



LocatED Property Limited

Annual report and accounts

for the year ended 31 March 2022

Company Number 10385637

HC 937



LocatED Property Limited

A non-departmental public body

Annual report and accounts 2021-2022

For the period 1 April 2021 to 31 March 2022

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

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CONTENTS

1. Strategic Report.....	1
2. Directors' Report	12
3. Statement of the Directors' and the Accounting Officer's Responsibilities.....	17
4. Governance Statement.....	19
5. Remuneration and Staff Report	28
6. Parliamentary Accountability Report	36
7. Financial Statements	42
8. Notes to the accounts	46

1. STRATEGIC REPORT

Chair's Statement

Michael Strong, Board Chair



I am pleased to report that 2021-22 has been another successful year for LocatED. The company has continued to make best-value acquisitions for school developments; manage a portfolio of assets on behalf of the Department for Education (DfE or the Department) to generate financial benefits for the taxpayer; dispose of surplus sites at optimum value; and facilitate the development of complex and mixed-use projects. Above all, LocatED has continued to make a positive impact for pupils, families, schools, colleges, and the Government.

As an arm's-length body to the DfE, LocatED was set up to be agile, to work at pace, and to deliver value for money to the public. This has never been more important as the property sector faces new challenges in the wake of the pandemic, the UK's withdrawal from the EU, the war in Ukraine and the subsequent impacts on global and UK supply chains including significant construction cost inflation and barriers to product availability. I am very proud of how LocatED's specialist team has worked adaptively and proactively to meet these challenges and mitigate risk; for example, reviewing material selection to improve supply chain resilience and cost certainty, and actively engaging with local planning authorities alongside contractors to support the use of alternate products.

I would like to take this opportunity to thank the LocatED Executive Team, Property Teams, and support staff for their invaluable contributions to the company's performance this year. I would also like to thank my Non-executive Directors for their ongoing commitment to LocatED and the excellent guidance and support they continue to provide. I am very grateful, too, for the support of our clients and partners, particularly the DfE and our Sponsorship Team.

Following LocatED's achievements in 2021-22, I am delighted that its Full Business Case for 2023-25 received approval from the DfE Investment Committee, Cabinet Office and HM Treasury. This will enable LocatED to continue its successful trajectory over the coming years. The Business Case will see LocatED's core remit – covering acquisitions, disposals, asset management, property advice and mixed-use development – expanded to include estate efficiency initiatives, further education estate advice, and cross-government partnerships to share LocatED's extensive property experience, promote best practice, and encourage collaboration. This broadened scope of work will help bolster the Department's capital programmes, make additional efficiencies and improvements to the education estate, and contribute to the levelling up agenda.

Since late 2017, LocatED and the DfE have investigated how the education estate can support the cross-government aim of increasing the delivery of housing in England, while also unlocking value in

land to release capital for reinvestment back into schools. I am pleased, therefore, that LocatED's expanded remit will see its estate efficiency workstreams continue to grow over the next few years. This includes progressing the viable sites identified by the Surplus Land for Housing Pilot, which seeks to address both these issues. As we conclude 2021-22, three sites are at an advanced stage. These include a former secondary school site in Chatham which would deliver approximately 100 new homes, including much needed affordable housing and an ambitious mixed-use development scheme that aims to deliver a new fully funded primary school. LocatED and the DfE are also investigating opportunities for underutilised land, both to support the delivery of housing and the potential for other uses, such as commercial development, green energy, and biodiversity net gain.

In 2021-22, LocatED worked on 26 further education commissions covering acquisitions, disposals, and development advisory. The company's expanded remit will see its further education workstreams continue to grow to support the DfE's strategic priorities for the further education estate. It has never been more important that colleges have well-managed, efficient, and fit-for-purpose estates, to support the national skills agenda both now and in the future. A substantial proportion of the further education estate is in poor and declining condition, particularly in the context of wider Government commitments to achieve net zero carbon by 2050 and biodiversity net gain. Over the coming years, LocatED will apply its significant expertise in the delivery of estate rationalisation, disposal, and development projects to support the DfE and Education and Skills Funding Agency (ESFA) in ensuring England's colleges are excellent places to learn.

As the country takes further steps to rebuild post-pandemic, I look forward to seeing how LocatED's expanded remit will further increase the excellent value it brings to the DfE, the Government, and the communities it serves.

Chief Executive's perspective on performance

Lara Newman, Chief Executive



LocatED was set up to be the DfE's go-to property expert for the education estate, and our excellent performance in 2021-22 continues to demonstrate the significant value that we add.

Our performance is monitored by the DfE, which sets and tracks seven key performance indicators (KPIs). I am pleased that in 2021-22, we achieved five "exceptional" ratings, one "good" rating, and one "acceptable" rating, testament to the hard work and dedication of our team, particularly in the face of the

ongoing impact of the pandemic.

LocatED was originally established to acquire land for new free schools on behalf of the DfE, and we continue to deliver on this objective. This year our Property Team exchanged on 22 site acquisitions, exceeding the target set by the DfE. The team worked at pace, remaining agile and responsive in a complex and competitive market, to complete acquisitions in an average of 10.8 months – rated "exceptional" by the DfE.

We are uniquely placed to interact with the commercial market, and we have a deep understanding of both the property sector and the education estate. This enables us to drive and optimise value for the DfE, the Secretary of State, and the public. Our Property Team completed six disposals last year, achieving £5.9m above their Red Book Value for taxpayers, and an “exceptional” KPI rating. We were also rated “exceptional” with respect to our savings on site management; through meticulous oversight of a portfolio of 90 sites, our Asset Management Team facilitated £4.4m of income and savings for the public purse.

The approval of our Business Case for 2023-25 builds on our broadened scope of commissions this year. The expansion of our core remit will enable us to contribute to, and continue to add value to, the delivery of the DfE’s strategic priorities across even more workstreams and meet evolving Government objectives.

This year we have brought our specialist property expertise to deliver complex developments during the height of the pandemic. This includes School 360, Stratford, a new 420-place primary school on an incredibly constrained site within the wider Sugar House Island masterplan. Spread over three storeys, the unique building features interfacing classrooms, open-theatre areas, a specialist indoor sports hall, and outdoor play areas both at ground level and on the rooftop. Opening its doors to pupils this year, the school sits at the heart of the burgeoning Sugar House Island community, and I was pleased to see this innovative mixed-use development shortlisted for the SPACES Civic Building of the Year Award.

