

# ROMERO CATHOLIC EDUCATION TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019

# **Romero Catholic Education Trust**

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# Romero Catholic Education Trust

## Reference and Administrative Details

<b>Members</b>	Bishop R Byrne D Fox, Diocesan Director of Education J Ledger, Financial Secretary Father M Stempczk, Vicar General Father S Lerche, Episcopal Vicar for Education
<b>Trustees (Directors)</b>	A Byrne, Chair Rev D Tindall L Byron-Ledwith J Foster L A Petterson D Brown (appointed 21 September 2018) G D O'Hehir (resigned 13 June 2019)
<b>Company Secretary</b>	J Summerbell
<b>Senior Management Team</b>	L Byron-Ledwith, CEO C Parker, Deputy Headteacher M Dunn, Assistant Headteacher S Macdermott, Assistant Headteacher G McIntyre, Assistant Headteacher C Pullen, Assistant Headteacher J Somers, Assistant Headteacher (appointed 1 September 2018) P Watson, Assistant Headteacher L Wilkinson, Assistant Headteacher (appointed 1 September 2018) A Hill, Chief Financial Officer
<b>Principal and Registered Office</b>	St John's Catholic School And Sixth Form College Woodhouse Lane Bishop Auckland County Durham DL14 6JT
<b>Company Name</b>	Romero Catholic Education Trust
<b>Company Registration Number</b>	07835950
<b>Auditors</b>	MHA Tait Walker Chartered Accountants and Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
<b>Bankers</b>	Lloyds Bank Plc 2nd Floor Skinnergate Darlington County Durham DL3 7ND

# **Romero Catholic Education Trust**

## **Trustees' Report for the Year Ended 31 August 2019**

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a directors' report under company law.

The Romero Catholic Education Trust operates 1 primary and 1 secondary academy in South West Durham. October 2018 census stated that St John's School & Sixth Form College – A Catholic Academy had 1382 students on roll. The academy is over-subscribed for Year 7 admissions (PAN = 220; admissions into Year 7 September 2018 = 236).

St Joseph's Primary School – A Catholic Academy had 145 pupils on roll at October 2018 census collection. The PAN for St Joseph's is 25.

The Romero Catholic Education Trust had 1527 students on roll (including nursery provision and Sixth Form provision) as of October 2018 census.

### **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.

#### 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.



# **Romero Catholic Education Trust**

## **Trustees' Report for the Year Ended 31 August 2019 (continued)**

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. 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 2018 – 19 the Academy Trust has been provided with strategic governance support and training from Avec Partnership. Trustees and Governors are also able to access training sessions provided by the Diocese of Hexham and Newcastle and Durham Local Authority.

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. In-house training has included:

- Analysis of data/data clinics provided by the Leadership Team
- Understanding the Inspection Data Summary Report
- Updates relating to the OFSTED Framework
- Learning Improvement Priorities – Updates from Leadership Team at Trustees' sub-committees
- Governor Review Meetings with Heads of Department to discuss student progress
- Reports from our Education Development Partner

### Organisational structure

As of 31 August 2019, the Academy Trust Board consists of:

- 6 Foundation Directors appointed by the Diocesan Bishop
- 0 Staff Directors
- 0 Parent Trustees
- Vacancy (Finance)
- Vacancy (HR)

# Romero Catholic Education Trust

## Trustees' Report for the Year Ended 31 August 2019 (continued)

The Board of Directors may establish any committee – with membership and terms of reference reviewed annually. The Trust Board has established the following committees:

- Standards and Outcomes
- Finance and Resources
- Admissions Committee
- Pay Review Committee

Non- Directors can be members of committees as long as the majority of any committee are Directors. Directors are given 14 days clear notice of meetings. The quorum for meetings is any 3 Directors.

At St John's, several Foundation Governors have become Foundation Directors for Romero Catholic Education Trust. As a result, there will be a recruitment process at the start of the new academic year to fill the vacancies on the Local Governing Body, particularly to recruit 1 Parent Governor and 1 Staff Governor.

The Leadership Team at St John's 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 of St John's is also the CEO and the Accounting Officer for the Romero Catholic Education Trust.

As of 31 August 2019, St John's Leadership Team consists of:

- 1 Headteacher
- 1 full time Deputy Headteacher
- 5 full time Assistant Headteachers
- 2 part time Assistant Headteachers
- 1 Chief Financial Officer

At St Joseph's, a new Local Governing Body was established at the start of the new academic year. As of 31 August 2019, St Joseph's Leadership Team consists of:

- 1 Headteacher
- 1 full time Deputy Headteacher
- 1 full time member of staff with a TLR responsibility who works alongside the Leadership Team.

### 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.

# Romero Catholic Education Trust

## Trustees' Report for the Year Ended 31 August 2019 (continued)

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.

### Trade Union Facility Time

#### Relevant Union Officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
4	3.6

None of the above employees undertook any work which would be classified as facility time or paid Trade Union activities in the period.

### Objectives and Activities

#### Objects and Aims

The Romero Catholic Education 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 the Catholic schools 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, Newton Aycliffe 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.

Deep-rooted Gospel values are very much at the heart of the Trust's vision, which serves the Catholic and wider communities of South-West Durham, aiming to provide the best education and opportunities for young people of the area. The Trust's aim is to develop and grow strong partnerships so that every child is valued, supported and encouraged to develop their God-given talents in order to reach their full potential.

At St John's we pride ourselves on a being "A Learning Community Guided by Gospel Values". As a community we value each person as uniquely created in the image and likeness of God. We support each person in her/his faith journey by creating opportunities to reflect on the world around us and our role within it. We commit ourselves to ensure that the Gospel values of peace, justice, equality, and respect for life find expression through our actions. Therefore, we will create a stimulating learning environment through a curriculum which responds to the interests and needs of learners, making effective use of new technologies. We will respect and support one another, embracing diversity and celebrating each other's talents and success. We will create a safe and healthy community which is attentive to the needs of all.

# **Romero Catholic Education Trust**

## **Trustees' Report for the Year Ended 31 August 2019 (continued)**

At St Joseph's we believe that every person is unique and created in God's image. We believe that each person is unique and created in God's image. In our school, we provide a distinctive Catholic Education, where each child is loved, nurtured, inspired and challenged to aspire excellence and develop their individual abilities for themselves and others.

St John's Academy and St Joseph's Primary Academy aim to raise standards in South West Durham by supporting and nurturing our young people on their spiritual, personal, social and academic journeys.

By working in partnership, we are stronger together and are committed to prioritising the welfare and well-being of our children. With outstanding pastoral care and greater access to specialist support, guidance and SEND expertise, we aim to provide a caring environment where children are nurtured and encouraged to flourish.

