	£20k to £25k - £230k to £235k
Remuneration ratio from the mid-point of the band of the highest paid director to the median	3.30	3.33

Remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash

equivalent transfer value of pensions. In 20-21 secondee costs are included as mandated by the Hutton Fair Pay Disclosure guidance and for that reason the 19-20 figures have been restated as follows; the median has been changed for £66,669 to £69,750 and the remuneration from the midpoint of the band of the highest paid director to the median has been changed from 3.49 to 3.33.

The banded remuneration of the highest paid director in 2020-21 was £235,000-£240,000. This was 3.30 times the median of the workforce which was £71,976.

There was a movement in the median from £69,750 to £71,976 owing to a pay rise, some secondment agreements coming to an end and recruiting people at different salaries during the year.

**Pension benefits (subject to audit).**

	Accrued pension and related lump sum at pension age as at 31 March 2021	Real increase in pension and related lump sum at pension age	CETV at 31 March 2021	CETV at 31 March 2020	Real increase in CETV	Employer contribution to pension account
	£000	£000	£000	£000	£000	£000
Alyson Gerner	45-50 plus a lump sum of 110 – 115	0-2.5 plus a lump sum of 0 -2.5	961	900	27	29
Michael Wu	25-30 pension	0-2.5 pension	379	336	22	28

The Chief Executive, Lara Newman pays into a personal pension plan. LocatED contributed £13k to that plan. Alyson Gerner and Michael Wu are members of the defined benefit Civil Service Pension Scheme, therefore they will benefit from employer contributions, however these are made by their actual employer, the Department, and not LocatED, as they are secondees.

**Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A cash equivalent transfer value is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued because of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the principal pension scheme and also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. Cash equivalent transfer values are worked out in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from lifetime allowance tax which may be due when pension benefits are taken.

### Average staff numbers and staff costs (subject to audit)

The details of the staff costs are included in the Financial Statements, Note 2.

Category of staff	Average headcount in the period to 31 March 2021	Headcount as of 31 March 2021	Average headcount in the period to 31 March 2020
Permanent	52.5	51	47.8
Contractors/Agency	0	0	0
Secondees	3.83	3	5.3
<b>Total</b>	<b>56.33</b>	<b>54</b>	<b>53.1</b>

### Performance Related Pay

LocatED awards performance related pay as part of the performance management process. LocatED sees effective performance management as key to driving up individual and organisational performance and providing greater value for money to deliver high-quality public services. LocatED has a performance management process that is agreed with the Remuneration Committee and is in line with the Pay Framework and Framework Document. The performance-related pay amounts reported relate to performance in 2020-21.

### Sickness absence

During the period, LocatED lost 0.36 days per person (0.39 days per person in the period to 31 March 2020) to sickness absence.

### Compensation payments to past Directors and payments for loss of office (subject to audit)

No compensation payments or payments for loss of office have been made to past Directors of LocatED.

### People management

LocatED staff are classified as being public sector and are employed on terms and conditions agreed by HMT. Recruitment of staff is within the parameters provided in the Pay Framework and Framework Document.

At the end of March 2021 LocatED's staff headcount figures, for permanent (UK) staff with an employment contract (including three people who are seconded to LocatED but on permanent contracts with the Department), were as follows:

<b>Title</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Chief Executive		1	1
Director/Head of Department	3	1	4
Associate Director	4	2	6
Senior Manager	6	1	7
Manager	17	5	22
Corporate Support	3	3	6
EA, PA & Assistant		4	4
Graduate	3	1	4
<b>Total</b>	<b>36</b>	<b>18</b>	<b>54</b>

### Off-payroll engagements

As part of the Review of Tax Arrangements of Public Sector Employees published by the Chief Secretary to the Treasury on 23 March 2012, Departments were directed to publish information pertaining to the number of off-payroll engagements, at a cost of over £58,200, that were in place on, or after, 31 January 2012 and any off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021.

There were no off-payroll engagements of Board members, and/or senior officials with significant financial responsibility in the period to 31 March 2021.

There were no arrangements that existed as of 31 March 2021 for more than £220 per day and that lasted longer than six months.

There were no new off-payroll engagements or those that reached six months in duration between 1 April 2020 and 31 March 2021 for more than £220 per day that lasted for longer than six months.

### Staff exit packages (subject to audit)

There were no staff exit packages in 2020-21 (2019-20: nil).

## Pension schemes

LocatED offers a defined contribution workplace pensions scheme in the United Kingdom for its employees. Employee contributions are salary-related and range between 4% and 6% of earnings. The employer matches that contribution up to a total of 6% of basic pay.