Over the past few years, our multidisciplinary team has supported the DfE Higher/Further Education Directorate and the ESFA with strategic property, development, and transaction advice on more than 50 commissions. I am delighted, therefore, that LocatED’s third Business Case will see this further education work included in our core remit.

Our work with Morley College, situated in the heart of the community impacted by the Grenfell Tower tragedy in Kensington, demonstrates our expertise with complex further education advice commissions and our collaborative approach. Since 2018, we have worked with a range of public bodies to ensure the community’s vital further education provision is retained. LocatED is now overseeing the delivery of the full contracted works, which began this year. The college is still occupying the site while work is underway, so effective co-operation and stakeholder engagement has been critical to ensuring that teaching continues safely and effectively.

As Michael has noted, our new Business Case will also see the expansion of our estate efficiency workstreams, building on our work to date in supporting the education estate to self-fund improvements and release land for much-needed housing. In addition, LocatED and the DfE continue to explore how the estate efficiency workstream can support existing capital programmes, such as the School Rebuilding Programme (SRP). LocatED has advised the DfE on acquisitions and disposal matters, in addition to a review of the development potential of 60 sites identified as part of Waves 1 and 2. This identified a significant amount of surplus land with the potential to release substantial capital back into the programme. To maximise the chances of success, we will work in partnership with local authorities and other public sector organisations, including One Public Estate.

Since our launch, we have facilitated more than 100,500 potential new school places across England – a fantastic undertaking. However, the consequences of the pandemic have led a number of London boroughs to predict surplus pupil places at primary level of up to 20% by 2025. The need to retain buildings in a secure and safe condition, even when not in use, means that the resulting vacant and unused school accommodation will pose a burden on budgets. Working with the affected boroughs and the DfE, LocatED is exploring community-oriented, medium term meanwhile uses for these sites, to ensure they are not permanently lost from the education estate.

Taking an area-based approach, we produced a paper this year highlighting potential options to utilise surplus space in schools, including: temporary accommodation to other schools undergoing net zero retrofit on their permanent sites; medium term accommodation for Special Educational Needs/Alternative Provision schools; affordable teacher-led nursery provision; commercial uses to generate financial benefits for schools; and in-school access to mental health support and community services for children and young people.

Mental health and wellbeing is, and will continue to be, a key priority for the education estate. The need for appropriately designed spaces within schools that enable mental health support – or meanwhile uses that facilitate these services – has been highlighted both during and post-pandemic. LocatED has contributed to key research in this space this year, collaborating with the Children's Commissioner on 'The Big Answer,' a report publishing the findings of a national consultation exercise with more than 500,000 children in England about their aspirations and worries for the future. This year I was also proud to partner with the University College London Bartlett Faculty of the Built Environment on a report looking at how the school estate can play its part in addressing the effects of the pandemic on mental health and wellbeing in children and young people.

Wellbeing remains a priority within LocatED too, as we adjust to the 'new normal' of working post-pandemic. It has been heartening to regularly see colleagues in the office again, and to come together as a company in a hybrid fashion every week for our programme of lunchtime seminars. Outside of our corporate achievements this year, I am also very proud of how the LocatED team has supported our commitment to the wider community. Our team took a total of 41.5 volunteering days in 2021-22, covering a wide range of activities including mentoring students, supporting an SEN school, assisting teachers on class outings, roles as conservation volunteers at nature reserves, cleaning beaches, and working at Ukrainian Crisis Centres.

In June 2021, we set up our Diversity and Inclusion (D&I) Committee, to drive our efforts to improve D&I both at LocatED and within the wider property profession. The committee comprises team members across LocatED's different functions, bringing diverse voices to this all-important conversation.

This year, the committee developed an action plan and implemented a number of key initiatives and activities to improve D&I within LocatED and empower and educate our team to promote – both inside and outside of work – a more accepting and inclusive society. This has included working with other government organisations to improve pathways into the property profession and progression for under-represented groups; attending career days at secondary schools to promote the profession

as a viable and attainable career path; promoting D&I initiatives and events run by the DfE, other government departments and external bodies; and promoting D&I-related training sessions and seminars, with 159 such sessions undertaken by the LocatED team in 2021-22.

I am also pleased to have recently been appointed as a senior sponsor to the Government Property Leaders Shadow Board. The role is designed to work with and champion the Shadow Board and help introduce a D&I Forum. The forum will work collaboratively across government and public bodies to support existing and new D&I initiatives and facilitate a joined-up approach. This is an excellent opportunity for LocatED to help better embed D&I across the property profession as a whole.

I am incredibly proud of all we have achieved this year. As the country has begun to emerge from the shadow of the pandemic, we have remained flexible, collaborative, and agile as a company. Thank you to the LocatED team, our Board, and our colleagues in the DfE and our Sponsorship Team for all they have contributed to make this another successful year in LocatED's history. I look forward to the opportunities that 2022-23, and beyond, will bring.

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 including specific Key Performance Indicators. In 2021-22 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 2021-22 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 on behalf of the DfE, 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 2021-22 was 10.8 months, which was rated exceptional (2020-21: 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 2021-22 was rated acceptable (2020-21: good).
- KPI2 – good value acquisitions; total cost of acquiring sites as a percentage of the summed Red Book Valuation of sites acquired on behalf of the DfE. 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 2021-22 was rated good (2020-21: 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 2021-22 was rated exceptional (2020-21: 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 2021-22 was rated exceptional (2020-21: 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 2021-22 was rated exceptional (2020-21: 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 2021-22 was rated exceptional (2020-21: exceptional).

Forward look

In 2022-23 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, manage and reduce holding costs 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 2021-22, 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 2021-22 no complaints relating to LocatED were received or accepted by the Ombudsman for investigation (2020-21; nil).

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 2021-22 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 41.5 days were taken as part of LocatED's volunteering scheme that offers each employee two paid days a year to undertake voluntary work of their choice.