As a Trust we encourage our family of academies to aspire to excellence. We recognise that every child has unique God-given gifts and talents and we will strive to ensure that each individual is nurtured and inspired to excel. We aim to realise this vision by: supporting and nurturing each individual on their faith journey, guided by Gospel Values; creating an inclusive community where everyone feels valued and loved; providing a safe and supportive learning environment built on the foundations of excellent pastoral care; cultivating a love for whole life learning; encouraging all to aspire to excellence, celebrating personal achievements and success; developing resilient and confident learners who have a strong sense of social responsibility; providing an engaging curriculum and stimulating enrichment opportunities to inspire and enthuse, within and beyond the classroom;

embracing diversity with a sensitivity to the needs of all.

As a Trust we will continue to work with other schools and educational organisations on local and national initiatives, which will provide greater access to further opportunities and support for the benefit of children, staff and the individual schools involved.

Being members of the Trust enhances our strong commitment to work collaboratively to remove barriers to learning, raise aspirations, share expertise, resources and specialist services for the educational benefit of all children and staff.

### Objectives, Strategies and Activities

During the academic year 2018-19 the priorities for the Romero Catholic Education Trust have been to:

- Stabilise the budget for the Trust by establishing systems and processes to consolidate accounts
- Review and evaluate support staff teams within St John's and St Joseph's to ensure that these functions of the Trust are effective, efficient, provide value for money, and meet the current and future business needs (Working with Avec, completed July 2019)
- Ensure Trust Board is supported and can access relevant training in order to understand and deliver their roles effectively (Avec and Diocesan training/support)
- Ensure Governors access relevant training to deliver their roles effectively (Avec, Diocesan and LA training provided).

## **Romero Catholic Education Trust**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

During the academic year 2018-19 the priorities for St John's School & Sixth Form College – A Catholic Academy have been to:

- Maintain effective budget planning and financial management to sustain reserves (healthy reserves as of 31 August 2019).
- Increase staff's involvement in the Catholic Life of the school (through events/activities as part of the Escomb Partnership; PREP; charitable activities and experiences).
- Improve RE outcomes at Key Stage 4. (Evidence of improvements: 82% of students achieved 9-4 grades in 2019 [66% in 2018]; 37% of students achieved 9-7 grades in 2019 [24% in 2018]).
- Increase in Distinction\*% in BTEC subjects at Key Stage 4 (Evidence of improvements: 28% in 2019 [16% in 2018])
- Increase 9-5% in English and Maths at Key Stage 4 (Evidence of slight improvement: 48% in 2019 [47% in 2018])
- Increase on 9-7% at Key Stage 4 (Evidence of improvements: 26.5% in 2019 [17.6% in 2018])
- Improve progress for Higher Prior Attaining students and Disadvantaged students at Key Stage 4 (Evidence of improvements for both groups in 2019 results).
- Key Stage 5: improve value added scores (Evidence of improvements in average point scores per entry in Applied General courses).

During the academic year 2018-19 the priorities for St Joseph's Primary – A Catholic Academy have been to:

- Continue to work with primary advisors to Improve standards of teaching and learning to move the school from RI -> Good (SLA with Durham LA; on-going work with EDP; training and support from Durham LA and other colleagues to share best practice)
- Raise standards in English and Mathematics so that all children achieve and make good progress which meets the school's high expectations of all learners.
- To further develop a curriculum that ensures children make rapid progress.
- Promote the school to the wider community to increase pupil numbers
- Embed effective marking, presentation, expectations and feedback policies to improve the quality of work in books.
- Improve attendance rates (working with Durham LA advisor – on-going)

#### 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

### Trustees' Report for the Year Ended 31 August 2019 (continued)

#### Strategic report: Achievements and Performance

##### ST JOHN'S: KS5

2019 results to be validated by DfE for publication in January 2020.

	<b>Achievements and Performance 2018-19</b>	<b>Achievements and Performance 2017-18</b>
A Level Average point score per entry	31.94	34.92
A Level Average point score per entry expressed as a grade	C+	C+
A Level Value added score	-0.2	-0.01
Academic Average point score per entry	32.21	35.24
Academic Average point score per entry expressed as a grade	C+	B-
Academic Value added score	-0.2	-0.01
Applied General (vocational) Average point score per entry	32.84	27.45 New specifications
Applied General (vocational) Average point score expressed as a grade	Distinction-	Merit+ New specifications
Applied General (Vocational) Value added score	+0.08	0 New specifications

#### Raising Achievement in English and Maths at KS5

At KS5 outcomes in English and Maths have improved and are above recent national figures:

- 2019 The average progress made in English GCSE is +0.50
- 2018 The average progress made in English GCSE is +0.87
- 2017 The average progress made in English GCSE is +1.00
- 2019 The average progress made in Maths GCSE is +0.44
- 2018 The average progress made in Maths GCSE is +0.54



# Romero Catholic Education Trust

## Trustees' Report for the Year Ended 31 August 2019 (continued)

- 2017 The average progress made in Maths GCSE is +0.53

### ST JOHN'S: KS4

	<b><i>Achievements and Performance 2018 – 19</i></b>	<b><i>Achievements and Performance 2017 - 18</i></b>
Basics – % achieving <b>standard</b> pass English & Maths (9 – 4 grades)	71%	77%
Basics – % achieving <b>strong</b> pass English & Maths (9 – 5 grades)	48%	47%
% achieving <b>standard</b> pass in English Language (9 – 4 grades)	78.7%	76%
% achieving <b>standard</b> pass in English Literature (9 – 4 grades)	85%	84%
% achieving <b>standard</b> pass in English overall (9 – 4 grades)	88%	89%
% achieving <b>strong</b> pass in English overall (9 – 5 grades)	72%	71%
% achieving <b>standard</b> pass in Maths (9 – 4 grades)	72.6%	79%
% achieving <b>strong</b> pass in Maths (9 – 4 grades)	50.5%	53%
Overall Attainment 8	50.46	49.2
Progress 8 score	-0.104 Unadjusted -0.088 Adjusted	-0.18

During the 2018-19 academic year our strategies included:

- Constant focus on HPA and Disadvantaged student progress
- Increasing the number of mock exams, with students completing a full set in November 2018 and March 2019.

## Romero Catholic Education Trust

### Trustees' Report for the Year Ended 31 August 2019 (continued)

- Increasing parent engagement with an extra progress evening and an information evening focused on Revision Skills and Student Welfare.
- Intervention in English and Maths following student curriculum reviews.
- Progress & Achievement meetings with Heads of Department focused on strategies to further develop individuals and groups.
- Early review of Triple Science to identify students who would benefit by moving to Combined Science

The following data summary is based upon achievement using Subject Progress Index (SPI Data Collaboration).