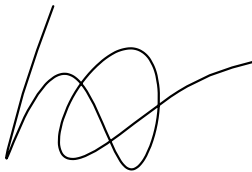
For 2020-21, LocatED made employer's contributions of £179k (2019-20: £154k).

## Employee relations and communications

LocatED's people plan outlines the workforce vision and the people priorities that will support it in delivering its objectives until 2023. LocatED's Executive Management Team agreed the plan and oversees progress. LocatED's priorities include developing employees to improve both core and specialist skills, promoting a positive culture and supporting line managers.

LocatED has regular performance reviews to identify training needs and create individual training programmes that support professional qualifications. It monitors its progress in reducing skills gaps by regular reviews and analysing the effectiveness of completed training. LocatED also uses questionnaires to monitor satisfaction and wellbeing levels of its employees.

**The report was approved by the Board and signed for and on behalf of the Board by:**



**Lara Newman**

Chief Executive and Accounting Officer  
1 September 2021

LocatED Property Limited,  
6<sup>th</sup> Floor, Roxburghe House,  
273-287 Regent Street  
London, W1B 2HA

## 6. PARLIAMENTARY ACCOUNTABILITY REPORT

**Losses (subject to audit)** – there were no losses in 2020-21 (2019-20: nil).

**Special payments, including severance payments (subject to audit)** – there were no special payments in 2020-21 (2019-20: nil).

**Gifts (subject to audit)** – there were no gifts made in 2020-21 (2019-20: nil).

**Fees or charges that required notification to Parliament (subject to audit)** – there were no fees or charges in 2020-21 that required notification to Parliament in 2020-21 (2019-20: nil).

# Independent Auditor's report to the Shareholder of LocatED Property Limited

## Opinion on financial statements

I have audited the financial statements of LocatED Ltd for the year ended 31 March 2021 which comprise the statement of financial position, statement of comprehensive net expenditure, statement of cashflows, statement of changes in taxpayers' equity and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the International Accounting Standards in conformity with the requirements of the Companies Act 2006.

I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of LocatED Ltd's company's affairs as at 31 March 2021 and of LocatED Ltd's net expenditure for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinion(s)

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities/ public interest entities. I am independent of LocatED Ltd in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that LocatED Ltd's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on LocatED'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.



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

### Other Information

The other information comprises information included in the annual report, but does not include the parts of the of the Remuneration Report described in that report as having been audited, the financial statements and my auditor's report thereon. The directors are responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### Opinion on other matters prescribed by the Companies Act 2006

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 2006;
- the information given in the Strategic and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

### Matters on which I report by exception

In the light of the knowledge and understanding of LocatED Ltd and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic report or the Directors' report.

I have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit.

### Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;

- internal controls as directors determine is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- assessing LocatED Ltd'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 directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with applicable law and International Standards on Auditing (ISAs) (UK).

My 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 a report that includes my 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud. My procedures included the following:

- Inquiring of management, LocatED Ltd's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to LocatED Ltd's policies and procedures in relation to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including LocatED Ltd's controls relating to the Companies Act 2006.
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: posting of unusual journals;
- obtaining an understanding of LocatED Ltd's framework of authority as well as other legal and regulatory frameworks that LocatED Ltd operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of LocatED Ltd. The key laws and regulations I considered in this context included the Companies Act 2006, Managing Public Money, employment, taxation and pensions legislation.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;

- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my report.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Peter Morland (Senior Statutory Auditor)

07 September 2021

For and on behalf of the  
Comptroller and Auditor General (Statutory Auditor)  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

## 7. FINANCIAL STATEMENTS

### Statement of Comprehensive Net Expenditure for the year ended 31 March 2021 (SoCNE)

	Note	2020-21 £000	2019-20 £000
Staff costs	2	5,042	4,742
Expenditure	3	4,493	4,535
<b>Total operating expenditure</b>		<b>9,535</b>	<b>9,277</b>
<b>Net expenditure for the year</b>		<b>9,535</b>	<b>9,277</b>
<b>Other comprehensive expenditure</b>		-	-
<b>Total other comprehensive expenditure</b>		-	-
<b>Comprehensive net expenditure for the year</b>		<b>9,535</b>	<b>9,277</b>

All income and expenditure reported in the Statement of Comprehensive Net Expenditure are derived from continuing operations.

The notes on pages 44 to 50 form part of these Accounts.

