

Company Registration No. 07835950 (England and Wales)

**ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S
CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC
ACADEMY (BISHOP AUCKLAND))**

(A COMPANY LIMITED BY GUARANTEE)

**TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017**

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

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ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

REFERENCE AND ADMINISTRATIVE DETAILS

Members

- Bishop S Cunningham
- Diocesan Director of Education J Hughes
- Chair (from 22 September 2016) A Byrne

Trustees

A P Byrne (Chair of Trustees)
M Cantwell (Resigned 26 May 2017)
R Hall
J A S McMullan (Resigned 26 September 2016)
A Smith
Rev D Tindall
M Weetman (Resigned 20 July 2017)
M Wood
Rev M Whalen (Resigned 20 July 2017)
L Byron-Ledwith (Accounting Officer)
A Gregory (Appointed 5 October 2016)
D Hart (Appointed 12 October 2016)
G D O'Hehir (Appointed 5 October 2016)
J Thompson (Appointed 5 October 2016)
A Wake (Appointed 5 October 2016)
G Summerbell (Appointed 5 October 2016)
J Radford (Appointed 16 February 2017)

Senior management team

- Headteacher L Byron-Ledwith
- Deputy Headteacher C Parker
- Leadership Team M Dunn
- Leadership Team S Macdermott
- Leadership Team J Mackenley (Retired 31 August 2017)
- Leadership Team G McIntyre
- Leadership Team C Pullen
- Leadership Team P Watson
- Chief Financial Officer A Hill

Company secretary

V Howard

Company registration number

07835950 (England and Wales)

Registered office

Woodhouse Lane
Bishop Auckland
County Durham
DL14 6JT

Independent auditor

Baldwins Audit Services Limited
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

**ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S
CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC
ACADEMY (BISHOP AUCKLAND))**

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank plc
2nd Floor
Skinnergate
Darlington
County Durham
DL3 7ND

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a directors' report under company law.

St John's successfully converted from a Single Academy Trust to a Multi Academy Trust in December 2016, establishing the MAT as the Romero Catholic Education Trust. The trust operates an academy for students aged 11 to 19 serving a catchment area in Bishop Auckland County Durham and the surrounding areas. St John's School and Sixth Form College – A Catholic Academy is an inclusive school serving the communities, including Catholic parishes, of South West Durham. The Romero Catholic Education Trust currently operates with a single academy (St John's School & Sixth Form College). The Trustees meet as a full board and, during the academic year 2016-17 they also met in 3 sub-committees:

- Finance
- Community and Premises
- Staffing, Students and Curriculum

From September 2017 the 3 sub-committees will be replaced by 2 sub-committees:

- Finance and Resources
- Standards and Outcomes

Based on May 2017 census figures, there are 1354 students on roll at St John's: Year 7 - 260, Year 8 - 231, Year 9 - 219, Year 10 - 214, Year 11 - 211, Year 12 - 107, Year 13 - 112). The academy has a teacher/student ratio of 1 to 14 (based on current figures). With a large and diverse catchment area, the intake covers the full spectrum of socio-economic backgrounds including some of the most deprived wards in the country. Based on May 2017 census figures, 12.3% of Years 7 – 11 students are on FSM and 24.05% of Years 7 – 11 are Pupil Premium. 53 students have English as an additional language.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees of Romero Catholic Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Romero Catholic Education Trust. Details of the Trustees who served during the year are included in the Reference and Administration details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

The academy has joined the RPA (Risk Protection Arrangement) which protects trustees from claims arising from errors or omissions occurring while on academy business.

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Method of recruitment and appointment or election of trustees

The Diocesan Bishop shall appoint such number of Foundation Trustees as shall ensure that at all times the number of Foundation Trustees exceeds the other Trustees (including any Co-opted Trustees) by at least two (2). There shall be a minimum of 2 Parent Trustees. The board of trustees may appoint Staff Trustees through such process as they may determine, provided that the total number of Trustees (including the Headteacher) who are employees of the Academy Trust does not exceed one third of the total number of Trustees. The Headteacher is treated for all purposes as being the ex officio Trustee.

The Parent Trustees are elected by parents of registered students at the Academy. A Parent Trustee must be a parent of a student at the Academy at the time when he/she is elected. The board of trustees make all necessary arrangements for, and determine all other matters relating to, an election of Parent Trustees, including any question of whether a person is a parent of a registered student at the Academy. Any election of Parent Trustees which is contested is held by secret ballot.

The Staff Trustees are elected by a secret ballot of all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the Academy (excluding the Headteacher). The board of trustees make all necessary arrangements for, and determine all other matters relating to, an election of Staff Trustees, any election of Staff Trustees which is contested shall be held by secret ballot.

The term of office for any Trustee is 4 years; this time limit does not apply to the Headteacher or any post held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

At the first meeting of the academic year the Trustees elect a Chairperson and a Vice-Chairperson from among their number. Elections of the Chair and Vice Chair took place on 22 September 2016. A Trustee who is employed (e.g. Staff Trustee) by the Academy Trust is not eligible for election as Chairperson or Vice Chairperson.

Policies and procedures adopted for the induction and training of trustees

For the academic year 2016 – 17 the Academy Trust has been provided with strategic governance support and training from Avec Partnership. Trustees are also able to access training sessions provided by Durham LA.

In addition, internal training sessions are organised by the Leadership Team to support Trustees in their role and to keep them abreast of current educational issues such as:

- Role of Trustee in a Multi-Academy Trust
- Development of Teaching & Learning and Work Scrutiny feedback
- Raise Online and Inspection Dashboard
- New OFSTED Framework
- Learning Improvement Priorities – Updates from Leadership Team at Trustees' sub-committees
- Assessment Review
- Development of Post-16 education
- Enrichment opportunities delivered by relevant staff
- Leadership team / Trustee link meetings

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Organisational structure

As of 31 August 2017 the Academy Trust consists of:

- 9 Foundation Trustees appointed by the Diocesan Bishop
- 1 Staff Trustee
- 2 Parent Trustees
- the Headteacher
- any additional Trustees appointed by the Secretary of State
- any further Trustees appointed by the Secretary of State
- the Trust may also appoint Co-opted Trustees

The board of trustees may establish any committee – with membership and terms of reference reviewed annually. Non- Trustees can be members of committees as long as the majority of any committee are Trustees. Trustees are given 14 days clear notice of meetings. The quorum for meetings is any 3 Trustees.

The board of trustees has retained authority to approve purchases with a value in excess of £50,000 and has delegated such authority for purchases with a value between £25,000 and £50,000 to the Finance Committee. The Leadership Team is responsible for the internal management of the Academy, and for implementing policy, and reporting to Trustees. Appropriate tasks such as budgetary and internal control are delegated to relevant staff in accordance with our finance handbook. The Head Teacher is the Accounting Officer for the Academy. The Academy Trust's Leadership Team consists of:

- 1 Headteacher
- 1 Deputy Headteacher
- 6 Assistant Headteachers (including the Director of Sixth Form; 1 x 0.6 contract; 1 x 0.8 contract)

NB. From 1 September 2017 there will be 5 Assistant Headteachers, including the Director of Sixth Form; 1 x 0.6 contract; 1 x 0.8 contract.

Arrangements for setting pay and remuneration of key management personnel

The board of Trustees has adopted a pay policy in order to provide a clear framework for the management of pay and grading issues for all staff employed in the academy.

The policy is based on a whole academy approach to pay issues. Pay decisions take account of the resources available to the Academy and The board of Trustees exercises its discretionary powers using fair, transparent and objective criteria in order to secure a consistent approach in academy pay decisions.

In this Academy teachers are employed in accordance with the provisions of the School Teachers' Pay and Conditions (STP&C) Document. In reviewing pay scales in the future the board of trustees will have regard to any changes to national pay bands contained within the STP&C Document.

The board of trustees assign a seven-point Individual Academy pay range for the Headteacher based on the academy group size and any permanent additional relevant factors as determined within the framework of the STP&C document along with a five point pay range for all other leadership posts from within the indicative pay points for the leadership scale.

Other than in exceptional circumstances, the Individual School Range will not exceed 25% of the maximum of the academy group size. The board of trustees will ensure that other than in exceptional circumstances, there is no overlap of salary bands between the Headteacher and other leadership posts.

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Related parties and other connected charities and organisations

The Academy does not work in federation with any other organisation; however, informal relationships exist with a variety of organisations including: other schools, the Hexham and Newcastle Catholic Partnership, the Hexham and Newcastle Diocese, universities, ITT providers, Durham Local Authority and local businesses. Such partnerships assist in the achievement of the Academy's objectives. The Hexham & Newcastle Catholic Partnership (HNCP) has provided services to St John's School and Sixth Form College in the year from 1 September 2016 to 31 August 2017. As an Academy Trust, St John's School and Sixth Form College must comply with the Academies Financial Handbook issued by the Education and Skills Funding Agency (ESFA). There is no element of profit in the services that HNCP has provided to St John's School and Sixth Form College.

Objectives and activities

Objects and aims

The Academy Trust's objective is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a Catholic school designated as such which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic canon law applying thereto.

To promote for the benefit of the inhabitants of Bishop Auckland and the surrounding areas the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or to the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

St John's Academy aims to raise standards in this area of Durham by raising aspirations of students so that they engage in further and higher education courses, appropriate vocational studies and work-related learning. The academy delivers a wide range of sixth form courses that fulfil these aims and has sound progression routes from age 11-19 years, regardless of a student's prior attainment on entry.