NB: Subject Progress Index: A SISRA-exclusive measure showing how each of our students have performed in each subject compared with all students with the same KS2 Prior in SISRA'S Data Collaboration.

Higher Performing	Subject Progress Index
Catering	2.19
BTEC Business Studies	0.86
BTEC Health & Social Care	0.86
Food and Nutrition	0.8
Media Studies	0.77
Engineering	0.63
Spanish	0.56
Computer Science	0.55
History	0.46
Religious Education	0.44
English Literature	0.36



## Romero Catholic Education Trust

### Trustees' Report for the Year Ended 31 August 2019 (continued)

The table below indicates several top performing subjects, comparing standard pass % against national figures 2019 results:

<b>Subject</b>	<b>Entries</b>	<b>National 9-4% 2018-19</b>	<b>St John's 9-4% 2018-19</b>	<b>% Grades 9-4 2017-18</b>	<b>St John's 9-5% 2018-19</b>	<b>% Grades 9-5 2017-18</b>
Biology	23	89.6	100	98	100	98
Chemistry	23	90	100	98	100	94
Physics	23	90.8	100	100	100	89
Art & Design	35	75.1	94.3	83	74.3	66
PE	40	71.8	85	94	70	80
Graphics* DT 2019	27	63.2	74.1	100	63	69
Media St	54	66.7	88.9	100	70.4	63
RE	202	72.3	81.7	65.7	68.3	51.7
English Lit	207	73.4	85	84.4	67.1	66.5

# Romero Catholic Education Trust

## Trustees' Report for the Year Ended 31 August 2019 (continued)

### ST JOSEPH'S: EYS, KS1 and KS2

	Early Years	Year 1	Key Stage 1							
	% GLD	% Phonic check	Reading % EX	Reading % GD	Writing % EX	Writing % GD	Maths % EX	Maths % GD	R/W/M % EX	R/W/M % HS
<b>National 2019</b>			<b>75%</b>	<b>25%</b>	<b>69%</b>	<b>15%</b>	<b>76%</b>	<b>22%</b>		
2018-19 Results	56%	72%	88%	38%	88%	18%	88%	6%	82%	0%
2017-18 Results	60%	83%	83%	28%	61%	11%	72%	22%	61%	11%
2016-17 Results	47%	67%	61%	33%	72%	0%	72%	0%		

	KS2							
	Reading % EX	Reading % GD	Writing % EX	Writing % GD	Maths % EX	Maths % GD	R/W/M % EX	R/W/M % HS
<b>National</b>	<b>73%</b>	<b>27%</b>	<b>79%</b>	<b>20%</b>	<b>79%</b>	<b>27%</b>	<b>65%</b>	<b>11%</b>
2018-19 Results	67%	19%	86%	14%	95%	43%	57%	14%
2017-18 Results	79%	14%	86%	7%	79%	0%	64%	0%
2016-17 Results	70%	15%	80%	0%	75%	15%	55%	0%

	KS2				
	Reading Average Scaled Score	Maths Average Scaled Score	Reading Average Value Added	Writing Average Value Added	Maths Average Value Added
<b>National</b>	<b>104</b>	<b>105</b>	<b>0</b>	<b>0</b>	<b>0</b>
2018-19 Results	103.5	108	1.1	1.8	4.3
2017-18 Results	103.9	102.5	6.0	4.9	5.0
2016-17 Results	102	103	-1.9	-0.6	-0.3

#### Key:

GLD = Good Level of Development  
EX = Expected Standard  
GD = Greater Depth

HS = Higher Standard  
R/W/M = Reading, Writing and Maths

# **Romero Catholic Education Trust**

## **Trustees' Report for the Year Ended 31 August 2019 (continued)**

### **MAT Development**

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. St Joseph's joined the MAT on 1 April 2018.

During the academic year 2018-19, Avec Partnership have continued to provide strategic support for Governance and the Trust. This has included: working with the Trustees (Directors) on vision and mission; providing relevant training for the MAT and supporting Governors at Local Governing Body level.

New Governors have been recruited to both St John's and St Joseph's Governing Bodies and they continue to access training from Avec Partnership, Durham Local Authority and the Diocese of Hexham and Newcastle. The Trust Board and the LGBs will continue to be supported by Avec to ensure that they understand their roles and are carrying them out effectively.

In preparation for the new academic year (2019-20), a new Governance Clerk/Company Secretary has been appointed for the MAT.

As an over-subscribed academy, St John's faces the challenges of limited physical internal and external space, with the occupancy rate for general classroom use at 92%. St John's will continue to apply for funding through CIF to improve the facilities and will continue to seek support from the diocese and Durham LA with these matters.

Following their consultation regarding academisation in 2016-17, the Hexham and Newcastle Diocese are formulating a new diocesan-wide plan, although the details will not be shared with schools/academies until Autumn 2019.

### **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.

Following the Summer 2019 results the percentage of students going into higher education was 68% (54% in 2018). Students have continued to apply to and are successful in securing places at Russell Group universities.

The Extended Project Qualification continues to provide further opportunities for students to increase their average point scores whilst developing their skills for research and independent study. 21 students completed the EPQ in 2018-19 with 76% securing A\*- B grades (value added: +0.28).

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 in industry (Glaxo Chipchase Nelson Accountancy, Tolent Civil Engineering).

## **Romero Catholic Education Trust**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

The spiritual life of the Sixth Form continues to flourish with students experiencing an in-house retreat programme as well as taking opportunities to train as Cafod Leaders and complete voluntary work as part of the John Paul II Award. Charitable events to raise funds for causes close to the heart of the Sixth Form are planned and organised by our students eg Christmas Fayre. This is also evident in the fundraising for the Teenage Cancer Trust and for Project Peru, which enables students to work with and support the vulnerable communities within Iquitos. This experience is life-changing and transformational and, together with our in-house Bridge Project, helps to develop students' personal, social, spiritual and leadership skills. To enhance these skills, all Year 12 students take part in work experience placements at the end of the Summer term.

Our Leadership Academy status enables students to develop their skills in a range of areas: Sports Leaders, Cafod Leaders, Science Ambassadors, Maths leaders. As leaders, our students work with lower school students and with the wider community, developing their knowledge and skills as volunteers.

#### **Monitoring the Quality of Teaching, Learning and Assessment: St John's**

Lessons are well planned and make use of assessment information in order to ensure the emerging needs of students are met. Teachers use a wide range of resources and strategies when planning lessons which engage and motivate students.