Employees volunteered by presenting at careers fairs, mentoring students, coaching sports, knitting to raise money 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 three 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 and one apprentice studying for their Business Analyst 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 – gold membership

In addition, LocatED is now also a Disability Confident employer and an Investors in People accredited company.

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**

In addition to commercial opportunities, LocatED endeavours to provide community access to vacant sites in the portfolio where it is feasible.

However, due to the pandemic, the focus during 2021-22 has been to support the government's response to Covid-19. To date, six 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 2022-23 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.

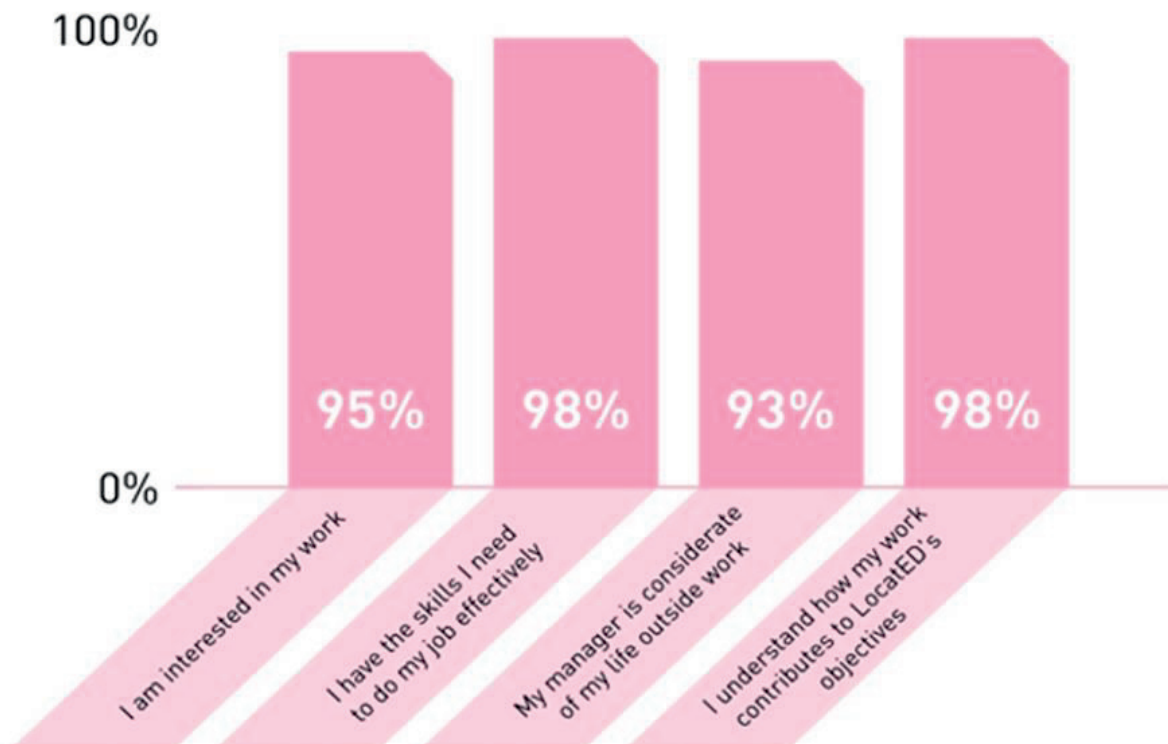
People

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 2021-22 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, 95% of respondents said they had not experienced bullying or harassment at work.

Additionally, 70% 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 2021-22. Activities included:

- Weekly lunchtime seminars, with speakers from across the public and commercial sectors as well as several wellbeing sessions
- 488 individual training and development activities completed.

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.

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.

LocatED is exempt from Greening Government Commitments (GGC) sustainability reporting as we are an arms-length body occupying less than 103m² of floor area.

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
21 November 2022

LocatED Property Limited,
3rd Floor, Finlaison House,
15-17 Furnival Street,
London, EC4A 1AB

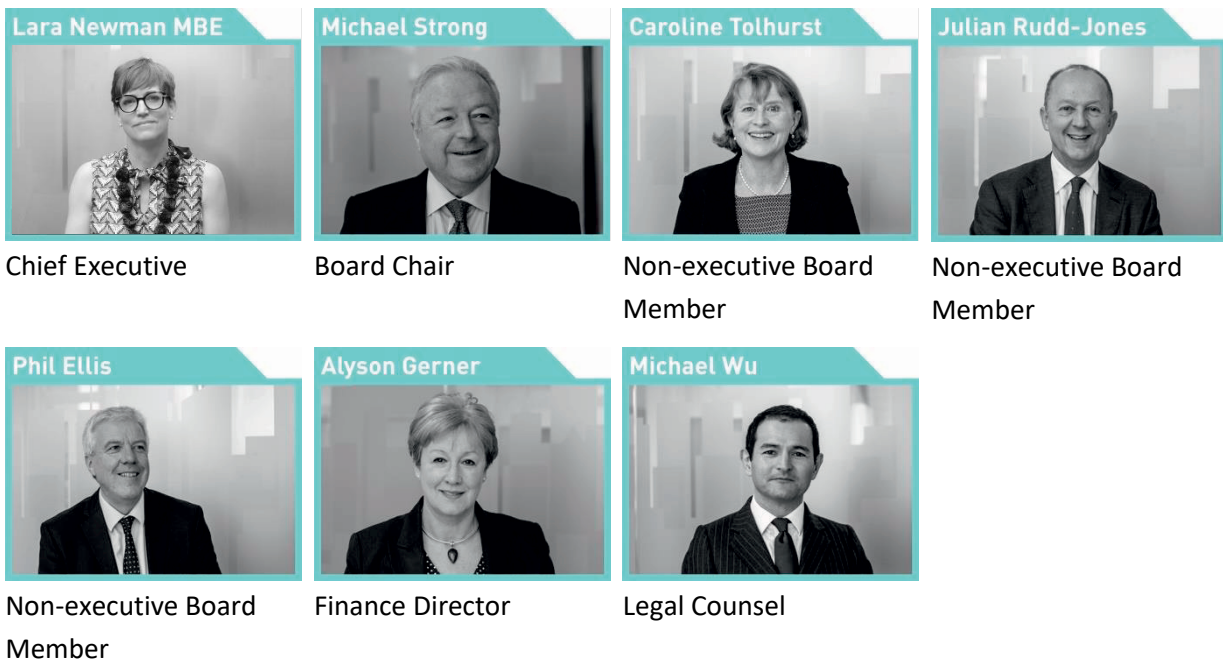
2. DIRECTORS' REPORT

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 on behalf of the DfE. The company does not enter into any research or development activities.