Leaders at all levels in the academy are highly ambitious for our students and are excellent role models, leading by example. We focus on improving Teaching and Learning with regular lesson observations, calendared work scrutinies and regular CPD, which is tailored to support staff development in line with their roles and career expectations. Areas for development are identified and addressed through the appraisal system, with appropriate and focused support or training provided. The Leadership Team works closely with HODs and HOYs in their challenge and support of Teaching and Learning to quality-assure the process. Teaching is at least consistently good with an increasing number of lessons judged as outstanding. Since our last Ofsted, we have empowered staff to lead CPD sessions to enhance teaching and learning, disseminating to other staff and sharing excellent practice.

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Objectives, strategies and activities

The academy's learning improvement priorities (LIP) for 2016-17 are as follows:

LIP Strand Strategies/Actions

Catholic Life and SMSC

- Embed year group mass programme as part of the in-house retreat programme
- Establish in-house retreat programme to complement residential retreats at the Emmaus village
- Develop PREP Resources for tutors
- Develop the school's pilgrimage to Lourdes as an Easter pilgrimage
- Develop the John Paul 11 Awards scheme in the Sixth Form
- Continue to recruit students as Cafod Leaders within the school
- Address issues raised by the debate regarding British values and radicalization through pastoral programmes

Raising achievement in English and Maths / Closing the gap

- Evaluate the effectiveness of English and Maths GCSE Entry Strategies
- Evaluate the effectiveness of Year 11 Intervention strategies in all subjects, particularly with reference to closing the gap for disadvantaged students
- Develop departmental action plans to improve achievement in Maths and English in the coming year
- Monitor the progress of different groups following each data collection, particularly those who are disadvantaged
- Put in place intervention strategies targeting students who are not making sufficient progress, including 1:1 tuition
- Ensure appropriate and effective provision for all students in Key Stage 5 who have not yet achieved a C Grade in English or Maths

Monitor the quality of teaching and learning to ensure student progress

- Convey high expectations of all learners and make effective use of appropriate teaching strategies to ensure significant student progress
- Ensure that intervention is timely and appropriate so that gaps in learning can be addressed
- Ensure that effective approaches are in place for teacher planning so that skills required for KS4 learning are taught and developed in KS3
- Ensure that teaching, learning and assessment provision is effective in subject areas in meeting the needs of pupil premium disadvantaged students
- Continue to develop students' independent study skills
- Enhance the use of home learning by providing targeted and relevant homework
- Increase the use of targeted SAM Learning across the curriculum to improve student outcomes
- Strengthen the impact of marking and feedback that students receive so that students understand what they need to improve and how to do so
- Provide targeted staff CPD to support teaching and learning
- Monitor the attendance of targeted students to ensure that they remain engaged with their learning/ education

Rigorous use and monitoring of data and assessment

- Review the assessment systems and develop/embed an effective and meaningful tracking system across all key stages.
- Ensure challenging and realistic student targets are set to raise expectations of all learners
- Set timely and efficient data collection points throughout the academic year
- Continue to develop staff as competent users of data to track progress and intervene accordingly
- Ensure effective use of formative and summative assessment strategies across the curriculum

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Developing high quality leadership at all levels (trustees, staff and students)

- Effective coordination and monitoring of teaching, progress and assessment, using the evidence of lesson observations, work scrutiny and accuracy of data/predictions.
- Develop subject leaders' capacity and ability to develop teaching and learning effectively with particular focus across the range of provision in English, Additional Science, Design Technology, Media Studies, French and German
- Ensure that tutors and the pastoral system support students in their academic progress
- Review target-setting and accuracy of predictions to ensure a rigorous and robust system
- Provide opportunities for trustees to link with subject leaders and relevant staff to support, challenge and monitor student progress
- Ensure focused academic monitoring through continued use of 4matrix
- Track behaviour and attitude to learning through ClassCharts
- Develop the roles and responsibilities of Student Leaders across the curriculum, both within and beyond St John's:
- Support trustees through training in their developing role as trustees of a MAT

Developing the effectiveness of the Sixth Form (Teaching and learning, provision and monitoring)

- Review teaching and learning at KS5 to ensure students are on track to reach their targets
- Convey high expectations of all learners and make effective use of appropriate strategies to ensure significant student progress
- Embed effective strategies to ensure significant student progress
- Continue to develop students' independent study skills
- Develop an effective and meaningful tracking system
- All staff trained to be competent users of data to track progress and intervene accordingly; 4matrix training, use of assessments, data collection, accountability

Public benefit

The Academy's aims and objectives referred to within this report have been undertaken to further its charitable purposes for public benefit. The Trustees have complied with their duty under the Charities' Act 2011 to have due regard to the public benefit guidance published by the Charity Commission (SORP 2015 and 'Charities and Public Benefit') and the Trustees have considered this guidance in deciding which activities the academy should undertake.

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Strategic report

Achievements and performance

KS4 – 2016-17

Of all students:

- 53% achieved a strong pass in English and Maths (grade 9-5)

34.3% = Average for local authority state-funded schools

39.10% = Average for all state-funded schools in England

- 74% achieved a standard pass in English and Maths (grade 9-4)

57.60% = Average for local authority state-funded schools

63.30% = Average for all state-funded schools in England

- 77% achieved a standard pass in English Language (grade 9-4)
- 82% achieved a standard pass in English Literature (grade 9-4)
- 77% achieved a standard pass in Maths (grade 9-4)
- 81% achieved A*-C in RE

- 53% of all GCSE grades were A*-B (or equivalent)

- 78% of all GCSE grades were A*-C (or equivalent)

Of disadvantaged students:

- 38% achieved a strong pass in English and Maths (grade 9-5)
- 49% achieved a standard pass in English and Maths (grade 9-4)

St John's average attainment 8 score per student = 49.52

Average attainment 8 score per student for local authority state-funded schools = 44.4

Average attainment 8 score per student for all state-funded schools in England = 44.2

2017 outcomes in English were significantly better than 2016 results and 15 subjects across the curriculum significantly improved on their previous year's results, achieving higher than national percentages.

The table below indicates the top performing subjects, comparing standard pass % against national figures:

Subject	St John's % 9-4 (standard pass)	National % 9-4 (standard pass)
Biology	100	90.4
Chemistry	100	89.7
Physics	97.4	90.7
DT Product Design	91.30	60.8
Fine Art	87.80	75.2
English Literature	82.46	71.9
Religious Education	81.25	71.2
History	84.62	64.5
Computer Science	80	60.6
Physical Education	85	68

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

KS5 – 2016–17

- 19% A* - A grades for A Level courses
- 40% A* - B grades for A Level courses
- 63% A* - C grades for A Level courses
- C grade = Average point score per A level entry expressed as a grade
- C grade = Average point score per Academic entry expressed as a grade
- C+ grade = Average points per entry in best 3 A levels expressed as a grade
- Distinction+ = Average grade for Applied courses (vocational)
- Distinction* = Average grade for Technical course (vocational)

A* - A grades were secured in many subjects including 11 in Sociology, 8 in Religious Studies and 8 in Psychology.

The A Level subjects, which continue to provide positive value added scores at Key Stage 5 are: Chemistry (+0.16), Sociology (+0.33), Psychology (+0.27), Religious Studies (+0.81), English Language (+0.18), History (+0.02) and Photography (+0.35).

At KS5 BTEC Sport Studies (Double – Diploma = +0.77) and BTEC Health & Social Care (Double – Diploma = +0.58) continue to provide positive value added scores.

Raising Achievement in English and Maths at KS5

At KS4 outcomes in English have significantly improved on 2016 results.

At KS5 outcomes in English and Maths have improved on 2016 results and above recent national figures:

- 2017 - The average progress made in English (GCSE) is +1.00
- 2016 - The average progress made in English (GCSE) is +0.47
- 2017 - The average progress made in Maths (GCSE) is +0.53
- 2016 - The average progress made in Maths (GCSE) is +0.38

Key performance indicators

The following sections reference our objectives for 2016-17 and provides details as to how they have been addressed:

MAT Developments

St John's successfully converted from a Single Academy Trust to a Multi Academy Trust in December 2016, establishing the MAT as the Romero Catholic Education Trust. Deep-rooted Gospel values are very much at the heart of our Trust which will serve the Catholic and wider communities of South-West Durham in its desire to provide the best education and opportunities for the young people of the area.

The aim of the Romero Catholic Education Trust is to offer outstanding pastoral care and education provision so that every child's needs and abilities are recognised within our caring, learning community. Within the Trust we are committed to prioritising the welfare and well-being of each individual, nurturing, valuing and encouraging each and every one to develop their God-given talents and flourish.

By working in partnership, we are stronger together, providing greater access to further opportunities and support for the benefit of students, staff and the individual schools involved.

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

In preparation for the conversion from SAT > MAT, trustees at St John's worked with Avec Partnership to:

- Review the effectiveness of the existing governance structure
- Identify and shape our vision for the MAT
- Carry out skills audits (June 2016 and July 2017). The most recent skills audit was based on the the DfE's "Competency Framework for Governance".
- Establish a new structure for the MAT and provide relevant training for our Trustees

Currently, the Romero Catholic Education Trust operates with a single academy (St John's School & Sixth Form College). St John's has been identified as a potential sponsor for St Joseph's RCVA Primary School in Newton Aycliffe but there are capital works and funding issues to be resolved before the sponsorship can proceed.

Whilst the sponsorship of St Joseph's is still pending, the trustees have agreed to continue operating as one full board. Once another school joins the MAT, a board of directors for the MAT will be decided as well as local governing bodies for each academy.