Staff in the school are experts in their subject and many work with exam boards as assessors. Where subject knowledge needs further development, staff engage in CPD and subject based knowledge enhancement and are supported by middle leaders in doing so.

In many lessons, students are appropriately challenged. In some lessons, students need to be further challenged through questioning. Whilst gains have been made in addressing the needs of the most able, we will continue to ensure work set is demanding to secure improved outcomes for this group. There will be an emphasis on developing students' ability to 'know more by remembering more' through our recall strategy which will be a feature of lessons. This will be followed up in observations, book scrutiny, student spotlighting and in departmental development time. As part of our Learning Improvement Plan, we will build on the work conducted on metacognition and support staff as they develop their questioning, use of metacognitive language and modelling.

Observations conducted in 2018-2019 show that of the 123 recorded observations 77% of these show the quality of teaching, learning and assessment to be good or better. Of the 155 recorded work scrutiny activities 87% show the quality of teaching, learning and assessment to be good or better. There are many more records of departmental work scrutiny, drop in observations and spotlighting to monitor and judge the quality of teaching, learning and assessment. Records are used to support colleagues and direct staff to observe others. With our robust systems for monitoring we are confident in our judgement that teaching, learning and assessment is good.

Leaders at all levels have worked hard to ensure the whole school marking and feedback policy has been adopted by staff and that feedback is incisive, timely and leads to students making good progress. Staff are confident using other tools for assessment in the classroom. There is evidence in work scrutiny and lesson observations that students know how to improve the quality of their work. Addressing the comments within 'EBI' feedback is a regular feature in lessons. Teachers challenge declining standards in books and have high expectations around presentation and the quality of work.

## **Romero Catholic Education Trust**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

Attitudes in lessons are positive and students have good established habits for learning; learning environments are productive. Teachers encourage resilience in students and encourage students in understanding that the classroom environment is the place where mistakes can be made. Low-level disruption is rare and dealt with promptly to ensure learning is not affected. Classcharts is used by all staff to positively reinforce our high expectations for behaviour. Homework is set, often through the use of ClassCharts and extends the learning beyond the classroom. Where homework is not complete, sanctions are applied by staff including the use of detentions. Parents/carers receive reported information in the form of a data capture at key assessment points throughout the year which also includes attitudes to learning information. Parents Evenings take place throughout the year with subject staff to report progress to parents. To further engage parents in their child's education, it is our intention to use Parents Evenings to share books with parents, to enable them to see our expectations around progress and presentation.

Many observations are joint with senior leaders, particularly in department review weeks where all staff within a department are jointly observed. This has developed observation and feedback practice within the school and supports the quality assurance of our middle leaders. This academic year our early departmental reviews will focus on Technology, Art/Music and Business Studies/Computer Science. There will be on-going monitoring of Maths and Science as key areas of concern.

#### **Monitoring the Quality of Teaching, Learning and Assessment: St John's**

A focus area for us in this academic year is our on-going review into our Key Stage 3 curriculum development which began in the Summer term. We have audited departments to assess their stage in development and will continue to address curriculum issues and support departments in developing their curriculum to ensure students' knowledge, skills and understanding are deepened in readiness for the Key Stage 4 curriculum demands.

Where teaching and learning requires improvement, individual CPD needs are addressed at departmental and senior leadership level. Observations and work scrutiny are repeated on staff where there are concerns around the quality of their teaching and support is put in place. This can include but is not limited to; one to one meetings, observations of stronger colleagues to develop practice and the use of departmental development time to address inconsistencies. Of the teaching that does require improvement, a proportion are in the early stages of their teaching career. They continue to receive support on their journey to securing consistently good teaching.

Staff engage in CPD and subject based knowledge enhancement and are supported by middle leaders in doing so. 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
- continued use of software: SISRA and Class-Charts

The Appraisal system is linked to Teachers' Standards, career expectations and school improvement priorities. Governors 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 committee meetings.



## **Romero Catholic Education Trust**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### **Monitoring the Quality of Teaching, Learning and Assessment: St Joseph's**

St Joseph's continues to access support from Durham Local Authority. Our priorities for 2018-19 and for 2019-20 are Curriculum and Reading. We are supported by our Education Development Partner who continues to work with St Joseph's to ensure that progress is being made and that priorities for improvement are being addressed.

St Joseph's has joined the local Maths Hub in order to provide our pupils with a mastery curriculum approach. We will be supported by one of their lead teachers who will work closely with our maths lead and staff to support developments in this area.

We have monitored and tracked pupil progress across each year group by means of a yearly grid which all staff have been given so they are aware of all the dates for monitoring in advance. Lessons are observed and books/work are reviewed regularly to check on pupils' progress. The marking continues to be updated in line with the new Ofsted framework. Through our pupil progress meetings, teachers are aware of the needs of all the groups in their class and plan their work accordingly. They also have identified target children who may need additional support.

The curriculum was reviewed during 2018-19 and staff are implementing a new enquiry-based approach to the foundation subjects. It is an area that we will be looking to have further support on during 2019-20.

#### **Student Admissions: St John's**

St John's continues to be an oversubscribed Academy. For the last 5 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:

- Published admission number (PAN) for 2016 onwards = 220
- Year 7 intake 2018-19 = 238 (first choice applications). Actual numbers who attended in September 2018 = 236
- Year 7 intake 2017-18 = 235 (first choice applications). Actual numbers who attended in September 2017 = 238
- Year 7 intake 2016-17 = 263 (first choice applications). Actual numbers who attended in September 2016 = 260
- Year 7 proposed intake 2019-20 = 232 (first choice applications).

With the changing educational and economic landscape, Sixth Form numbers across Durham local authority are falling slightly. We have seen a similar pattern at St John's:

- Numbers entering Year 12 in September 2018 = 102
- Numbers entering Year 12 in September 2017 = 128
- Numbers entering Year 12 in September 2016 = 112
- Year 12 proposed intake 2019-20 = 100

We continue to offer a wide range of subjects and courses for all students which cover A level and Vocational/Applied General courses.