**Statement of Financial Position as at 31 March 2021 (S0FP)**

	Note	31 March 2021 £000	31 March 2020 £000
<b>Non-current assets:</b>			
Property, plant and equipment	4	2	3
<b>Total non-current assets</b>		<b>2</b>	<b>3</b>
<b>Current assets</b>			
Prepayments	5	48	17
Cash and cash equivalents	6	1,462	1,600
<b>Total current assets</b>		<b>1,510</b>	<b>1,617</b>
<b>Total assets</b>		<b>1,512</b>	<b>1,620</b>
<b>Current liabilities</b>			
Payables	7	(1,652)	(2,109)
<b>Total current liabilities</b>		<b>(1,652)</b>	<b>(2,109)</b>
<b>Total assets less current liabilities</b>		<b>(140)</b>	<b>(489)</b>
<b>Assets less liabilities</b>		<b>(140)</b>	<b>(489)</b>
<b>Taxpayers' equity:</b>			
General fund		(140)	(489)
<b>Total taxpayers' equity</b>		<b>(140)</b>	<b>(489)</b>

The notes on pages 44 to 50 form part of these Accounts.

The financial statements were approved for issue by the Board of Directors on 15 July 2021



**Lara Newman**

Chief Executive and Accounting Officer  
1 September 2021

LocatED Property Limited,  
6<sup>th</sup> Floor, Roxburghe House,  
273-287 Regent Street  
London, W1B 2HA

## Statement of Cash Flows for the year ended 31 March 2021

	Note	2020-21 £000	2019-20 £000
<b>Cash flows from operating activities</b>			
Net operating cost	SoCNE	(9,535)	(9,277)
Adjustments for non-cash transactions		1	1
Decrease/(Increase) in receivables	5	(31)	35
Increase/(Decrease) in payables	7	(457)	43
<b>Net cash outflow from operating activities</b>		<b>(10,022)</b>	<b>(9,198)</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE	4	-	-
<b>Net cash outflow from investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Grant-in-aid from sponsor department	SoCTE	9,884	10,514
<b>Net cash inflow from financing activities</b>		<b>9,884</b>	<b>10,514</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(138)</b>	<b>1,316</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>1,600</b>	<b>284</b>
<b>Cash and cash equivalents at end of the year</b>		<b>1,462</b>	<b>1,600</b>

The notes on pages 44 to 50 form part of these Accounts.

**Statement of Changes in Taxpayers' Equity for the year ended 31 March 2021**

	Note	General Fund £000	Total £000
<b>Balance at 31 March 2019</b>		<b>(1,726)</b>	<b>(1,726)</b>
<b>Issue of Share Capital</b>		-	-
<b>Grant-in-aid from sponsor Department</b>		<b>10,514</b>	<b>10,514</b>
<b>Comprehensive expenditure for the year</b>		<b>(9,277)</b>	<b>(9,277)</b>
<b>Balance at 31 March 2020</b>		<b>(489)</b>	<b>(489)</b>
Issue of Share Capital		-	-
Grant-in-aid from sponsor Department		9,884	9,884
Comprehensive expenditure for the year		(9,535)	(9,535)
<b>Balance at 31 March 2021</b>		<b>(140)</b>	<b>(140)</b>

The General Fund represents total assets less liabilities.

The notes on pages 44 to 50 form part of these Accounts.

## 8. NOTES TO THE ACCOUNTS

### Note 1 – Accounting policies

#### 1.1 Statement of accounting policies and compliance

LocatED Property Ltd is a limited liability company incorporated in England. The registered office is 6<sup>th</sup> Floor, Roxburghe House, 273-287 Regent Street, London, W1B 2HA.

LocatED has prepared these accounts for the period to the 31 March 2021 in accordance with the Companies Act 2006 and International Financial Reporting Standards (IFRS) as adopted by the European Union, and the Financial Reporting Manual (FReM) issued by HMT where this does not conflict with the Companies Act 2006. The accounting policies contained in the manual apply IFRS as adapted or interpreted for the public sector.

Where the manual permits a choice of accounting policy, LocatED has selected the accounting policy most appropriate to the particular circumstances of LocatED to give a true and fair view. LocatED has applied these policies consistently in dealing with items considered material in relation to the accounts and has produced the accounts using accruals accounting.

The figures are rounded to the nearest £000 and all figures are presented in £ sterling.

Regarding IFRS 17 Accounting for Insurance Contracts, that will become effective on the 1<sup>st</sup> January 2023, LocatED have reviewed this will have no impact on LocatED's financial reporting as LocatED has no insurance contracts.

#### 1.2 Going concern

These accounts have been prepared on a going-concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The Directors have reviewed the forward plans of the Department. Funding from the Department, taking into account the amount required to meet LocatED's liabilities falling due in the year, has already been included in the Department's Estimate for the year. Parliament has approved the Estimate and there is no reason to believe that the Department's sponsorship and future Parliamentary approval will not be forthcoming.