The Directors of LocatED

The current Directors and Board members of LocatED are:



Directors of the Board	Appointment to the Board	Resignation from the Board
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
Michael Wu	22 February 2017	Post year end 29 April 2022
Alyson Gerner	22 February 2017	n/a
Lara Newman	16 March 2017	n/a

The non-executive Board members have fixed term contracts. Michael Strong and Phil Ellis have a contract that will terminate on the 31 March 2023. Caroline Tolhurst and Julian Rudd-Jones have a contract that expires on 31 March 2024. Michael Wu resigned from the Board post year end on 29 April 2022. Alyson Gerner was appointed as Company Secretary on 29 April 2022 and Matthew Dineen was appointed as Legal Counsel on 28 March 2022.

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 2021 to 31 March 2022.

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 2022 (2020-21: £nil).

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

The only credit risk faced by LocatED during 2021-22 was in relation to the disbursements paid on behalf of landowners for the Surplus Land for Housing Pilot, it is intended that these disbursements will be recovered from the landowner if the individual project is successful. All properties are acquired on behalf of the DfE. LocatED does not own any property, 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 2022.

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 2022 LocatED was given a budget of £9.238 million to cover its operating costs. This included £3.601 million for project related pre-acquisition costs for sites, mixed-use developments, disposals costs of £0.362 million, £4.655 million for employee staff costs and £0.324 million premises costs. There was no real income.

LocatED completed 22 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 2022-23 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 (2020-21: £51,000 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 3rd Floor, Finlaison House, 15-17 Furnival Street, London, EC4A 1AB.

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.

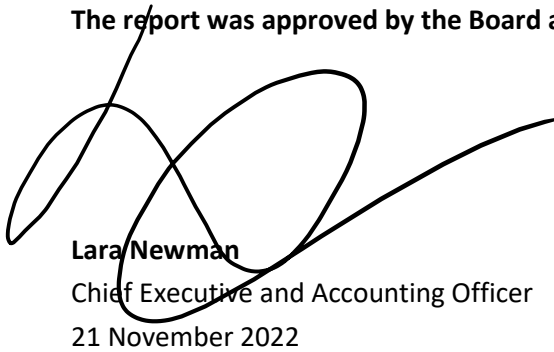
The Directors have reviewed the forward plans of the Department. Funding from the Department, taking into account the amount required to meet LocatED's liabilities falling due in the year, has already been included in the Department's Estimate for the year. Parliament has approved the Estimate and there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

In November 2022 HM Treasury approved the business case for LocatED to continue up to 31 March 2025. In 2025 the Department will submit an addendum to the business case to HMT for LocatED's operation beyond March 2025.

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.

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



Lara Newman
Chief Executive and Accounting Officer
21 November 2022

LocatED Property Limited,
3rd Floor, Finlaison House,
15-17 Furnival Street,
London, EC4A 1AB

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 UK adopted International Accounting Standards. 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 (FRM), as long as it does not contradict the Companies Act, 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;

- They take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable; and
- 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.

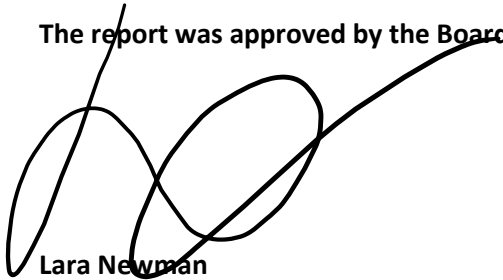
In addition, having taken all the matters considered by the Board and brought to the attention of the Board during the year into account, the Directors and Accounting Officer are satisfied that the annual report and accounts, taken as a whole, are fair, balanced and understandable.

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
21 November 2022

LocatED Property Limited,
3rd Floor, Finlaison House,
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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 up to the date of approval of the Annual Report and Accounts.