During the academic year 2016-2017 the Hexham and Newcastle Diocese has consulted with secondary and primary schools regarding academisation. The subsequent policy, process and guidance suggests a diocesan-wide plan which outlines 5 regions in the diocesan academy model, although there is no timescale imposed for schools to become academies or to form MATs.

Developing the Effectiveness of the Sixth Form and 16-19 Programmes

At St John's we continue to review and evaluate the effectiveness of our Sixth Form and our KS5 provision. Working with Durham Local Authority advisors we carried out a full Sixth Form Review during 2016-17 which evaluated the effectiveness of leadership and management; the quality of teaching, learning and assessment; students' personal development, behaviour and welfare and outcomes for students in the sixth form. The team, working with St John's Leadership Team, analysed data about student performance in post-16 courses; jointly observed 20 part-lessons; discussed students' files and interviewed ten Y12 and ten Y13 students.

Key findings for Leadership and Management are as follows:

- The Leadership Team's analysis of progress data is accurate and is being used effectively to hold middle leaders to account for post-16 outcomes
- There is capacity for continued improvement in the Sixth Form provision
- Middle leaders are able to articulate how their monitoring and tracking have supported the focus on improved outcomes in subject areas
- The Leadership Team has improved tracking of students' pathways
- The study programmes prepare students for transition into degree or apprenticeship qualifications
- L3VA data is used to inform planning and differences in outcomes are identified

Key findings for the quality of Teaching, Learning and Assessment are as follows:

- The Leadership Team are making accurate evaluations of progress in Sixth Form lessons
- Lessons showed a positive relationship between students and staff
- Progress is evident when students are engaged in purposeful and independent work and where there is a clear focus on high level thinking
- In the most effective lessons teachers are using questioning effectively to move students on from their starting points

Key findings for the quality of Personal Development, Behaviour and Welfare are as follows:

- Students enjoy being at St John's
- Students are supported and listened to and they value the help they are given with taking the next step eg UCAS applications and interviews etc

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Following the Summer 2017 results the percentage of students going into higher education was 54% which exceeds both the Durham Local Authority average of 46% and the national average of 48%.

13% of students from St John's have continued their education at the top third of higher education institutions with 11% attending Russell Group universities. Following the Summer 2017 results 1 student has continued his education at Trinity College, Cambridge University, studying Economics. Most students were successful in achieving the grades necessary to secure their first choice university placements.

In addition, the work of the Sixth Form pastoral team and our independent Careers Advisor has ensured that our students have secured highly competitive, high level apprenticeships at GSK and KPMG Accounting.

The spiritual life of the Sixth Form continues to flourish with students trained as Cafod Leaders and others who are following the John Paul II Award (12 students began the JPPII Award in Year 12 with 6 students completing the programme by the end of the year). 31 students in Year 12 enrolled on the National Citizen Service Programme in Autumn 2016. The programme has proved to be incredibly successful for our students with 1 Year 13 student, CT, invited to speak with Lords and MPs at the House of Lords about how the programme has helped her (19 October 2016). The Bridge Project helps to develop students' personal, social, spiritual and leadership skills. In addition, work experience for Year 12 enriches and enhances students' learning.

The introduction of the Extended Project and National Citizen Service programmes have continued to provide further opportunities for students to increase their average point scores whilst developing their skills for research, independent study and community work.

Monitoring Quality of Teaching, Learning and Assessment

All departments are able to deliver consistently good lessons in all key stages. Our judgement of the quality of teaching is based on typicality and includes lesson observations, achievement and students' progress 'over time.'

More rigorous and regular work scrutinies are carried out by HODs and LT links to check student progress.

Teaching, Learning and Assessment are monitored further through internal and externally judged departmental reviews. During the academic year 2016-17 internal reviews have been carried out on KS5 subjects: Business Studies, Law and Photography. In addition, Heads of Department in Core subjects have worked with Durham Subject Improvement Advisors in English and Science throughout the year to ensure student outcomes were improved. Activities undertaken included: reviews of KS3 curriculum to ensure that skills needed for KS4 were being taught and embedded; data analysis and monitoring of key student groups; Year 7 question level analysis; standardisation and moderation of Year 11 exam scripts/controlled assessments; collaborative planning and preparation. When compared with 2016 results, outcomes in 2017 showed improvements in English, English Literature, Triple Sciences, Additional Science, Core Science and KS5 Photography.

Assessments at KS3 are based on mastery statements using the following to describe students' learning: Excellence; Secure; Developing; Foundation. In addition to this, students complete a summative test in February and July which assess the content that has been covered up to that point in time. These summative tests are graded using 1-9 grades. Heads of Department are responsible for setting grade boundaries for these exams with historic GCSE grade boundaries used as a starting point until further specification guidance is confirmed.

Assessment at KS4 must relate to the topics that have been delivered in lessons up to that point and be GCSE standard, i.e. exam paper and associated mark scheme. To ensure accuracy of assessment, grade boundaries from the associated exam papers are used for these assessments. Teachers report the current working at grade based on this assessment only. All subject areas complete a written exam during the identified exam weeks. Heads of Department are expected to quality assure and standardise every assessment within their department.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Following data collection, target groups are identified for intervention - focus of LT link meetings and work scrutiny. CPD and INSET have been tailored to the teaching and learning priorities and the impact is reviewed. Learning Expectations for teachers set out clear guidelines to raise standards in the classroom. Lesson observations demonstrate that staff plan for student progress but more work needs to be done on planning for differentiation to ensure that all groups are catered for. Students are more confident and informed acting on staff feedback as a result of the consistent implementation of the whole school marking policy. Clear communication with parents/carers regarding their child's progress has been supported by Information and Progress Evenings with parental feedback acted on by Head of Year/subject teachers as appropriate.

CPD has a clear link to school improvement priorities and appraisal objectives and is driven by a 'menu':

- 'core' offer (all staff), which is directly related to career stage
- a range of optional choices / guided choice linked to appraisal objectives, linked to teaching & learning
- continued use of software: 4matrix and Class-Charts

St John's has a clear commitment to further improve the quality of teaching and is building leadership capacity via:

- empowering staff to be facilitators to develop teaching & learning
- dissemination of good practice
- moving from good > outstanding
- 'Teach Meets' and 'Open Classrooms' programme for teachers to share best practice

The Appraisal system is linked to Teachers' Standards, career expectations and school improvement priorities. Trustees link with subject areas and meet with middle leaders/Leadership Team to challenge performance, discuss student progress, explore strategies and evaluate impact of actions. Findings from these meetings are shared at Trustees' meetings.

Catholic Life and Spiritual, Moral, Social and Cultural Development (SMSC)

St John's was inspected by the Hexham and Newcastle Diocesan team on 15 and 16 June 2015 and received outstanding judgements in all categories (see inspection report):

- Previous inspection (2010)
- Recent inspection 2015:
- Overall judgement: 1 (Outstanding)
- Catholic Life: 1 (Outstanding)
- Collective worship: 1 (Outstanding)
- Religious Education: 1 (Outstanding)

Throughout 2016-17 St John's has continued to deliver a programme of day and residential retreats for students in all year groups as well as providing a staff residential retreat. The residential retreats take place at the Emmaus Village, Consett, and are well attended, particularly by students from Years 7 – 11. In addition PREP (prayer, register, equipment and planner) takes place during daily registrations. The School Chaplain, Heads of Year and pastoral tutors provide resources for collective worship and for students' personal and spiritual reflections. All Year groups receive a weekly assembly which encourages students to reflect on the world around them.

Pastoral programmes cover SMSC and make effective use of external speakers/groups to broaden students' understanding of topics and global issues. All year groups regularly take part in fundraising activities and "adopt a charity" to support which, during 2016-17, have included Lepra, the Great North Air Ambulance and Butterwick Hospice. As a school we continue to fundraise for our "Project Peru," an annual expedition by Sixth Form students and staff to help support those in need, carrying out building projects and working in local schools and children's centres in Quito.

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

At St John's twice weekly staff briefings begin with reflections and there is a weekly Friday morning Mass led by our Parish Priests before school which staff, students and the local community are welcomed to attend. Our annual staff retreat is attended by 25+ staff and provides an opportunity for personal reflection, mindfulness and group activities.

Religious Education at both KS4 and KS5 continues to be a high-performing subject securing positive value added scores.

In 2017-18 St John's will be preparing for our School Mission (March 2018), working alongside our parishes, primary schools, the Youth Ministry Team and the H&N Diocesan departments.

Student Admissions

St John's continues to be an oversubscribed Academy. For the last 3 years Durham County Council has asked us to accept all of our Year 7 first choice applications. We increased our PAN from 209 to 220 but we still exceed these numbers. Admission figures are detailed below for Year 7 and Year 12:

- Pupil admission number (PAN) for 2015 – 2016 = 220
- Pupil admission number (PAN) for 2016 – 2017 = 220
- Year 7 intake 2015-2016 = 247 (first choice applications). Actual numbers who attended in September 2015 = 235
- Year 7 intake 2016-2017 = 263 (first choice applications). Actual numbers who attended in September 2016 = 260
- Year 7 intake 2017-2018 = 235 (first choice applications). Actual numbers who attended in September 2017 = 238
- Year 11 outgoing in 2016 = 211
- Year 11 outgoing in 2017 = 211
- Numbers entering Year 12 in September 2015 = 147.
- Numbers entering Year 12 in September 2016 = 112.
- Numbers entering Year 12 in September 2017 = 128.

We continue to offer a wide range of subjects and courses for all students which cover A Level and vocational areas.

Behaviour and Safety

Exclusions

- There has been 1 permanent exclusion during the academic year 2016-2017 (well below national averages).
- For all students the percentages of fixed term exclusions are below national averages.