## Romero Catholic Education Trust

### Trustees' Report for the Year Ended 31 August 2019 (continued)

#### Student Admissions: St Joseph's

	<i>Nursery</i>	<i>Reception</i>	<i>KS1</i>	<i>KS2</i>	<i>Total number of pupils</i>
Admissions in 2018-19	18	13	29	85	145
Admissions in 2017-18	15	8	36	78	137
Admissions in 2016-17	11	15	35	81	142

#### Exclusions

- At St John's there have been 3\* permanent exclusions during the academic year 2018-19 (in-line with national averages). \*The figure includes 1 student who was permanently excluded in 2017-18 but the appeal period ran into 2018-19. Parent did not appeal so the student came off roll in September 2018.
- At St Joseph's there has been 0 permanent exclusions during the academic year 2018-19 (well below national averages).
- For both academies the percentages of fixed term exclusions are below national averages for schools with similar levels of deprivation

#### Attendance

- At St John's attendance for Years 7 - 11 in 2018-19 was 95.1%. The rate of overall absence was below the national average for schools with a similar level of deprivation

#### 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.

#### 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 2019. Our cash resources and budget for 2019/20 indicate that we expect our day-to-day activities to be adequately funded by income from all sources.

Total income for the year was £9,009,000 and expenditure amounted to £8,834,000. After including the FRS102 adjustments of £1,007,000 for the Local Government Pension Scheme, this resulted in an outflow of funds for the year of £832,000.

Total funds at 31 August 2019 are in deficit by £212,000, made up of £838,000 within restricted funds and £656,000 of unrestricted general funds. The restricted fixed asset fund totalled £2,352,000, and the Local Government Pension Scheme reserve fund totalled £4,058,000 (deficit).

# **Romero Catholic Education Trust**

## **Trustees' Report for the Year Ended 31 August 2019 (continued)**

Of the total income for the year, £7,871,000 was obtained as ESFA grants. These grants and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The £7,871,000 received from the ESFA was a combination of the General Annual Grant of £7,038,000 and other grants of £833,000.

Almost all expenditure relates to the Trust's educational activities, with a small amount of £12,000 identified as governance costs. £5,301,000 of expenditure was for teaching and educational support staff and £544,000 of other direct costs. The remaining costs cover support staff, maintenance, cleaning, catering, and insurance and other occupancy and support.

At 31 August 2019, the net book value of fixed assets was £2,260,000.

### **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 2019 was £1,494,000, made up of £656,000 of unrestricted reserves, and £838,000 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.

### **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.

### **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



# **Romero Catholic Education Trust**

## **Trustees' Report for the Year Ended 31 August 2019 (continued)**

- 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 2018-19 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
- Increasing staff costs, and cessation of Government grants that mitigate the increases

### **Plans for Future Periods**

Learning Improvement Plans for 2019-20 have been prepared for both St John's and St Joseph's. The plans include:

- Continuing to raise academic standards and share best practice in teaching, learning and assessment. Both St John's and St Joseph's will continue to carry out school-led internal reviews; secure external support and expertise from colleagues in other establishments and from Durham LA.
- Accessing relevant external CPD, delivering appropriate in-house CPD and increasing school to school collaboration to address key areas for improvement
- Preparing for the Section 48 diocesan inspection at St John's to maintain outstanding judgements.
- Review of the TLR structure in both St John's and St Joseph's, working with Avec to ensure that structures are efficient, cost-effective and fit for the needs of the MAT.
- Maintaining strategic support/training for the Trust Board and LGBs.
- Recruiting parent and staff Governors for the LGB at St John's in accordance with the articles of association.
- Stabilising the budget for the Trust and ensuring robust financial management.
- Promoting St Joseph's to increase pupil admissions/numbers.

Planned support from Durham Advisors 2019-20:

St John's:

- Continue to support whole school priority on stretch and challenge for HPA students.
- To support school priority on metacognition, modelling and action research.
- To support developments and improvements in Science – key area.
- To support developments and improvements in Maths – key area.
- To support, review and assist with curriculum development at KS3.
- To review Humanities provision, curriculum, teaching, learning and assessment.

## **Romero Catholic Education Trust**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

St Joseph's:

- To support developments and improvements in reading across KS1 and KS2
- To support developments and improvements handwriting – specific intervention
- To support, review and assist with curriculum development across primary Key Stages

#### **Auditor**

In so far 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.

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 5 December 2019 and signed on its behalf by:

.....  
A Byrne  
Trustee



# Romero Catholic Education Trust

## Governance Statement

### 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 CEO, 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 5 times during the 2018-19 academic year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Attendees</b>	<b>6 September 2018 (Exam Feedback)</b>	<b>27 September 2018</b>	<b>13 December 2018</b>	<b>31 January 2019</b>	<b>16 July 2019</b>
Geoff O'Hehir		✓	✓	✓	
Tony Byrne	✓	✓	✓	✓	✓
Joanna Foster	✓		✓	✓	
Lawrence Petterson	✓	✓	✓	✓	✓
Fr Dennis Tindall	✓	✓			✓
Dominic Brown		✓		✓	✓
Lisa Byron CEO / HT St John's	✓	✓	✓	✓	✓

In order for the Board to discharge their responsibilities and ensure robust governance and effective financial oversight, management accounts and other recommended documentation such as cash flow and debtor/creditor information is shared with Trustees on a monthly basis.

During the academic year 2018-19 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

## Romero Catholic Education Trust

### Governance Statement (continued)

- 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 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 2018-19 was as follows:

<b>Attendees</b>	<b>4 October 2018</b>	<b>6 December 2018</b>	<b>31 January 2019</b>	<b>28 March 2019</b>	<b>16 July 2019</b>
Geoff O'Hehir	✓	✓			
Tony Byrne	✓	✓	✓	✓	✓
Joanna Foster	✓	✓	✓	✓	
Bob Hall	✓	✓	✓	✓	✓
Lisa Byron CEO / HT St John's	✓	✓	✓	✓	✓
Fiona Brown HT St Joseph's	✓	✓	✓		
Ashley Hill (CFO)	✓	✓	✓	✓	✓

#### Review of value for money

As Accounting Officer, the trustee has responsibility for ensuring that Romero Catholic Education 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 Romero Catholic Education Trust has delivered improved value for money during the year by:

- Ensuring tight controls are in place as part of the budget management process to ensure overspending is managed.
- Ongoing review of staffing structures and contracts of employment, resulting in more efficient delivery of teaching and learning objectives and support services.

# **Romero Catholic Education Trust**

## **Governance Statement (continued)**

### **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 ongoing 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 year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The Governing Body 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2019 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 Trustees;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- 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, to perform internal assurance checks three times per year.

The 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 all monthly payroll control accounts to ensure that they have been correctly reconciled and authorised
- Review monthly creditor and debtor aged listings to ensure that they have been correctly reviewed and authorised
- Review management reports presented to governors and committees

# **Romero Catholic Education Trust**

## **Governance Statement (continued)**

- Purchasing; test a sample of payments made back to order, GRN and invoice to check procedure.
- Purchasing; review of high value purchases and contracts and payment processing
- Income; review procedures for the receipt and banking of income, and test check samples of grant and non-grant income to verify that they are correctly accounted for and banked
- Payroll and Expenses; review of payment processing, check authorisation and sample of payroll entries and expense claims
- Review of fixed asset register and verify sample of assets
- 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. There were no material control or other issues reported by the Responsible Officer to date.