The organisation's governance framework

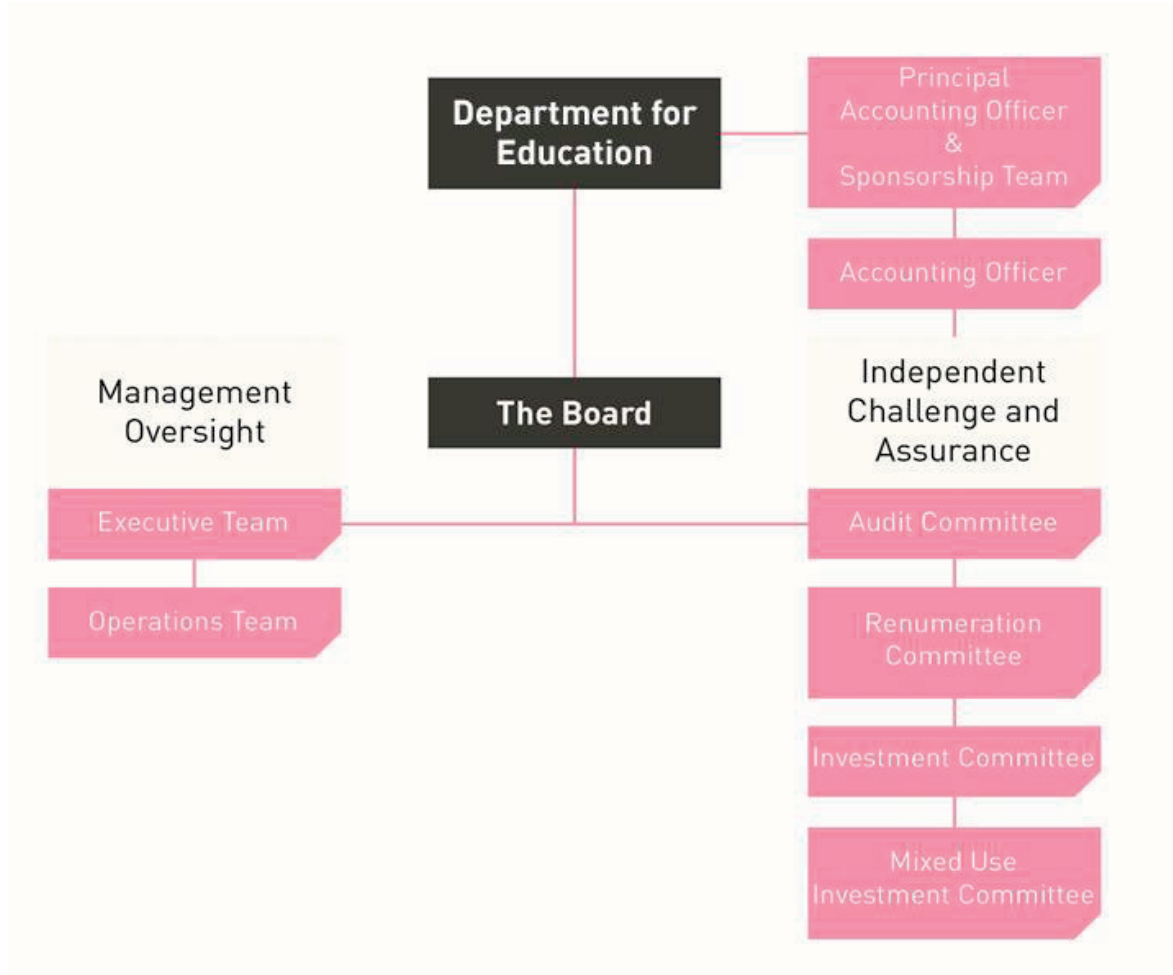
As sole shareholder, the Secretary of State resolved to adopt the Articles on 4 January 2017; these were subsequently approved by the LocatED Board on 22 February 2017 subject to amendment. The Secretary of State subsequently adopted the amended Articles on 7 March 2017.

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

- The Framework Document dated 26 April 2017 and updated 4 May 2021, 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 June 2021, 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 28 May 2021 from the Permanent Secretary of the Department confirming LocatED's budget allocation for the financial year 2021-22

- 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 2021 the Board consisted of the Chair, three other 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.

Member	Role	Meetings attended
Michael Strong	Chair and Non-executive Director	8 out of 8
Caroline Tolhurst	Non-executive Director	8 out of 8
Phil Ellis	Non-executive Director	8 out of 8
Julian Rudd-Jones	Non-executive Director	7 out of 8
Michael Wu	Legal Counsel and Company Secretary, Executive Director	8 out of 8
Alyson Gerner	Finance Director, Executive Director	7 out of 8
Lara Newman	Chief Executive	8 out of 8
Rory Kennedy, Shareholder's Observer or deputy	Director of Capital, DfE	8 out of 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 were updated and adopted.

On 12 January 2022, the Board confirmed that in 2021-22 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 2021-22, 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 2021-22 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, are reviewed annually and were last updated on 14 April 2021.

During 2021-22 the Audit Committee met three times. The membership and their attendance are listed below:

Members	Meetings attended
Caroline Tolhurst (Chair)	3 out of 3
Phil Ellis	3 out of 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 2021-22 the Investment Committee assessed and approved 33 acquisitions and eight 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 8 August 2017, are reviewed annually and were last updated on 14 April 2021

During 2021-22 the Investment Committee met twelve times. The membership and their attendance is listed below:

Members	Meetings attended
Julian Rudd-Jones (Chair)	12 out of 12
Phil Ellis	11 out of 12
Lara Newman	11 out of 12

Other attendees by invitation are: LocatED Finance Director, LocatED Legal Counsel, Property Director, and 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 19 July 2018, are reviewed annually and were last updated on 14 April 2021.

During 2021-22 the Mixed-use Investment Committee met twelve times.

The membership and their attendance are listed below:

Members	Meetings attended
Julian Rudd-Jones (Chair)	12 out of 12
Phil Ellis	11 out of 12
Lara Newman	10 out of 12
Paul Mustow, Department for Education (or Nominated Deputy)	11 out of 12

Other attendees by invitation are: LocatED Finance Director, Legal Counsel, Property Director, and 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, are reviewed annually and were last updated on 14 April 2021.

During 2021-22 the Remuneration Committee met three times. The membership and their attendance are listed below:

Members	Meetings attended
Michael Strong (Chair)	3 out of 3
Caroline Tolhurst	3 out of 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.

Risk category	Definition
Strategic	Risks that impinge on the effective and timely delivery of LocatED's strategic objectives. Specifically in 2021-22 there has been an increased risk of failure in supply chains and price inflation.
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 including the prevention of financial fraud.
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 or the approval of a business case for LocatED's continued existence

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

A Facilities Management contract was mobilised in 2020-21 as well as a new Managing Agents contract also being awarded and mobilised. Together these two 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 2022; and it has been fully implemented. The risks detailed in the Strategic Risk Register are regularly reviewed by the relevant committees such as the Investment Committee and the Remuneration Committee and by 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 individual property transactions 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 four audits in 2021-22: 1. Finance Function; 2. Payroll 3. Acquisitions, Surplus Land & Disposals and 4. Procurement. In three of the four 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 the Finance Function 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 2022 no fraud was detected in relation to LocatED's transactions (2020-21: nil).

Whistleblowing arrangements

The Audit Committee is responsible for reviewing the whistleblowing arrangements, these are set out clearly in the colleague handbook that all colleagues are required to read. In 2021-22 there were no whistleblowing cases (2020-21: nil).