Attendance

- Attendance for the whole school in 2016-2017 academic year is 94.9%

NEETs

- Our proportion of NEETs is well below both Durham Local Authority averages and national averages

KS4 Destinations 2017 Year 11 Leavers (unvalidated)

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Destination	Percentage
Continuing Education	97.2%
Apprenticeships	2.3%
Total in Learning	99.5%
NEET	0.5%
Total Cohort 211	100%

Safeguarding

- Child Protection Training - All staff have completed Level 1 training, including all new staff (on-line). There is a continual rolling programme of renewal which involves both online training and sessions delivered by Durham LA CP adviser.
- Prevent training – All staff have completed online training. There is a continual rolling programme of renewal which involves online training.
- Bullying and racist incidents are rare; if they do occur, they are dealt with quickly and appropriately. Students are made aware of different types of bullying, including homophobic and transgender bullying, and how to keep themselves safe via the school's pastoral programme which includes:
 - external speakers
 - assemblies e.g. diversity and equality
 - anti-bullying week
 - a Student Welfare Team
 - a Student Leadership programme
- Student leadership is flourishing and St John's was awarded Leadership Academy status in 2015. During 2016-17 departments across the curriculum established Student Leaders to support in lessons, work with targeted students, volunteer to help on projects with our primary schools and local community. Students achieve level 2 or level 3 leadership qualifications through volunteering work. The programme is effective and continues to grow, coordinated by a member of the Extended Leadership Team within St John's.
- Parent surveys support the school's judgement regarding behaviour & safety. Parents complete a feedback/evaluation questionnaire at the end of each Progress Evening and any negative feedback is addressed through discussions between parents and Leadership Team/Subject/Pastoral Leaders.

Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Financial review

The majority of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted for particular purposes. Such grants and all associated expenditure are shown in restricted funds in the SOFA for the period 31 August 2017. Our cash resources and budget for 2017/18 indicate that we expect our day-to-day activities to be adequately funded by income from all sources.

Total income for the year was £7,822,646 and expenditure amounted to £7,971,538. After allowing for FRS102 adjustments of £242,000 for the Local Government Pension Scheme, this resulted in an outflow of funds for the year of £144,274.

Total funds at 31 August 2017 are in surplus by £647,178, made up of £481,236 within restricted funds and £165,942 of unrestricted general funds. The restricted fixed asset fund totalled £2,331,633, and the Local Government Pension Scheme reserve fund totalled £2,533,000 (deficit).

Of the total income for the year, £6,944,884 was obtained as ESFA grants, with £1,395 of income as government grants via local authorities. These grants and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The £6,944,884 received from the ESFA was a combination of the General Annual Grant of £6,649,149, Pupil Premium of £241,444, capital grants of £28,452 and other grants of £25,839.

Almost all expenditure relates to the Trust's educational activities, with a small amount of £212,924 identified as governance costs. £4,962,897 of expenditure was for teaching and educational support staff and £339,164 of other direct costs. The remaining costs cover support staff, maintenance, cleaning, catering, and insurance and other occupancy and support.

At 31 August 2017, the net book value of fixed assets was £2,331,633.

Reserves policy

The academy holds restricted and unrestricted reserves (as detailed in the attached financial statements) for the purposes of:

- The risk of unforeseen emergency or other unexpected need for funds
- Covering costs of unplanned repairs and maintenance
- Covering the cost of a replacement 3G pitch carpet after 10 years
- Covering unforeseen day-to-day operational costs, e.g. employing temporary staff to cover a long-term sick absence, maternity etc.

The level of reserves at the end of the period ending 31 August 2017 was £647,178, made up of £165,942 of unrestricted reserves, and £481,236 of restricted general funds.

The level of reserves is within the limits of the current policy which requires the level of reserve to be minimum of 5% of GAG income.

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Investment policy and powers

The Academy maintains all funds within the school current account, which is interest bearing. Trustees acknowledge that where it is possible to generate better returns than provided in the current accounts, it may undertake other investments.

The current Treasury Management Policy dictates that monies surplus to the working requirements shall be invested in term deposits with the current banker or with another UK institution regulated by the FCA. The Academy will not take out long-term deposits until a reliable cash flow pattern is established, monies will only be paid into term deposits not exceeding six months.

The board of trustees reserves the powers to give approval to the opening of new bank current accounts, amend the approved institutions with who the Academy Trust will invest, and give approval to any bank deposit with a maturity date exceeding six months. The board of trustees delegates authority to the Finance Manager to place deposits in the Academy Trust's name, at approved institutions, subject to the agreed limits in the Treasury Management Policy and with approval from the Headteacher.

Principal risks and uncertainties

The Academy has in place sound risk management and assurance processes. Trustees believe that an effective risk management strategy is a matter of good organisational practice, lying at the heart of good management and good governance. The Academy's risk management policy is to adopt best practice in the identification, evaluation and effective control of risks to ensure they are managed to an acceptable level. It is acknowledged that some risks will always exist and will never be eliminated.

The process of risk identification involves both Trustees and staff. Consideration is given to the following factors:

- The vision, beliefs, values and strategic goals of the Academy
- The nature and scale of current and planned activities
- External factors that may affect the Academy such as legislation and regulation
- The Trust's reputation with its key stakeholders
- The operating structure of the Academy

Principal Risks identified by Trustees and staff during 2016-17 are:

- A reduction in funding as a result of the National Funding Formula
- A drop in student numbers
- Overspend on capital projects
- Local Government pension scheme deficit

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Plans for future periods

Catholic Life and SMSC

During 2017-18 academic year we plan to review St John's mission statement, focusing on our Catholic ethos and identity as "A Learning Community Guided by Gospel Values". Part of this process will include working with the Youth Ministry Team, our primary feeder schools, local parishes and the wider community to plan and prepare for our School Mission (March 2018). A "Mission Control" team of staff and students will be established to coordinate pastoral, spiritual and social activities as well as preparing resources as part of our Mission year. In addition, St John's will continue to be an active "member" of the Escomb Partnership, in response to Hexham & Newcastle Diocese's, "Forward Together in Hope" programme.

In order to develop our Sixth Form students' leadership skills and support them in recognising their role/responsibilities as global citizens, we will encourage their participation in spiritual and social projects including: Cafod Leadership, John Paul II Award, the National Citizen Service and Project Peru. We will support the faith journeys of all our students through our year group masses, in-house day retreats, residential retreats to the Emmaus Village and pilgrimages to Lourdes/Holy Island.

By working in partnership with other Catholic academies we aim to develop resources, plan collaboratively and cross-moderate RE for GCSE and A Level courses. In addition, our pastoral leaders will continue to plan pastoral programmes that make effective use of appropriate resources and relevant speakers to address current social issues (British values, radicalisation, etc)

Leadership and Management

Following 2017 results we will continue to monitor the effectiveness of teaching, learning and assessment with particular focus across the range of provision in English, Maths, Science, and Modern Foreign Languages. To ensure that trustees are able to challenge, support and monitor student progress, Review Weeks will be established in the school calendar for trustees to meet with subject leaders/relevant staff/Sixth Form to check on strategies and progress made towards targets. In-house and external training will be provided so that trustees can address issues/areas for development from the skills audit and subsequently develop their roles within the MAT. Further work with our primary cluster of schools is planned to explore the opportunities for joining the MAT.

Following the capital works in 2016-17 (roof replacements for the sportshall and swimming pool) the Trust will be applying to CIF for funding to address overcrowding issues and improvements to stairwells (application deadline: December 2017). With the recent 2016-17 improvements to our facilities, we will be aiming to increase the positive promotion of St John's to the wider community to build on its reputation and capitalise on its letting potential.

Teaching, Learning and Assessment

Changes to course specifications and linear examinations will result in more synoptic teaching approaches and revised schemes of work to ensure that the skills required for KS4 learning are taught and developed in KS3. Increasing the resilience of our students and developing their independent study and revision skills are vital if they are to cope with the course/exam changes so we will be focusing on metacognition and Growth Mindset approaches as part of our learning improvement priorities. Strengthening the impact of cross-moderation, marking and feedback will be necessary so that students understand what they need to improve and how to do so. With this in mind, individual subject staff across the curriculum are planning/continuing to work as exam markers/moderators to enhance their knowledge and understanding of course requirements.

Formative and summative assessment strategies will enable timely intervention to address gaps in learning and there will be a focus on stretching and challenging students in their learning, particularly with key groups (boys, high prior attainment and disadvantaged). In addition, we are prioritising whole-school literacy, with particular emphasis on students' extended writing. Targeted and relevant homework, including SAM learning and other subject-specific resources, will continue to consolidate and enhance learning.

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Student Outcomes: raising achievement in English, Maths and EBACC subjects

In light of our Summer 2017 results we will evaluate the effectiveness of GCSE entry strategies, developing action plans to continue improvements in English, and raise achievement in Maths and EBACC subjects, particularly Science and Modern Foreign Languages. Following each data collection, key groups of students will be monitored and timely intervention strategies, including 1:1 tuition/small group work will be implemented. At KS5 we will continue to provide appropriate and effective provision for all students who have not yet achieved a Level 4 in English or Maths GCSE, building on the improvements that have been made over the last 2 years.

Personal Development, Behaviour and Welfare

From September 2017 we are introducing CPOMs which is the market leading software application for monitoring child protection, safeguarding, pastoral and welfare issues. In addition, we will continue to monitor the attendance of targeted students/groups to ensure that they remain engaged with their learning/education. Revised approaches/new systems to improve discipline standards will be introduced including: departmental procedures; work of the Welfare Team; use of classcharts and detention system; isolation room and alternative provision.