### **Review of effectiveness**

As Accounting Officer, L Byron-Ledwith 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;
- the work of the external auditor (Tait Walker);
- Internal Assurance Reports (Baldwins Audit Services Limited)
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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 28 March 2019. This document sets out key financial responsibilities and policies including delegation of spending and virement limits, capitalisation limits.

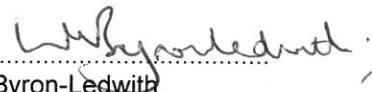
## Romero Catholic Education Trust

### Governance Statement (continued)

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 members of the Governing Body on 5 December 2019 and signed on its behalf by:

  
.....  
A Byrne  
Trustee

  
.....  
L Byron-Ledwith  
Accounting officer  
Trustee

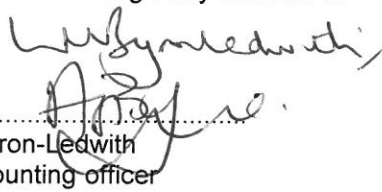
## Romero Catholic Education Trust

### Statement on Regularity, Propriety and Compliance

As Accounting Officer of Romero Catholic Education Trust I have considered my responsibility to notify the academy trust Governing Body and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2018.

I confirm that I and the Academy Trust Governing Body 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 2018.

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 Governing Body and ESFA.



.....  
L Byron-Ledwith  
Accounting officer

5 December 2019



# Romero Catholic Education Trust

## Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

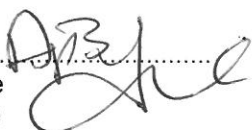
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board on 5 December 2019 and signed on its behalf by:

.....  
A Byrne  
Trustee



# **Romero Catholic Education Trust**

## **Independent Auditor's Report on the Financial Statements to the Members of Romero Catholic Education Trust**

### **Opinion**

We have audited the financial statements of Romero Catholic Education Trust (the 'academy trust') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 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 2018 to 2019.

### **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 financial statements 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 financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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 financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements 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 financial statements are authorised for issue.

### **Other information (covers the Reference and Administrative Details, the Trustees' Report the Governance Statement the Statement on Regularity, Propriety and Compliance, and the Statement of Trustees' Responsibilities)**

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

## **Romero Catholic Education Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Romero Catholic Education Trust (continued)**

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

We have nothing to report in this regard.

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

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

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

#### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters where 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 financial statements 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 set out on page 27, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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


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

## Romero Catholic Education Trust

### Independent Auditor's Report on the Financial Statements to the Members of Romero Catholic Education Trust (continued)

#### Use of our report

This report is made solely to the academy trust's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Brian Laidlaw BA CA (Senior Statutory Auditor)  
For and on behalf of MHA Tait Walker  
Chartered Accountants  
Statutory Auditor  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

Date: 5th December 2019

MHA Tait Walker is a trading name of Tait Walker LLP.

## **Romero Catholic Education Trust**

### **Independent Reporting Accountant's Report on Regularity to Romero Catholic Education Trust and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 4 July 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Romero Catholic Education Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

#### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 28 November 2011 and the Academies Financial Handbook extant from 1 September 2018, 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 2018 to 2019. 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 year from 1 September 2018 to 31 August 2019 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 2018 to 2019 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.

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;

## Romero Catholic Education Trust

### Independent Reporting Accountant's Report on Regularity to Romero Catholic Education Trust and the Education & Skills Funding Agency (continued)

- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Consideration of governance issues.

#### 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 year from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

This report is made solely to Romero Catholic Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Romero Catholic Education Trust and the 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 and the ESFA, for our work, for this report, or for the conclusion we have formed.



MHA Tait Walker  
Chartered Accountants  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

5 December 2019

MHA Tait Walker is a trading name of Tait Walker LLP.



# Romero Catholic Education Trust

## Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2019 £ 000
<b>Income and endowments from:</b>					
Voluntary income					
Donations and capital grants	2	-	-	120	120
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	489	7,960	-	8,449
Other trading activities	4	439	-	-	439
Investments	5	1	-	-	1
Total		929	7,960	120	9,009
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	440	8,235	159	8,834
Total		440	8,235	159	8,834
Net income/(expenditure)		489	(275)	(39)	175
Transfers between funds		-	(72)	72	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(1,007)	-	(1,007)
Net movement in funds/(deficit)		489	(1,354)	33	(832)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2018		167	(1,866)	2,319	620
Total funds/(deficit) carried forward at 31 August 2019		656	(3,220)	2,352	(212)

# Romero Catholic Education Trust

## Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2018 £ 000
<b>Income and endowments from:</b>					
Voluntary income					
Donations and capital grants	2	-	19	217	236
Transfer from local authority on conversion		-	(432)	-	(432)
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	498	7,246	-	7,744
Other trading activities	4	431	-	-	431
Investments	5	1	-	-	1
Total		930	6,833	217	7,980
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	929	7,087	246	8,262
Net income/(expenditure)		1	(254)	(29)	(282)
Transfers between funds		-	(16)	16	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	24	-	456	-	456
Net movement in funds/(deficit)		1	186	(13)	174
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2017		166	(2,052)	2,332	446
Total funds/(deficit) carried forward at 31 August 2018		167	(1,866)	2,319	620



# Romero Catholic Education Trust

(Registration number: 07835950)  
Balance Sheet as at 31 August 2019

	Note	2019 £ 000	2018 £ 000
<b>Fixed assets</b>			
Tangible assets	12	2,260	2,328
<b>Current assets</b>			
Stocks	13	11	9
Debtors	14	212	283
Cash at bank and in hand		2,043	1,458
		<u>2,266</u>	<u>1,750</u>
Creditors: Amounts falling due within one year	15	(669)	(739)
Net current assets		<u>1,597</u>	<u>1,011</u>
Total assets less current liabilities		3,857	3,339
Creditors: Amounts falling due after more than one year	16	(11)	(14)
Net assets excluding pension liability		3,846	3,325
Pension scheme liability	24	(4,058)	(2,705)
Net (liabilities)/assets including pension liability		<u>(212)</u>	<u>620</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted income fund	17	838	839
Restricted fixed asset fund	17	2,352	2,319
Restricted pension fund	17	(4,058)	(2,705)
		<u>(868)</u>	<u>453</u>
<b>Unrestricted funds</b>			
Unrestricted income fund	17	656	167
Total funds		<u>(212)</u>	<u>620</u>

The financial statements on pages 33 to 61 were approved by the Trustees, and authorised for issue on 5 December 2019 and signed on their behalf by:

.....  
A Byrne  
Trustee



## Romero Catholic Education Trust

### Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £ 000	2018 £ 000
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	20	550	425
Cash flows from investing activities	21	<u>35</u>	<u>(39)</u>
Change in cash and cash equivalents in the year		585	386
Cash and cash equivalents at 1 September		<u>1,458</u>	<u>1,072</u>
Cash and cash equivalents at 31 August		<u><u>2,043</u></u>	<u><u>1,458</u></u>

# **Romero Catholic Education Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2019**

### **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.

#### **Basis of preparation**

The financial statements 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are prepared in sterling which is the functional currency of the entity.