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:

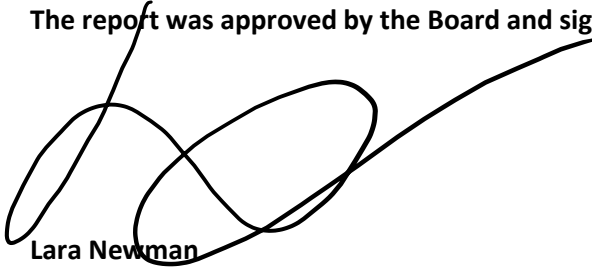
- Information that links one or more identifiable living person with information about them, the release of which would put the person or persons at significant risk of harm or distress
- Any source of information about 1,000 or more identifiable individuals, other than information sourced from the public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

LocatED had no protected personal data-related incidents that it judged significant enough to report formally to the Information Commissioner's Office in 2021-22 and it had no protected personal data-related incidents reported in 2021-22 that were significant enough for the Department to record centrally. This was the same in 2020-21.

Conclusion

In the year to 31 March 2022 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
21 November 2022

LocatED Property Limited,
3rd Floor, Finlaison House,
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London, EC4A 1AB

5. REMUNERATION AND STAFF REPORT

Chief Executive and Board members' remuneration policy

The Chief Executive and all employees 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 employees. LocatED manages performance and non-consolidated performance awards for employees 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 were on secondment from the Department and their appointments fixed. Michael Wu resigned from the Board post year end on 29 April 2022. Alyson Gerner was appointed as Company Secretary on 29 April 2022 and Matthew Dineen was appointed as Legal Counsel on 28 March 2022. The Chair and Non-executive Directors that remain in post and are covered by this report hold appointments as follows: Michael Strong and Phil Ellis have a contract that will terminate on the 31 March 2023. Caroline Tolhurst and Julian Rudd-Jones have a contract that expires on 31 March 2024.

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
	2021-22 £'000	2021-22 £'000	2021-22 £'000	2021-22 £'000	2020-21 £'000	2020-21 £'000	2020-21 £'000	2020-21 £'000
Lara Newman Chief Executive	200-205	35-40	12	250-255	200-205	35-40	13	250-255
Michael Wu Legal Counsel	90-95	5-10	28	125-130	95-100	-	28	120-125
Alyson Gerner Finance Director	100-105	-	29	130-135	95-100	5-10	29	135-140
Michael Strong Chair and Non-executive Director	20-25	-	-	20-25	20-25	-	-	20-25
Caroline Tolhurst Non-executive Director	15-20	-	-	15-20	15-20	-	-	15-20

Director	Salary *	PRP Payments	Pension Benefits	Total	Salary	PRP Payments	Pension Benefits	Total
	2021-22 £'000	2021-22 £'000	2021-22 £'000	2021-22 £'000	2020-21 £'000	2020-21 £'000	2020-21 £'000	2020-21 £'000
Phil Ellis Non-executive Director	15-20	-	-	15-20	15-20	-	-	15-20
Julian Rudd- Jones Non-executive Director	15-20	-	-	15-20	15-20	-	-	15-20

*'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

- Michael Wu and Alyson Gerner are on secondment. Michael Wu's secondment ended on the 29 April 2022 and Alyson Gerner's ends on the 31 March 2023. During the year £162k was paid to the Department in respect of the Director's services of Michael Wu and £183k was paid to the Department in respect of the Director's services of Alyson Gerner (2020-21: £163k and £177k respectively). These figures include salary, pension, employer social security costs and VAT. The pension benefits noted for Lara Newman for 2020-21 include £1k relating to 2019-20.

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 lower quartile, median and upper quartile remuneration of the organisation's workforce.

The Hutton fair pay disclosure for LocatED is as follows:

Remuneration	2021-22	2020-21
Band of highest paid director's remuneration	£235,000-£240,000	£235,000-£240,000
25 th percentile	£51,568	-
Median	£70,754	£71,976
75 th percentile	£95,000	-
Range of employees remuneration (£)	£25k to £30k - £235k to £240k	£25k to £30k - £235k to £240k
Remuneration ratio from the mid-point of the band of the highest paid director to the 25 th percentile	4.61	-
Remuneration ratio from the mid-point of the band of the highest paid director to the median	3.36	3.30
Remuneration ratio from the mid-point of the band of the highest paid director to the 75 th percentile	2.50	-

The banded remuneration of the highest-paid director in LocatED in the financial year 2021-22 was £235,000-£240,000 (2020-21: £235,000-£240,000). This was 3.36 times (2020-21: 3.30) the median remuneration of the workforce, which was £70,754 (2020-21: £71,976). In 2021-22, no employees received remuneration in excess of the highest-paid director (2020-21: nil).

Total 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.

Percentage change in total salary and performance related pay for the highest paid director and the staff average (subject to audit)

	2021-22		2020-21	
	Total salary and allowances	PRP payments	Total salary and allowances	PRP payments
Staff average	-1.17%	5.34%	4.16%	11.91%
Highest paid director	0%	-2.08%	1.80%	16.78%

Employee average salary and allowances in the financial year 2021-22 was -1.17% (2020-21: 4.16%) and highest paid director salary and allowance in the financial year 2021-22 was 0% (2020-21: 1.80%) due to a pay freeze in 2021-22.

Employee average for PRP payments in financial year 2021-22 was 5.34% (2020-21: 11.91%) due to changes in the overall employee mix and highest paid director PRP payments in financial year 2021-22 was -2.08% (2020-21: 16.78%).

Employee turnover

	2021-22	2020-21
Employee turnover	20.8%	10.7%

LocatED employee turnover in the financial year 2021-22 was 20.8% (2020-21:10.7%)

Employee redeployment

Title	Redeployment	Duration
Finance Director	Inward Long-term loan from DfE	January 2017 – March 2021
Legal Counsel	Inward Long-term loan from DfE	January 2017 – March 2021
People & Payroll Advisor	Outward Short-term loan to DHSC	July 2021 – December 2021

Pension benefits (subject to audit)

	Accrued pension and related lump sum at pension age as at 31 March 2022	Real increase in pension and related lump sum at pension age	CETV at 31 March 2021	CETV at 31 March 2022	Real increase in CETV	Employer contribution to pension account
	£000	£000	£000	£000	£000	£000
Alyson Gerner	45-50 plus lump sum of 110-115	0-2.5	961	1051	-3*	29
Michael Wu	25-30	0-2.5	379	418	22	28

*Taking account of inflation, the CETV funded by the employer has decreased in real terms.

The Chief Executive, Lara Newman pays into a personal pension plan. LocatED contributed £12k 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 employee's costs are included in the Financial Statements, Note 2.