Raising the aspirations of our students is vital if they are to achieve their potential, and we aim to do this through visits, speakers, business ambassadors, targeted activities etc as part of curriculum and pastoral programmes. We are also fully aware of the pressures facing young people today so we will be focusing on ways to promote their well-being and support their mental-health.

Developing the Effectiveness of the Sixth Form

A review of our KS5 subject provision and curriculum model is necessary to streamline options and consolidate class sizes. In addition, we will continue to monitor teaching and learning at KS5 to ensure students are on track to reach their targets, providing staff opportunities/CPD to improve the dissemination of good practice in KS5 lessons. Following on from our work during 2016-17, we will continue with subject departmental reviews to maintain a focus on high level teaching, learning and assessment. This will involve monitoring of teacher planning to ensure that it challenges the difference in gender performance. As with KS3 and KS4, increasing the resilience of our students and developing their independent study and revision skills are vital if they are to cope with the course/exam changes so we will be focusing on metacognition and Growth Mindset approaches as part of our learning improvement priorities.

Planned support from Durham Advisors 2017-18

- English and Maths: working with HODs and Assistant HODs to analyse Summer 2017 data; carry out work scrutinies, cross-moderation and set further targets to improve student outcomes. Maths subject review by Leadership Team and Durham Subject Advisor planned for Spring 2018
- Science: working with HOD and Assistant HODs to: review student outcomes from Summer 2017; plan and prepare resources for new curriculum at Key Stages 3, 4 and 5. Science subject review by Leadership Team and Durham Subject Advisor planned for Spring 2018 to include GCSE and A Level.
- Whole School Literacy: development of initiative to improve students' literacy skills, including extended writing.
- Pupil Premium development support
- Trustee Training: preparations for inspections, what to expect and questions to answer followed by a mock inspection visit.

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

In-House CPD Priorities 2017-18

Safeguarding					
Catholic Ethos and Collective Worship					
School Priorities					
Gospel Values Questioning	Literacy First	Metacognition and Growth Mind Set			Effective
Subject planning and development sessions					
Pastoral planning and monitoring					
All Teaching Staff	NQT,NQT+ & ITT	HODs	HOYs	Senior Leaders	LSAs
Role of the Pastoral Tutor	Role of the Pastoral Tutor	Quality First Teaching			Quality First Teaching
Quality First Teaching	Quality First Teaching	Stretch & Challenge			Behaviour Management
Behaviour Management	Behaviour Management	Effective Teaching at KS5			Collaborative Learning
Collaborative Learning	Collaborative Learning	Assessment, Marking & Feedback			Technology
Feedback, Assessment & Marking	Assessment, Marking & Feedback	Lesson Observation & Appraisal			
Stretch & Challenge		Aspiring Senior Leaders			
Effective Teaching at KS5					
Optional CPD: Data Drop-ins; Teachmeets; Teaching and Learning Group Meetings; TSST; Exam Boards etc.					

**ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S
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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Auditor

Insofar as the Trustees are aware:

There is no relevant audit information of which the charitable company's auditor is unaware and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information. The contract for audit services is due for renewal, and a tender exercise will be undertaken in Spring 2018.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 31/8/17 and signed on its behalf by:


.....
A P Byrne
Chair of Trustees

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Romero Catholic Education Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring that financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Romero Catholic Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities.

The full board of trustees has formally met 9 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
A P Byrne (Chair of Trustees)	9	9
M Cantwell (Resigned 26 May 2017)	4	8
R Hall	9	9
J A S McMullan (Resigned 26 September 2016)	2	2
A Smith	9	9
Rev D Tindall	7	9
M Weetman (Resigned 20 July 2017)	6	9
M Wood	9	9
Rev M Whalen (Resigned 20 July 2017)	7	9
L Byron-Ledwith (Accounting Officer)	9	9
A Gregory (Appointed 5 October 2016)	8	9
D Hart (Appointed 12 October 2016)	7	9
G D O'Hehir (Appointed 5 October 2016)	7	9
J Thompson (Appointed 5 October 2016)	6	9
A Wake (Appointed 5 October 2016)	6	8
G Summerbell (Appointed 5 October 2016)	9	9
J Radford (Appointed 16 February 2017)	3	3

Trustees understand the need to keep the effectiveness of their governance work under regular review. During the process of moving from a SAT > MAT Trustees have been reviewing the effectiveness of the existing governance structure and its capability to support effective governance across more than one academy. New terms of reference have been established for the Finance & Resources sub-committee and for the Standards & Outcomes sub-committee (to take effect from 1 September 2017).

Trustees understand the need to keep the effectiveness of their governance work under regular review. During the process of moving from a SAT > MAT Trustees have been reviewing the effectiveness of the existing governance structure and its capability to support effective governance across more than one academy. New terms of reference have been established for the Finance & Resources sub-committee and for the Standards & Outcomes sub-committee (to take effect from 1 September 2017).

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

A further skills audit, based on the DfE's "Competency Framework for Governance" was carried out in July 2017. Trustees are aware that the DfE will require strong governance and ongoing governance review activity and relevant training sessions will continue during the autumn and spring terms of the academic year 2017/18.

During the academic year 2016-17 the purpose of the finance committee was:

- To keep under review and advise the board of trustees as necessary on the arrangements for efficient control and management of the Academy's financial affairs, and on the financial status of the Academy
- To consider annual estimates of income and expenditure, including the provisions for capital expenditure, prepared by the Finance Team, and make recommendations to the board of trustees
- To liaise with the Community & Premises Committee on action to secure the future well-being and physical development of the Academy's assets
- To approve on behalf of the board of trustees the contractual arrangements for capital building projects and monitor the progress of these projects
- To advise the board of Trustees on the establishment of trusts or companies for trading.

Attendance at Finance meetings in the academic year 2016-17 was as follows:

Trustees	Meetings attended	Out of possible
A P Byrne (Chair of Trustees)	3	3
M Cantwell (Resigned 26 May 2017)	1	2
J A S McMullan (Resigned 26 September 2016)	0	0
L Byron-Ledwith (Accounting Officer)	3	3
D Hart (Appointed 12 October 2016)	1	1
G D O'Hehir (Appointed 5 October 2016)	2	3
G Summerbell (Appointed 5 October 2016)	1	1
J Radford (Appointed 16 February 2017)	2	2

Following the change to the new structure of a Finance and Resources committee, the following terms of reference will be effective from 1 September 2017:

Financial Policy and Planning

- To review, adopt and monitor a Finance Policy which includes the local scheme of delegation for spending and budgetary adjustments (virements) for the committee, Headteacher and other nominated staff.
- To review, adopt and monitor all additional financial policies, including a charging and remissions policy.
- To establish and maintain a three-year financial plan, taking into the account priorities of the St John's Learning Improvement Plan, roll projection and government policy regarding future years' budgets, within the constraints of available information.
- To draft and propose to the board of trustees for adoption an annual school budget taking into account the priorities of the St John's Learning Improvement Plan.
- To make decisions in respect of service level agreements.

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Financial Monitoring

- To monitor all income and expenditure throughout the year of all delegated and devolved funds against the annual budget plan.
- To receive at least termly budget monitoring reports from the Finance Manager / Headteacher, understanding and addressing variances between the budget and actual income and expenditure.
- Report back to each meeting of the board of trustees and to alert them of potential problems or significant anomalies at an early date.
- To meet with other committee(s) and provide them with the information they need to perform their duties.
- Subject to the local scheme of delegation, to approve any budgetary adjustments that will from time to time be necessary in response to the evolving requirements of the school.
- To report back to each meeting of the board of trustees and to alert them of potential problems or significant anomalies at an early date.
- To meet with other committee(s) and provide them with the information they need to perform their duties.
- Subject to the local scheme of delegation, to approve any budgetary adjustments that will from time to time be necessary in response to the evolving requirements of the school.
- To prepare the Trustees Report to form part of the Statutory Accounts of the board of trustees and for filing in accordance with Companies Act requirements.
- To receive auditors' reports and to recommend trustee action as appropriate in response to audit findings.
- To recommend to the board of trustees the appointment or reappointment of the auditors.
- To ensure cash flow is monitored closely and any investment decisions are made in the best interests of the Trust with security of funds taking precedence over revenue maximisation.

Premises

- To provide support and guidance for the board of trustees and the Headteacher on all matters relating to the maintenance and development of the premises and grounds, including Health and Safety.
- To ensure that an annual inspection of the premises and grounds takes place and a report is received, identifying any issues.
- To set out a proposed order of priorities for maintenance and development, for the approval of the board of trustees, based on the findings of the annual inspection of the premises and grounds.
- To arrange professional surveys and emergency work as necessary.
- The Headteacher is authorised to commit expenditure without the prior approval of the committee in any emergency where delay would result in further damage or present a risk to the health and safety of students or staff. In this event the Headteacher would normally be expected to consult the Committee Chair at the earliest opportunity.
- To create a project committee, if or where necessary, to oversee any major developments.
- To establish and keep under review an Accessibility Plan and a Building Development/Maintenance Plan
- To review, adopt and monitor a Health and Safety policy.
- To ensure that the trustees' responsibilities regarding litter, refuse and dog excrement are discharged according to Section 89 of the Environmental Protection Act 1990, so far as is practicable.

Staffing

- To ensure that the school is staffed sufficiently for the fulfilment of the school's development/curriculum plan and the effective operation of the school.
- To establish and oversee the operation of the school's Appraisal Policy - including the arrangements and operation of the school's appraisal procedures for the Headteacher.
- To establish a Pay Policy for all categories of staff and be responsible for the administration and review of the Pay Policy.
- To ensure that staffing procedures (including recruitment procedures) follow equalities legislation.