#### **Going concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 financial statements 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 financial statements.

#### **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**

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 year 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 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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

# **Romero Catholic Education Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)**

### **1 Accounting policies (continued)**

#### ***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.

#### ***Investment income***

Interest receivable is included in the statement of financial activities on an accruals basis.

#### ***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'.

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.

# Romero Catholic Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 1 Accounting policies (continued)

#### **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 allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### ***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.

#### **Tangible fixed assets**

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

# Romero Catholic Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 1 Accounting policies (continued)

Asset class	Depreciation method and rate
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

#### 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.

#### Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

#### 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 as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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 as detailed in note 15. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

#### Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value. Provisions are made for obsolete and slow moving stock.

# **Romero Catholic Education Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)**

### **1 Accounting policies (continued)**

#### **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 Part 11 Chapter 3 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.

#### **Pension 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. 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer 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.

#### **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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from Education Skills and Funding Agency and the Department for Education Group.



# Romero Catholic Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 1 Accounting policies (continued)

#### **Agency accounting**

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 trust can use up to 0% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 26.

#### **Critical accounting estimates and areas of judgement**

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.

#### **Defined benefit scheme**

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2019. 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.

#### **Critical areas of judgement**

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

#### **Assessing indicator of impairment.**

In assessing whether there have been any indicators of impairment of assets the trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

# Romero Catholic Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 2 Donations and capital grants

	Restricted fixed asset funds £ 000	Total 2019 £ 000	Total 2018 £ 000
<b>Other voluntary income</b>			
Capital grants	120	120	202
Other donations	-	-	34
	<u>120</u>	<u>120</u>	<u>236</u>
	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2018 £ 000
Total 2018	<u>19</u>	<u>217</u>	<u>236</u>

### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2019 £ 000	Total 2018 £ 000
<b>DfE/ESFA revenue grants</b>				
General Annual Grant GAG	-	7,038	7,038	6,553
Other ESFA Group grants	-	833	833	694
	<u>-</u>	<u>7,871</u>	<u>7,871</u>	<u>7,247</u>
<b>Other government grants</b>				
Local authority grants	-	89	89	28
	<u>-</u>	<u>89</u>	<u>89</u>	<u>28</u>
<b>Non-government grants and other income</b>				
Catering income	489	-	489	469
Total grants	<u>489</u>	<u>7,960</u>	<u>8,449</u>	<u>7,744</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Total 2018 £ 000	
Total 2018	<u>498</u>	<u>7,246</u>	<u>7,744</u>	

# Romero Catholic Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 4 Other trading activities

	Unrestricted funds £ 000	Total 2019 £ 000	Total 2018 £ 000
Hire of facilities	91	91	70
Catering income	-	-	12
School trips	205	205	243
Other income	143	143	106
	<u>439</u>	<u>439</u>	<u>431</u>
	Unrestricted funds £ 000	Total 2018 £ 000	
Total 2018	<u>431</u>	<u>431</u>	

### 5 Investment income

	Unrestricted funds £ 000	Total 2019 £ 000	Total 2018 £ 000
Short term deposits	<u>1</u>	<u>1</u>	<u>1</u>
	Unrestricted funds £ 000	Total 2018 £ 000	
Total 2018	<u>1</u>	<u>1</u>	

### 6 Expenditure

	Non Pay Expenditure			Total 2019 £ 000	Total 2018 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
<b>Academy's educational operations</b>					
Direct costs	5,301	-	544	5,845	5,514
Allocated support costs	<u>1,505</u>	<u>702</u>	<u>782</u>	<u>2,989</u>	<u>2,748</u>
	<u>6,806</u>	<u>702</u>	<u>1,326</u>	<u>8,834</u>	<u>8,262</u>
	Non Pay Expenditure				
	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total 2018 £ 000	
Total 2018	<u>6,182</u>	<u>766</u>	<u>1,314</u>	<u>8,262</u>	

# Romero Catholic Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2019 £ 000	2018 £ 000
Operating lease rentals	24	25
Depreciation	159	246
Fees payable to auditor - audit	8	8
Fees payable to auditor - other audit services	1	1
(Gain)/loss on disposal of fixed assets	5	-

### 7 Charitable activities

	2019 £ 000	2018 £ 000
Direct costs - educational operations	5,845	5,514
Support costs - educational operations	2,989	2,748
	<u>8,834</u>	<u>8,262</u>

	Educational operations £ 000	2019 £ 000	2018 £ 000
<b>Analysis of support costs</b>			
Support staff costs	1,505	1,505	1,236
Depreciation	159	159	246
Technology costs	47	47	50
Premises costs	543	543	520
Other support costs	723	723	684
Governance costs	12	12	12
Total support costs	<u>2,989</u>	<u>2,989</u>	<u>2,748</u>

### 8 Staff

#### Staff costs

	2019 £ 000	2018 £ 000
<b>Staff costs during the year were:</b>		
Wages and salaries	5,232	4,841
Social security costs	499	465
Operating costs of defined benefit pension schemes	<u>1,035</u>	<u>833</u>
	6,766	6,139
Supply staff costs	36	43
Staff restructuring costs	<u>4</u>	<u>-</u>
	<u>6,806</u>	<u>6,182</u>

## Romero Catholic Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 8 Staff (continued)

##### Staff numbers

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

	2019 No.	2018 No.
<b>Charitable Activities</b>		
Teachers	118	108
Administration and support	79	73
Management	2	2
	<u>199</u>	<u>183</u>

##### Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>1</u>	<u>-</u>

##### 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 contributions) received by key management personnel for their services to the academy trust was £633,838 (2018 - £504,229).

#### 9 Central services

No central services were provided by the academy trust to its academies during the period and no central charges arose.