Category of employees	Average headcount in the period to 31 March 2022	Headcount as of 31 March 2022	Average headcount in the period to 31 March 2021
Permanent	50	51	51
Temporary	1.5	1	0
Contractors/Agency	0	0	0
Secondees	2	2	3
Total	53.5	54	54

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 2021-22.

Sickness absence

During the period, LocatED lost 0.63 days per person to sickness absence (0.36 days per person in the period to 31 March 2021).

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

At the end of March 2022 LocatED's employee headcount figures, for permanent and temporary (UK) employees with an employment contract (including two people who are seconded to LocatED but on permanent contracts with the Department), were as follows:

Title	Male	Female	Total
Chief Executive	-	1	1
Director	4	2	6
Associate Director	4	-	4
Senior Manager	7	3	10
Manager	14	6	20
Corporate Support	2	3	5
EA, PA & Assistant	-	4	4
Graduate	-	1	1
Apprentices	2	1	3
Total	33	21	54

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 2021 and 31 March 2022.

There were no off-payroll engagements of Board members, and/or senior officials with significant financial responsibility in the period to 31 March 2022.

There were no arrangements that existed as of 31 March 2022 for more than £245 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 2021 and 31 March 2022 for more than £245 per day that lasted for longer than six months.

Employee Exit Packages (subject to audit)

There were no employee exit packages in 2021-22 (2020-21: 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.

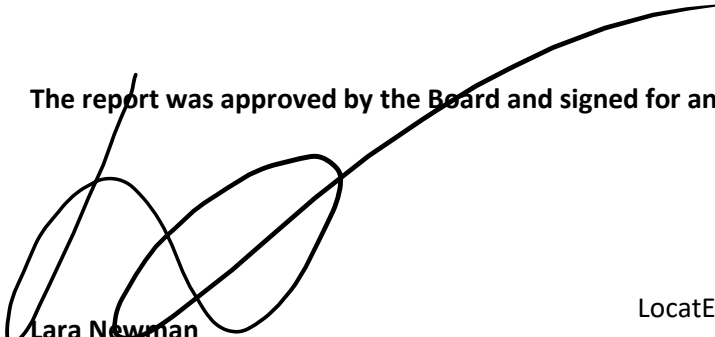
For 2021-22, LocatED made employer's contributions of £174k (2020-21: £179k).

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
21 November 2022

LocatED Property Limited,
3rd Floor, Finlaison House,
15-17 Furnival Street,
London, EC4A 1AB

6. PARLIAMENTARY ACCOUNTABILITY REPORT

Losses (subject to audit) – there were no losses in 2021-22 (2020-21: nil).

Special payments, including severance payments (subject to audit) – there were no special payments in 2021-22 (2020-21: nil).

Gifts (subject to audit) – there were no gifts made in 2021-22 (2020-21: nil).

Fees or charges that required notification to Parliament (subject to audit) – there were no fees or charges in 2021-22 that required notification to Parliament in 2021-22 (2020-21: nil).

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



Lara Newman
Chief Executive and Accounting Officer
21 November 2022

LocatED Property Limited,
3rd Floor, Finlaison House,
15-17 Furnival Street,
London, EC4A 1AB

Independent Auditor's report to the Shareholder of LocatED Property Limited and the Houses of Parliament

Opinion on Financial Statements

I have audited the financial statements of LocatED Property Ltd for the year ended 31 March 2022 which comprise LocatED Property Ltd's:

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In my opinion the financial statements:

- give a true and fair view of the state of LocatED Property Ltd's affairs as at 31 March 2022 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with UK adopted 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

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. I am independent of LocatED Property 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 Property 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 Property Ltd'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 and the accounting officer 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 financial statements and my auditor's report thereon. The directors and the accounting officer 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 the part of the Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

- the Strategic Report and the Directors' Report been prepared in accordance with applicable legal requirements; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of LocatED Property 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 Remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of director's 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 Statement of the Director's and the Accounting Officer's responsibilities, they 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 and accounting officer determine are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- assessing LocatED Property 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 and the accounting officer 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 the applicable law and UK adopted International Standards on Auditing (ISAs).

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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements

in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of LocatED Property Ltd's accounting policies, key performance indicators and performance incentives.
- Inquiring of management, and those charged with governance, including obtaining and reviewing supporting documentation relating to LocatED Property Ltd's policies and procedures relating 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 Property Ltd's controls relating to LocatED Property Ltd's compliance with the Companies Act 2006 and Managing Public Money.
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within LocatED Property Ltd for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of LocatED Property Ltd's framework of authority as well as other legal and regulatory frameworks in which LocatED Property Ltd operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of LocatED Property Ltd. The key laws and regulations I considered in this context included Companies Act 2006, Managing Public Money, employment law and tax legislation.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit Committee concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports;
- 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; and

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members 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. This description forms part of my report.

Other auditor's responsibilities

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)

22 November 2022

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 2022 (SoCNE)

		2021-22	2020-21
	Note	£000	£000
Employee costs	2	4,655	5,042
Expenditure	3	4,776	4,493
Total operating expenditure		9,431	9,535
Net expenditure for the year		9,431	9,535
Other comprehensive expenditure		-	-
Total other comprehensive expenditure		-	-
Comprehensive net expenditure for the year		9,431	9,535

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

The notes on pages 46 to 52 form part of these Accounts.

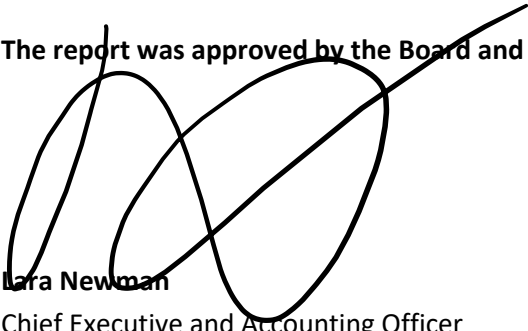
Statement of Financial Position as at 31 March 2022 (SOPF)

	Note	31 March 2022 £000	31 March 2021 £000
Non-current assets:			
Property, plant and equipment	4	-	2
Total non-current assets		<u>-</u>	<u>2</u>
Current assets			
Prepayments and Receivables	5	155	48
Cash and equivalents	6	1,058	1,462
Total current assets		<u>1,213</u>	<u>1,510</u>
Total assets		<u>1,213</u>	<u>1,512</u>
Current liabilities			
Payables	7	(1,457)	(1,652)
Total current liabilities		<u>(1,457)</u>	<u>(1,652)</u>
Total assets less current liabilities		<u>(244)</u>	<u>(140)</u>
Assets less liabilities		<u>(244)</u>	<u>(140)</u>
Taxpayers' equity:			
General fund		(244)	(140)
Total taxpayers' equity		<u>(244)</u>	<u>(140)</u>

The notes on pages 46 to 52 form part of these Accounts.