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

- To annually review procedures for dealing with staff discipline and grievances and make recommendations to the board of trustees for approval.
- To monitor approved procedures for staff discipline and grievance and ensure that staff are kept informed of these.
- To recommend to the board of trustees staff selection procedures, ensuring that they conform with safer recruitment practice, and to review these procedures as necessary.
- In consultation with staff, to oversee any process leading to staff reductions.
- To establish the annual and longer-term salary budgets and other costs relating to personnel, e.g. training.

Audit

- To ensure systems of robust financial management and internal controls are in place.
- To ensure compliance with the funding agreement and the academies financial handbook.
- To advise the Trust on the appointment, reappointment, dismissal and remuneration of the internal assurance service and external auditor.
- To consider the reports of the internal assurance service and, when appropriate, advise the Trust of material controls issues.
- To agree and challenge the work programme of the internal assurance service.
- To consider the reports of the internal assurance service and, when appropriate, advise the Trust of material controls issues.
- To monitor the implementation of agreed recommendations relating to internal assurance reports.
- To advise the Trust on the appointment, reappointment, dismissal and remuneration of the external auditor.
- To consider the reports of the external auditors and internal assurance service and, when appropriate, advise the Trust, of material controls issues.
- To monitor the implementation of agreed recommendations relating to the external auditor's management letter.
- To establish relevant performance measures and indicators, and to monitor the effectiveness of the external auditor.
- To review the annual financial statements in the presence of the external auditor, including: the auditor's formal opinion; the governance statement, including consideration of the internal control systems effectiveness; risk management statements and any relevant issue raised in the external audit management letter, including regularity audits
- To recommend the annual financial statements to the Board of the Trust (or local governing body if the trust board is not established).
- To review the adequacy of The Trust Risk Management Policy and procedures and to regularly review the Risk Register.
- To monitor the implementation of Risk Management Action Plan.
- To review The Trust's arrangements in respect of whistleblowing and anti-fraud and corruption and to make recommendations as necessary
- To ensure that all allegations of fraud and irregularity are properly followed up and control weaknesses addressed, including being notified of all cases.

Review of value for money

As Accounting Officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy trust has delivered improved value for money during the year by:

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

- Ensuring tighter controls are in place as part of the budget management process to ensure overspending is managed.
- Review of broadband service provision, resulting in faster speeds which will better support the curriculum.
- Ongoing review of staffing structure and contracts of employment, resulting in more efficient delivery of teaching and learning objectives and support services.
- Review of catering suppliers to ensure best value is achieved.
- Delivery of Condition Improvement Fund roof replacement works to sports hall and swimming pool within budget.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Romero Catholic Education Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget, and periodic financial reports which are reviewed and agreed by the board of Trustees;
- Regular reviews by the finance committee of management accounts which illustrate financial performance against forecasts and of major purchase plans, capital works and expenditure programmes;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor; however the Trustees have appointed Baldwins Audit Services Limited, the external auditor, to perform internal assurance checks three times per year.

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Accounts and Reconciliations; review of bank reconciliations, creditors/debtors, and finance handbook.
- Review process of collecting school census data, and confirm data submitted agrees with funding calculations.
- Risk Management; review of risk register and insurance cover
- Purchasing; review of high value purchases and contracts and payment processing
- Payroll and Expenses; review of payment processing, sample of payroll entries and expense claims
- Corporate Governance and Regularity; review of website compliance, financial reporting, and register of interests.
- Bank and Cash; review of controls and signatories

On a termly basis, internal assurance reports are presented to the board of Trustees through the Finance Committee on the operation of the systems of control, and on the discharge of the board of Trustees' financial responsibilities. The external auditor has not found any material control issues arising as a result of the internal assurance programme and the recommendations they have made have been implemented.

Review of effectiveness

As Accounting Officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the Chief Financial Officer and the finance team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.
- Internal Assurance Reports (Baldwins Audit Services Limited)
- The work of the external auditor (Baldwins Audit Services Limited)


The Academy's internal control policy and procedures ensure a robust control framework is in place. This includes: timely budget planning and monitoring, management and oversight of assets, banking, and investment and cash flow practices with appropriate segregation of duties. This framework drives the principles of best value, enabling the priorities in the learning improvement plan to be met in an efficient manner.

The Academy's updated Finance Handbook was presented to Trustees on 16 May 2017. This document sets out key financial responsibilities and policies including delegation of spending and virement limits, capitalisation limits,

The Accounting Officer is fully aware of all systems of review, both internal and external, and the Finance Committee reviews the Trust's Finance Improvement Plan on a termly basis in order to ensure a system of continuous improvement is in place.

Approved by order of the board of trustees on 21/12/17 and signed on its behalf by:


A P Byrne
Chair of Trustees


L Byron-Ledwith
Accounting Officer

**ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S
CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC
ACADEMY (BISHOP AUCKLAND))**


**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2017**

As accounting officer of Romero Catholic Education Trust (Formerly St John's Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland)) I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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

L Byron-Ledwith
Accounting Officer


7/11/17

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees (who also act as governors for Romero Catholic Education Trust (Formerly St John's Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland)) and are also the directors of Romero Catholic Education Trust (Formerly St John's Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland)) for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 7/12/17 and signed on its behalf by:


A P Byrne
Chair of Trustees

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

Opinion

We have audited the accounts of Romero Catholic Education Trust (Formerly St John's Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland)) for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)) (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

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

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S
CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC
ACADEMY (BISHOP AUCKLAND))**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROMERO CATHOLIC
EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM
COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)) (CONTINUED)**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Baldwins

**Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services Limited**

8/12/17
.....

**Chartered Accountants
Statutory Auditor**

Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)) AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 19 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Romero Catholic Education Trust (Formerly St John's Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland)) during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Romero Catholic Education Trust (Formerly St John's Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland)) and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Romero Catholic Education Trust (Formerly St John's Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland)) and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Romero Catholic Education Trust (Formerly St John's Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland)) and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Romero Catholic Education Trust (Formerly St John's Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland))'s accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Romero Catholic Education Trust (Formerly St John's Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland))'s funding agreement with the Secretary of State for Education dated 28 November 2011 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)) AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance reports
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baldwins

Reporting Accountant

Baldwins Audit Services Limited

Dated: 8/12/17

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	4	800	-	28,452	29,252	674,310
Charitable activities:						
- Funding for educational operations	5	433,593	6,992,027	-	7,425,620	7,236,570
Other trading activities	6	366,915	-	-	366,915	371,963
Investments	7	859	-	-	859	1,061
Total income and endowments		802,167	6,992,027	28,452	7,822,646	8,283,904
Expenditure on:						
Raising funds	8	555,238	-	-	555,238	515,949
Charitable activities:						
- Educational operations	9	261,394	6,920,806	234,100	7,416,300	7,148,795
Total expenditure	8	816,632	6,920,806	234,100	7,971,538	7,664,744
Net income/(expenditure)		(14,465)	71,221	(205,648)	(148,892)	619,160
Transfers between funds		-	(55,483)	55,483	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	248,000	-	248,000	(1,236,000)
Net movement in funds		(14,465)	263,738	(150,165)	99,108	(616,840)
Reconciliation of funds						
Total funds brought forward		180,407	(2,315,502)	2,481,798	346,703	963,543
Total funds carried forward		165,942	(2,051,764)	2,331,633	445,811	346,703

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2016		Funds	General	Fixed asset	2016
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	4	-	-	674,310	674,310
Charitable activities:					
- Funding for educational operations	5	386,024	6,850,546	-	7,236,570
Other trading activities	6	371,963	-	-	371,963
Investments	7	1,061	-	-	1,061
Total income and endowments		759,048	6,850,546	674,310	8,283,904
Expenditure on:					
Raising funds	8	515,949	-	-	515,949
Charitable activities:					
- Educational operations	9	212,444	6,705,129	231,222	7,148,795
Total expenditure	8	728,393	6,705,129	231,222	7,664,744
Net income		30,655	145,417	443,088	619,160
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	20	-	(1,236,000)	-	(1,236,000)
Net movement in funds		30,655	(1,090,583)	443,088	(616,840)
Reconciliation of funds					
Total funds brought forward		149,752	(1,224,919)	2,038,710	963,543
Total funds carried forward		180,407	(2,315,502)	2,481,798	346,703

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	13		2,331,633		2,003,212
Current assets					
Stocks	14	8,568		8,062	
Debtors	15	189,721		601,535	
Cash at bank and in hand		1,072,455		782,833	
		<u>1,270,744</u>		<u>1,392,430</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(623,566)		(509,939)	
Net current assets			647,178		882,491
Net assets excluding pension liability			2,978,811		2,885,703
Defined benefit pension liability	20		(2,533,000)		(2,539,000)
Net assets			<u>445,811</u>		<u>346,703</u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			2,331,633		2,481,798
- Restricted income funds			481,236		223,498
- Pension reserve			(2,533,000)		(2,539,000)
Total restricted funds			279,869		166,296
Unrestricted income funds	18		165,942		180,407
Total funds			<u>445,811</u>		<u>346,703</u>

The accounts set out on pages 35 to 60 were approved by the board of trustees and authorised for issue on 7/12/17 and are signed on its behalf by:



A P Byrne

Chair of Trustees

Company Number 07835950

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	21		822,832		(223,082)
Cash flows from investing activities					
Dividends, interest and rents from investments		859		1,061	
Capital grants from DfE and ESFA		28,452		633,022	
Capital funding from sponsors and others		-		41,288	
Payments to acquire tangible fixed assets		(562,521)		(195,724)	
			(533,210)		479,647
Change in cash and cash equivalents in the reporting period					
			289,622		256,565
Cash and cash equivalents at 1 September 2016			782,833		526,268
Cash and cash equivalents at 31 August 2017			1,072,455		782,833

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Romero Catholic Education Trust (Formerly St John's Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland)) meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

The reported share of the LGPS deficit has a significant impact on our restricted funds, however we draw your attention to the cash reserves held by the academy as well as the balances held in unrestricted and restricted general reserves.