On the 2 December 2019 HM Treasury approved the business case for LocatED to continue for a further three years, up to 31 March 2023. In autumn 2022 the Department will submit a further business case to HMT for LocatED's operation beyond March 2023.

In addition, the Department has provided LocatED with a Keep Well agreement signed on behalf of the Secretary of State. This guarantees that if LocatED at any time determines that it will not have available to it sufficient cash or other liquid assets to meet its payment obligations in connection with its business activity, then it will promptly notify the Secretary of State (via the Department's Accounting Officer) of the shortfall and the Secretary of State will make available to LocatED, as soon as is reasonably practicable, funds sufficient to enable it to meet such payment obligations in full. LocatED will use the funds made available to it by the



Secretary of State solely for the discharge when due of such payment obligations. The funds will be provided to LocatED in the form of a Grant-in-Aid.

### **1.3 Critical accounting judgements and key sources of estimation uncertainty**

LocatED has made judgements in the preparation of these accounts, with regard to accruals where no invoice has been received. LocatED based these judgements on historic and other factors that it believes to be reasonable.

### **1.4 Grant-in-aid from the sponsoring department**

LocatED has recorded all grant-in-aid by the Department as financing, since LocatED regards grant-in-aid as contributions from LocatED's controlling party giving rise to a financial interest. LocatED records grant-in-aid as financing in the statement of cash flows and credits Grant-in-Aid to the general fund.

### **1.5 Financial liabilities**

LocatED classifies financial liabilities, where appropriate, as financial liabilities measured at amortised cost (face value plus any discounts). Financial liabilities include trade and other payables.

### **1.6 Trade and other payables**

Trade and other payables, including accruals, are generally not interest bearing and LocatED states them at their face value on initial recognition.

### **1.7 Cash and Cash Equivalents**

Cash comprises cash in hand, held in LocatED's bank account.

In accordance with IAS 7 Statement of Cash Flows the Company presents balances as cash in the Statement of Financial Position and Statement of Cash Flows.

### **1.8 Employee benefits**

LocatED offers staff a defined contribution scheme where LocatED matches the employee's contribution up to a maximum of 6% of gross salary, and this contribution is recorded as expenditure in the Statement of Comprehensive Net Expenditure.

### **1.9 Value Added Tax**

LocatED is not registered for VAT as it had no VAT taxable turnover in 2020-21. All expenses are presented inclusive of VAT.

### **1.10 Segmental reporting**

In accordance with IFRS 8: Operating Segments (IFRS 8), LocatED has considered the need to analyse its income and expenditure relating to operating segments. LocatED has assessed that all lines of operation fall within the same geographical location and regulatory environment as envisaged by IFRS 8.

### **1.11 Corporation Tax**

LocatED did not incur any Corporation Tax in 2020-21 as it made no supply of goods or services, so did not generate any taxable surplus; however, it will submit the statutory return to HMRC.

### **1.12 Leases**

A new standard, IFRS 16 Leases, was issued in January and came into effect for LocatED from 1 April 2019. The standard simplifies the classification and measurement of leases within financial statements by introducing a single lessee accounting model, removing the distinction of leases between recognising an operating lease (off-balance sheet financing) and a finance lease (on-balance sheet financing).

The standard requires recognition of all leases which last over 12 months to be recognised as a finance lease. This will result in the recognition of a right-to-use asset, measured at the present value of future lease payments, with a matching liability. The pattern of the expenditure will result in the depreciation of the right-to-use asset and an associated finance cost being recognised. LocatED has reviewed its contracts and currently does not have any leases, as such the new standard does not have an impact on the LocatED account.

### **1.13 Structure of LocatED**

Ultimate parent and parent – the immediate parent undertaking and ultimate controlling party of LocatED is the Secretary of State for Education. LocatED's accounts are consolidated into the Department's accounts.

### **1.14 Shared services**

LocatED's operating model uses a range of shared services provided by the Department: Financial Accounting, Financial Management, Payments and Treasury Management, Information Technology and Property Management Services (in relation to LocatED's office premises).

**Note 2 - Staff costs**

	2020-21			2019-20		
	Permanently employed staff	Others*	Total	Permanently employed staff	Others*	Total
	£000	£000	£000	£000	£000	£000
Wages and salaries	3,853	546	4,399	3,397	717	4,114
Social security costs	464	-	464	474	-	474
Pension costs	179	-	179	154	-	154
	<b>4,496</b>	<b>546</b>	<b>5,042</b>	<b>4,025</b>	<b>717</b>	<b>4,742</b>

\*Others are secondees which is why LocatED have not paid social security costs direct to HMRC or contributed to their pensions.