The financial statements were approved for issue by the Board of Directors on 9 November 2022

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


Lara Newman
Chief Executive and Accounting Officer
21 November 2022

LocatED Property Limited,
3rd Floor, Finlaison House,
15-17 Furnival Street,
London, EC4A 1AB

Statement of Cash Flows for the year ended 31 March 2022

	Note	2021-22 £000	2020-21 £000
Cash flows from operating activities			
Net operating cost	SoCNE	(9,431)	(9,535)
Adjustments for non-cash transactions		1	1
Decrease/(Increase) in prepayments and receivables	5	(107)	(31)
Increase/(Decrease) in payables	7	(195)	(457)
Net cash outflow from operating activities		(9,732)	(10,022)
Cash flows from investing activities			
Purchase of PPE	4	-	-
Net cash outflow from investing activities		-	-
Cash flows from financing activities			
Grant-in-aid from sponsor department	SoCTE	9,328	9,884
Net cash inflow from financing activities		9,328	9,884
Net increase/(decrease) in cash and cash equivalents		(404)	(138)
Cash and cash equivalents at beginning of the year		1,462	1,600
Cash and cash equivalents at end of the year		1,058	1,462

The notes on pages 46 to 52 form part of these Accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2022

	Note	General Fund £000	Total £000
Balance at 31 March 2020		(489)	(489)
Issue of Share Capital		-	-
Grant-in-aid from sponsor Department		9,884	9,884
Comprehensive expenditure for the year		(9,535)	(9,535)
Balance at 31 March 2021		(140)	(140)
Issue of Share Capital		-	-
Grant-in-aid from sponsor Department		9,328	9,328
Comprehensive expenditure for the year		(9,431)	(9,431)
 Balance at 31 March 2022		 (243)	 (243)

The General Fund represents total assets less liabilities.

The notes on pages 46 to 52 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 3rd Floor, Finlaison House, 15-17 Furnival Street, London, EC4A 1AB.

LocatED has prepared these accounts for the period to the 31 March 2022 in accordance with the Companies Act 2006 and International Financial Reporting Standards (IFRS) as adopted by the European Union, and the Financial Reporting Manual (FRM) 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 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.

In November 2022 HM Treasury approved the business case for LocatED to continue up to 31 March 2025. In 2025 the Department will submit an addendum to the business case to HMT for LocatED's operation beyond March 2025.

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 employees 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 2021-22. 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 2021-22 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 in scope of the standard, 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 - Employee Costs

	2021-22			2020-21		
	Permanently employed employees	Others*	Total	Permanently employed employees	Others*	Total
	£000	£000	£000	£000	£000	£000
Wages and salaries	3,682	349	4,031	3,853	546	4,399
Social security costs	450	-	450	464	-	464
Pension costs	174	-	174	179	-	179
	4,306	349	4,655	4,496	546	5,042

*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

	2021-22	2020-21
	£000	£000
Property pre-acquisition costs	3,601	3,453
Property disposal costs	362	237
Employee-related costs	67	60
Consultancy and other professional fees	58	51
Board costs	92	81
Premises costs including rates and service charges	324	385
Utilities	3	3
Catering	1	-
Marketing	53	43
IT and telecommunications costs	33	25
Travel and subsistence	82	39
Audit fees*	96	112
Other expenditure	2	3
Depreciation	1	1
Bank charges and interest	1	-
Total	4,776	4,493

*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 2021-22 and £51,000 including VAT for 2020-21. The auditors did not provide any non-audit services. The figure for Audit fees for includes the cost of internal audit.

Note 4 – Property, plant and equipment

	2021-22	2020-21
	£000	£000
Furniture and fittings		
Cost or Valuation		
At 1 April	5	5
Additions	-	-
Reclassifications	-	-
At 31 March	<u>5</u>	<u>5</u>
Depreciation		
At 1 April	(3)	(2)
Depreciation charge	(2)	(1)
At 31 March	<u>(5)</u>	<u>(3)</u>
Carrying value at 31 March	<u>0</u>	<u>2</u>

Note 5 -Prepayments and Receivables

	2021-22	2020-21
	£000	£000
Prepayments	139	48
Receivables	16	-
Total current prepayments and receivables due within one year	<u>155</u>	<u>48</u>

Note 6 - Cash and equivalents

	2021-22	2020-21
	£000	£000
Balance at 1 April	1,462	1,600
Net change in cash and cash equivalent balances	(404)	(138)
Balance at 31 March	1,058	1,462
The following balances are held at:		
Cash at bank and in hand:		
Government Banking Service	1,058	1,462
Commercial banks	-	-
Cash held with solicitors	-	-
Balance at 31 March	1,058	1,462
Overdrafts:		
Government Banking Service	-	-
Commercial banks	-	-
Balance at 31 March, net of overdrafts	1,058	1,462

Note 7 - Payables

	2021-22	2020-21
	£000	£000
Trade payables	15	383
Tax and social security	120	121
Accruals	1,322	1,148
Total payables due within one year	1,457	1,652

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. £162k was paid to the Department in respect of the Director's services of Michael Wu and £183k 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.

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 COVID19 or other causes. LocatED continue to operate effectively despite the pandemic.

Going concern

In November 2022 HM Treasury approved the business case for LocatED to continue up to 31 March 2025. In 2025 the Department will submit an addendum to the business case to HMT for LocatED's operation beyond March 2025. This is also referenced in the 'Going concern' sections of this report.

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