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Property improvements	50 years straight line
Plant and machinery	7 years straight line
Fixtures, fittings and equipment	7 years straight line
Motor vehicles	7 years straight line

The academy trust occupies the footprint of the school building which is owned by its trustees, the Diocese of Hexham and Newcastle. The Diocese are the providers of the buildings on the same basis as when the academy was a maintained school. The academy trust occupies the buildings under a mere licence. This continuing permission of the trustees is pursuant to, and subject to, the trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the buildings to the academy trust for the time being, but does not vest any rights over the land in the academy trust. The trustees have given an undertaking to the Secretary of State that they will not give the academy trust less than two years notice to terminate the occupation of the buildings. Having considered the factual matrix under which the academy trust is occupying the land and buildings the trustees have concluded that the value of the buildings occupied by the academy trust will not be recognised on the balance sheet of the academy. Subsequent expenditure funded by the academy has been capitalised.

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

Because the use of the land is made available to the academy trust under a Supplemental Agreement, the academy has been donated the right to use the buildings and under accounting standards a donation and expense representing the use of the facilities should be reflected in the financial statements. The trustees are of the opinion that obtaining a reliable estimate of this value would be onerous and the expense of obtaining such a valuation would outweigh any benefits derived. Therefore no such adjustment has been reflected in these financial statements.

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in the notes to the accounts.

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2017 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2017.

4 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	28,452	28,452	633,022
Other donations	800	-	800	41,288
	<u>800</u>	<u>28,452</u>	<u>29,252</u>	<u>674,310</u>

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	6,649,149	6,649,149	6,442,840
Other DfE / ESFA grants	-	267,283	267,283	382,520
National College grants	-	74,200	74,200	-
	-	6,990,632	6,990,632	6,825,360
Other government grants				
Local authority grants	-	1,395	1,395	5,554
Special educational projects	-	-	-	6,000
	-	1,395	1,395	11,554
Other funds				
Catering income	433,593	-	433,593	385,982
Other incoming resources	-	-	-	13,674
	433,593	-	433,593	399,656
Total funding	433,593	6,992,027	7,425,620	7,236,570

6 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	37,080	-	37,080	54,070
Catering income	11,745	-	11,745	15,658
School trips	212,286	-	212,286	89,009
Other income	105,804	-	105,804	213,226
	366,915	-	366,915	371,963

7 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	859	-	859	1,061

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds	265,598	-	289,640	555,238	515,949
Academy's educational operations					
- Direct costs	4,962,897	-	339,104	5,302,001	5,112,335
- Allocated support costs	875,281	668,483	570,535	2,114,299	2,036,460
	<u>6,103,776</u>	<u>668,483</u>	<u>1,199,279</u>	<u>7,971,538</u>	<u>7,664,744</u>

Net income/(expenditure) for the year includes:

	2017 £	2016 £
Fees payable to auditor for:		
- Audit	6,603	6,500
- Other services	5,771	6,104
Operating lease rentals	19,967	36,387
Depreciation of tangible fixed assets	234,100	231,222
Net interest on defined benefit pension liability	49,000	44,000

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	4,377	5,297,624	5,302,001	5,112,335
Support costs - educational operations	257,017	1,857,282	2,114,299	2,036,460
	<u>261,394</u>	<u>7,154,906</u>	<u>7,416,300</u>	<u>7,148,795</u>

	2017 £	2016 £
Analysis of support costs		
Support staff costs	875,281	834,121
Depreciation and amortisation	234,100	231,222
Technology costs	34,258	15,958
Premises costs	402,880	389,584
Other support costs	354,856	398,859
Governance costs	212,924	166,716
	<u>2,114,299</u>	<u>2,036,460</u>

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

10 Staff costs

	2017 £	2016 £
Wages and salaries	4,597,995	4,632,321
Social security costs	451,779	392,612
Operating costs of defined benefit pension schemes	932,376	754,142
Apprenticeship levy	2,737	-
Staff costs	5,984,887	5,779,075
Supply staff costs	95,999	67,436
Staff restructuring costs	14,994	60,560
Staff development and other staff costs	7,896	37,355
Total staff expenditure	6,103,776	5,944,426

Staff numbers

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

	2017 Number	2016 Number
Teachers	97	94
Administration and support	66	70
Management	9	9
	172	173

Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	1	3
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £14,994 (2016: £60,559). Individually, the payments were: £1,130 and £13,864.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the academy trust was £633,104 (2016: £604,470).

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

11 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, no expenses were paid to trustees (2016: £Nil).

The value of trustees' remuneration was as follows:

L Byron-Ledwith (Headteacher and trustee):

Remuneration	£85,001 - £90,000 (2016: £80,001 - £85,000)
Employer's pension contributions	£10,001 - £15,000 (2016: £10,001 - £15,000)

A Smith (Trustee):

Remuneration	£25,001 - £30,000 (2016: £25,001 - £30,000)
Employer's pension contributions	£1 - £5,000 (2016: £1 - £5,000)

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

12 Trustees and officers insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

13 Tangible fixed assets

	Property improvements £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2016	1,806,661	3,127	922,101	42,665	2,774,554
Additions	537,556	-	24,965	-	562,521
At 31 August 2017	2,344,217	3,127	947,066	42,665	3,337,075
Depreciation					
At 1 September 2016	131,984	119	610,784	28,455	771,342
Charge for the year	86,040	446	141,519	6,095	234,100
At 31 August 2017	218,024	565	752,303	34,550	1,005,442
Net book value					
At 31 August 2017	2,126,193	2,562	194,763	8,115	2,331,633
At 31 August 2016	1,674,677	3,008	311,317	14,210	2,003,212

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

14	Stocks	2017	2016
		£	£
	School uniform	3,924	3,899
	Catering stock	4,644	4,163
		<u>8,568</u>	<u>8,062</u>
15	Debtors	2017	2016
		£	£
	Trade debtors	14,691	18,384
	VAT recoverable	30,761	9,285
	Prepayments and accrued income	144,269	573,866
		<u>189,721</u>	<u>601,535</u>
16	Creditors: amounts falling due within one year	2017	2016
		£	£
	Trade creditors	145,766	174,829
	Other taxation and social security	112,046	112,669
	Other creditors	108,135	94,599
	Accruals and deferred income	257,619	127,842
		<u>623,566</u>	<u>509,939</u>
17	Deferred income	2017	2016
		£	£
	Deferred income is included within:		
	Creditors due within one year	<u>115,332</u>	<u>64,656</u>
	Deferred income at 1 September 2016	64,656	26,429
	Released from previous years	(64,656)	(26,490)
	Amounts deferred in the year	<u>115,332</u>	<u>64,717</u>
	Deferred income at 31 August 2017	<u>115,332</u>	<u>64,656</u>

At the balance sheet date the academy trust was holding funds received in advance for teacher training, rates relief, Erasmus projects and trips taking place in the next financial year.

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant	174,657	6,649,149	(6,316,932)	(55,483)	451,391
Other DfE / ESFA grants	48,841	341,483	(360,479)	-	29,845
Other government grants	-	1,395	(1,395)	-	-
	<u>223,498</u>	<u>6,992,027</u>	<u>(6,678,806)</u>	<u>(55,483)</u>	<u>481,236</u>
Funds excluding pensions	(2,539,000)	-	(242,000)	248,000	(2,533,000)
	<u>(2,315,502)</u>	<u>6,992,027</u>	<u>(6,920,806)</u>	<u>192,517</u>	<u>(2,051,764)</u>
Restricted fixed asset funds					
Transferred on conversion	257,464	-	(114,429)	-	143,035
DfE / ESFA capital grants	1,261,004	28,452	(42,896)	-	1,246,560
Capital expenditure from GAG	602,436	-	(59,972)	55,483	597,947
Other capital grants	360,894	-	(16,803)	-	344,091
	<u>2,481,798</u>	<u>28,452</u>	<u>(234,100)</u>	<u>55,483</u>	<u>2,331,633</u>
Total restricted funds	<u>166,296</u>	<u>7,020,479</u>	<u>(7,154,906)</u>	<u>248,000</u>	<u>279,869</u>
Unrestricted funds					
General funds	<u>180,407</u>	<u>802,167</u>	<u>(816,632)</u>	<u>-</u>	<u>165,942</u>
Total funds	<u>346,703</u>	<u>7,822,646</u>	<u>(7,971,538)</u>	<u>248,000</u>	<u>445,811</u>

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

(Continued)

The specific purposes for which the funds are to be applied are as follows:

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2017 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2017.

Other DfE/ESFA grants include Pupil Premium targeted at disadvantaged pupils.

Other government grants include funding for pupils with special educational needs and other local authority grants.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

The transfers between funds represent capital expenditure from the GAG and unrestricted funds during the year.

Devolved capital grant has been received and utilised against asset purchases in the year.

The transfers on conversion reflects the fixed assets acquired on conversion. Depreciation on these assets is charged against this fund.

Unrestricted funds can be used for any purpose at the discretion of the academy.