**Note 3 - Operating expenditure**

	2020-21 £000	2019-20 £000
Property pre-acquisition costs	3,453	3,262
Property disposal costs *	237	244
Staff-related costs	60	94
Consultancy and other professional fees	51	38
Board costs	81	85
Premises costs including rates and service charges	385	296
Utilities	3	5
Catering	-	12
Marketing	43	80
IT and telecommunications costs	25	45
Travel and subsistence	39	269
Audit fees**	112	100
Other expenditure	3	4
Depreciation	1	1
<b>Total</b>	<b>4,493</b>	<b>4,535</b>

\*In 20-21 a decision was taken to split out the property disposal costs from the property pre-acquisition costs to increase transparency and to allow comparison the pre-acquisition costs for 2019-20 have been restated.

\*\* The NAO auditor's remuneration relates to fees payable for the audit of the statutory annual accounts. The NAO fee was £51,000 including VAT for 2020-21 and £58,200 including VAT for 2019-20. The auditors did not provide any non-audit services. The figure for Audit fees for 2020-21 includes the cost of internal audit.

#### Note 4 – Property, plant and equipment

	2020-21	2019-20
	£000	£000
Furniture and fittings		
<b>Cost or Valuation</b>		
At 1 April	5	5
Additions	-	-
Reclassifications	-	-
<b>At 31 March</b>	<b>5</b>	<b>5</b>
<b>Depreciation</b>		
At 1 April	(2)	(1)
Depreciation charge	(1)	(1)
<b>At 31 March</b>	<b>(3)</b>	<b>(2)</b>
<b>Carrying value at 31 March</b>	<b>2</b>	<b>3</b>

#### Note 5 - Prepayments

	2020-21	2019-20
	£000	£000
Prepayments	48	17
<b>Total current prepayments due within one year</b>	<b>48</b>	<b>17</b>

**Note 6 - Cash and equivalents**

	<b>2020-21</b>	<b>2019-20</b>
	<b>£000</b>	<b>£000</b>
Balance at 1 April	1,600	284
Net change in cash and cash equivalent balances	(138)	1,316
<b>Balance at 31 March</b>	<b>1,462</b>	<b>1,600</b>
The following balances are held at:		
<b>Cash at bank and in hand:</b>		
Government Banking Service	1,462	1,600
Commercial banks	-	-
Cash held with solicitors	-	-
<b>Balance at 31 March</b>	<b>1,462</b>	<b>1,600</b>
<b>Overdrafts:</b>		
Government Banking Service	-	-
Commercial banks	-	-
<b>Balance at 31 March, net of overdrafts</b>	<b>1,462</b>	<b>1,600</b>

**Note 7 - Payables**

	<b>2020-21</b>	<b>2019-20</b>
	<b>£000</b>	<b>£000</b>
Trade payables	383	99
Tax and social security	121	110
Accruals	1,148	1,900
<b>Total payables due within one year</b>	<b>1,652</b>	<b>2,109</b>

## Note 8 - Related party transactions

LocatED is an Arms-length Body of the Department for Education. The Department is regarded as a related party. During the year LocatED has a number of material transactions with the department:

- All of LocatED's Grant-In-Aid was received from the Department.
- LocatED provides services to, and receives funding from, the Department pursuant to the terms and conditions set out in the Framework Document.
- Michael Wu and Alyson Gerner are employees of the Department and are seconded to LocatED. £163k was paid to the Department in respect of the Director's services of Michael Wu and £177k was paid to the Department in respect of the Director's services Alyson Gerner. These figures include salary, pension, employer social security costs and VAT. In addition in 21-22 a further £18k will be paid to the Department for a payment owed to HMRC for Alyson Gerner for the period 1<sup>st</sup> April 19 to the 31<sup>st</sup> March 2020.
- £384.60 was spent with Noble HR for criminal record checks. Julie Noble, LocatED's Chief People Officer is a Director of Noble HR.

## Note 9 – Shareholder capital and dividends

### Share capital

The company issued one £1 Ordinary share for a consideration of £1 on 20 September 2016. The sole shareholder is the Secretary of State for Education. Following the issue of the share, the issued share capital of the company is £1.

### Dividends

The company has not paid any dividends during the period and no dividends are proposed by the Directors.

## Note 10 – Events after the reporting period

### Covid-19

There are no adjustments arising from events that occurred after the year end in relation to COVID-19 or other causes. LocatED continue to operate effectively despite the pandemic.

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