The academy's restricted general and unrestricted funds were £647,178 as at 31 August 2017.

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	4,081	6,442,840	(6,272,264)	-	174,657
Other DfE / ESFA grants	-	382,520	(333,679)	-	48,841
Other government grants	-	11,554	(11,554)	-	-
Other restricted funds	-	13,632	(13,632)	-	-
	<u>4,081</u>	<u>6,850,546</u>	<u>(6,631,129)</u>	<u>-</u>	<u>223,498</u>
Funds excluding pensions	4,081	6,850,546	(6,631,129)	-	223,498
Pension reserve	(1,229,000)	-	(74,000)	(1,236,000)	(2,539,000)
	<u>(1,224,919)</u>	<u>6,850,546</u>	<u>(6,705,129)</u>	<u>(1,236,000)</u>	<u>(2,315,502)</u>
Restricted fixed asset funds					
Transferred on conversion	371,893	-	(114,429)	-	257,464
DfE / ESFA capital grants	645,866	633,022	(17,884)	-	1,261,004
Capital expenditure from GAG	643,016	-	(40,580)	-	602,436
Other capital grants	377,935	41,288	(58,329)	-	360,894
	<u>2,038,710</u>	<u>674,310</u>	<u>(231,222)</u>	<u>-</u>	<u>2,481,798</u>
Total restricted funds	<u>813,791</u>	<u>7,524,856</u>	<u>(6,936,351)</u>	<u>(1,236,000)</u>	<u>166,296</u>
Unrestricted funds					
General funds	<u>149,752</u>	<u>759,048</u>	<u>(728,393)</u>	<u>-</u>	<u>180,407</u>
Total funds	<u>963,543</u>	<u>8,283,904</u>	<u>(7,664,744)</u>	<u>(1,236,000)</u>	<u>346,703</u>

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	2,331,633	2,331,633
Current assets	254,229	955,211	61,304	1,270,744
Creditors falling due within one year	(88,287)	(473,975)	(61,304)	(623,566)
Defined benefit pension liability	-	(2,533,000)	-	(2,533,000)
	<u>165,942</u>	<u>(2,051,764)</u>	<u>2,331,633</u>	<u>445,811</u>
	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	2,003,212	2,003,212
Current assets	226,892	686,952	478,586	1,392,430
Creditors falling due within one year	(46,485)	(463,454)	-	(509,939)
Defined benefit pension liability	-	(2,539,000)	-	(2,539,000)
	<u>180,407</u>	<u>(2,315,502)</u>	<u>2,481,798</u>	<u>346,703</u>

20 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Durham County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £95,126 (2016: £89,945) were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions and similar obligations

(Continued)

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £554,718 (2016: £555,574).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.6% for employers and 5.5 - 12.5% for employees. The estimated value of future employer contributions is £217,000.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions and similar obligations (Continued)

Total contributions made	2017	2016
	£	£
Employer's contributions	189,000	166,000
Employees' contributions	66,000	60,000
Total contributions	255,000	226,000

Principal actuarial assumptions	2017	2016
	%	%
Rate of increases in salaries	3.5	3.4
Rate of increase for pensions in payment	2.0	1.9
Discount rate	2.5	2.0
Inflation assumption (CPI)	2.0	1.9

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

	2017	2016
	Years	Years
Retiring today		
- Males	23.2	22.7
- Females	24.9	25.2
Retiring in 20 years		
- Males	25.4	24.9
- Females	27.2	27.5

Scheme liabilities would have been affected by changes in assumptions as follows:

	2017	2016
	£	£
Discount rate + 0.1%	5,238,000	4,646,000
Discount rate - 0.1%	5,489,000	4,871,000
Mortality assumption + 1 year	5,202,000	4,607,000
Mortality assumption - 1 year	5,523,000	4,909,000
CPI rate + 0.1%	5,437,000	4,819,000
CPI rate - 0.1%	5,288,000	4,696,000

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions and similar obligations

(Continued)

The academy trust's share of the assets in the scheme	2017 Fair value £	2016 Fair value £
Equities	1,389,039	969,266
Government bonds	871,332	718,632
Corporate bonds	243,294	188,530
Cash	121,647	164,132
Property	203,688	177,440
Total market value of assets	2,829,000	2,218,000
Actual return on scheme assets - gain/(loss)	431,000	310,000
Amounts recognised in the statement of financial activities	2017 £	2016 £
Current service cost	382,000	196,000
Interest income	(46,000)	(69,000)
Interest cost	95,000	113,000
Total operating charge	431,000	240,000
Changes in the present value of defined benefit obligations	2017 £	2016 £
Obligations at 1 September 2016	4,757,000	2,947,000
Current service cost	382,000	196,000
Interest cost	95,000	113,000
Employee contributions	66,000	60,000
Actuarial loss	137,000	1,477,000
Benefits paid	(75,000)	(36,000)
At 31 August 2017	5,362,000	4,757,000

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions and similar obligations

(Continued)

Changes in the fair value of the academy trust's share of scheme assets

	2017	2016
	£	£
Assets at 1 September 2016	2,218,000	1,718,000
Interest income	46,000	69,000
Actuarial gain	385,000	241,000
Employer contributions	189,000	166,000
Employee contributions	66,000	60,000
Benefits paid	(75,000)	(36,000)
	<u>2,829,000</u>	<u>2,218,000</u>
At 31 August 2017	<u>2,829,000</u>	<u>2,218,000</u>

21 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2017	2016
	£	£
Net (expenditure)/income for the reporting period	(148,892)	619,160
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(28,452)	(674,310)
Investment income receivable	(859)	(1,061)
Defined benefit pension costs less contributions payable	193,000	30,000
Defined benefit pension net finance cost	49,000	44,000
Depreciation of tangible fixed assets	234,100	231,222
(Increase)/decrease in stocks	(506)	1,725
Decrease/(increase) in debtors	411,814	(256,536)
Increase/(decrease) in creditors	113,627	(217,282)
	<u>822,832</u>	<u>(223,082)</u>
Net cash provided by operating activities	<u>822,832</u>	<u>(223,082)</u>

22 Contingent liabilities

The academy secured funding from the Football Foundation and Sport England in connection with the provision of new sports facilities at the academy, which have been capitalised on assets. Conditions are attached to the grants, which may have to be repaid in the event of breaches. The total amount of funding received was £385,000.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

23 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £	2016 £
Amounts due within one year	24,585	24,313
Amounts due in two and five years	37,197	31,623
Amounts due after five years	494	-
	<u>62,276</u>	<u>55,936</u>

ROMERO CATHOLIC EDUCATION TRUST (FORMERLY ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND))

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

24 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the year:

Hexham & Newcastle Partnership - a company in which L Byron-Ledwith (headteacher) is a director:

- The trust purchased student activities for pupils and continuous professional development events for teachers from Hexham & Newcastle Partnership totalling £15,651 (2016: £18,934) during the year.
- The trust received income for a research project funded by the partnership to Hexham & Newcastle Partnership totalling £574 (2016: £959) during the year. The amounts owed to the trust at 31 August 2017 was £102 (2016: £nil).
- The trust made the purchase at arms' length in accordance with its financial regulations, which L Byron-Ledwith neither participated in, nor influenced.
- In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

Eleven Arches - a charitable company in which D Tindall (trustee) is a trustee:

- The trust received income for hire of facilities from Eleven Arches totalling £nil (2016: £4,796) during the year. The amounts owed to the trust was £nil (2016: £4,318) at 31 August 2017.
- In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

St Mary's RCVA Primary School - a school in which M Whalen (trustee) is a governor:

- The trust received income for sharing an ICT technician and reimbursement of costs from St Mary's RCVA Primary School totalling £4,551 (2016: £3,698) during the year. The amounts owed to the trust was £1,907 (2016: £6) at 31 August 2017.
- In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

St Joseph's RCVA Primary School - a school in which M Whalen, B Hall and M Wood (trustees) are governors:

- The trust received income for swimming lessons and free school meals from St Joseph's RCVA Primary School totalling £2 (2016: £502) during the year. The amounts owed to the trust was £nil (2016: £20) at 31 August 2017.
- In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

St Wilfrid's RCVA Primary School - a school in which A Wake (trustee) is a governor:

- The trust received income for a shared ICT technicians and transport costs from St Wilfrid's RCVA Primary School totalling £4,626 (2016: £nil) during the year. The amounts owed to the trust was £nil (2016: £nil) at 31 August 2017.
- In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

Peru mission - a charity in which D Tindall (trustee) is a governor:

- The trust purchased trips from Peru mission totalling £600 (2016: £nil) during the year. There were no amounts outstanding at 31 August 2017 (2016: £nil).
- In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

24 Related party transactions

(Continued)

The academy trust occupies the footprint of the school building which is owned by its trustees, the Diocese of Hexham and Newcastle. The Diocese are the providers of the buildings on the same basis as when the academy was a maintained school. The academy trust occupies the buildings under a mere licence. This continuing permission of the trustees is pursuant to, and subject to, the trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the buildings to the academy trust for the time being, but does not vest any rights over the land in the academy trust. The trustees have given an undertaking to the Secretary of State that they will not give the academy trust less than two years notice to terminate the occupation of the buildings. Having considered the factual matrix under which the academy trust is occupying the buildings the trustees have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the balance sheet of the academy.

25 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

26 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2017 the trust brought forward £4,493 from previous years and received £25,951 and disbursed £20,349 from the fund and transferred £2,089 to other schools. An amount of £12,184 is included in other creditors relating to undistributed funds that are repayable to the ESFA.