## **Romero Catholic Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)**

#### **10 Related party transactions - trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as Trustees. The value of trustees' remuneration and other benefits was as follows:

L Byron-Ledwith (Headteacher and Trustees):

Remuneration: £90,000 - £95,000 (2018 - £85,000 - £90,000)

Employer's pension contributions: £10,000 - £15,000 (2018 - £10,000 - £15,000)

A Smith (Trustee):

Remuneration: £Nil (2018 - £25,000 - £30,000)

Employer's pension contributions: £Nil (2018 - £5,000 - £10,000)

No expenses were paid to Trustees during the year (2018: NIL).

Other related party transactions involving the Trustees are set out in note 25.

#### **11 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 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.

# Romero Catholic Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 12 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Plant and equipment £ 000	Total £ 000
<b>Cost</b>					
At 1 September 2018	2,568	965	43	3	3,579
Additions	38	55	-	3	96
Disposals	(5)	-	-	-	(5)
At 31 August 2019	2,601	1,020	43	6	3,670
<b>Depreciation</b>					
At 1 September 2018	314	895	41	1	1,251
Charge for the year	100	57	2	-	159
At 31 August 2019	414	952	43	1	1,410
<b>Net book value</b>					
At 31 August 2019	2,187	68	-	5	2,260
At 31 August 2018	2,254	70	2	2	2,328

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.

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 1874 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 trust has been capitalised.



# Romero Catholic Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 13 Stock

	2019 £ 000	2018 £ 000
Catering and uniform stock	11	9

### 14 Debtors

	2019 £ 000	2018 £ 000
Trade debtors	6	19
VAT recoverable	29	63
Prepayments	90	107
Accrued grant and other income	87	94
	212	283

### 15 Creditors: amounts falling due within one year

	2019 £ 000	2018 £ 000
Trade creditors	144	177
Other taxation and social security	118	121
Other creditors	78	43
Accruals	100	182
Deferred income	124	114
Pension scheme creditor	105	102
	669	739

	2019 £ 000	2018 £ 000
<b>Deferred income</b>		
Deferred income at 1 September 2018	114	115
Resources deferred in the period	124	114
Amounts released from previous periods	(114)	(115)
Deferred income at 31 August 2019	124	114

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

# Romero Catholic Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 16 Creditors: amounts falling due after one year

	2019 £ 000	2018 £ 000
Salix Loan	11	14

### 17 Funds

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
<b>Restricted general funds</b>					
General Annual Grant	790	6,991	(6,871)	(72)	838
Other DfE/ ESFA Grants	49	763	(812)	-	-
Other government grant	-	206	(206)	-	-
	<u>839</u>	<u>7,960</u>	<u>(7,889)</u>	<u>(72)</u>	<u>838</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	29	-	-	-	29
DfE/ ESFA Capital Grants	1,417	120	(159)	-	1,378
Capital expenditure from GAG	553	-	-	-	553
Other capital grants	320	-	-	-	320
3G Maintenance fund	-	-	-	72	72
	<u>2,319</u>	<u>120</u>	<u>(159)</u>	<u>72</u>	<u>2,352</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(2,705)</u>	<u>-</u>	<u>(346)</u>	<u>(1,007)</u>	<u>(4,058)</u>
Total restricted funds	453	8,080	(8,394)	(1,007)	(868)
<b>Unrestricted funds</b>					
General funds	<u>167</u>	<u>929</u>	<u>(440)</u>	<u>-</u>	<u>656</u>
Total funds	<u>620</u>	<u>9,009</u>	<u>(8,834)</u>	<u>(1,007)</u>	<u>(212)</u>

# Romero Catholic Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 17 Funds (continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
<b>Restricted general funds</b>					
General Annual Grant	451	6,553	(6,198)	(16)	790
Other DfE/ ESFA Grants	30	715	(696)	-	49
	<u>481</u>	<u>7,268</u>	<u>(6,894)</u>	<u>(16)</u>	<u>839</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	143	-	(114)	-	29
DfE/ ESFA Capital Grants	1,246	217	(46)	-	1,417
Capital expenditure from GAG	598	-	(61)	16	553
Other capital grants	345	-	(25)	-	320
	<u>2,332</u>	<u>217</u>	<u>(246)</u>	<u>16</u>	<u>2,319</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(2,533)</u>	<u>(435)</u>	<u>(193)</u>	<u>456</u>	<u>(2,705)</u>
Total restricted funds	280	7,050	(7,333)	456	453
<b>Unrestricted funds</b>					
General funds	<u>166</u>	<u>930</u>	<u>(929)</u>	<u>-</u>	<u>167</u>
Total funds	<u>446</u>	<u>7,980</u>	<u>(8,262)</u>	<u>456</u>	<u>620</u>

## **Romero Catholic Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)**

#### **17 Funds (continued)**

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

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

Other government grants include funding for pupils with special education 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.

The transfer from GAG to the maintenance of the 3G pitch relates to planned maintenance to the pitch over a period of 10 years.

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

The transfers on conversion reflect 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.

# Romero Catholic Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 17 Funds (continued)

#### Analysis of academies by fund balance

Fund balances at 31 August 2019 were allocated as follows:

	2019 £ 000	2018 £ 000
St John's School and Sixth Form, a Catholic Academy	1,356	992
St Joseph's Primary School, a Catholic Academy	138	14
Total before fixed assets and pension reserve	1,494	1,006
Restricted fixed asset reserve	2,352	2,319
Pension reserve	(4,058)	(2,705)
Total	(212)	620

#### Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2019 £ 000
St John's School and Sixth Form, a Catholic Academy	4,900	1,304	524	1,151	7,879
St Joseph's Primary School, a Catholic Academy	433	171	27	168	799
Academy Trust	5,333	1,475	551	1,319	8,678

# Romero Catholic Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 18 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	2,260	2,260
Current assets	1,050	1,113	103	2,266
Current liabilities	(394)	(275)	-	(669)
Creditors over 1 year	-	-	(11)	(11)
Pension scheme liability	-	(4,058)	-	(4,058)
Total net assets	656	(3,220)	2,352	(212)

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	2,328	2,328
Current assets	904	839	5	1,748
Current liabilities	(737)	-	-	(737)
Creditors over 1 year	-	-	(14)	(14)
Pension scheme liability	-	(2,705)	-	(2,705)
Total net assets	167	(1,866)	2,319	620

# Romero Catholic Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 19 Commitments under operating leases

#### Operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £ 000	2018 £ 000
Amounts due within one year	6	21
Amounts due between one and five years	11	17
	<u>17</u>	<u>38</u>

### 20 Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

		2019 £ 000	2018 £ 000
Net income/(expenditure)		175	(282)
Depreciation	6	159	245
Capital grants from DfE and other capital income		(120)	(202)
Interest receivable	5	(1)	(1)
Defined benefit pension scheme obligation inherited	24	-	435
Defined benefit pension scheme cost less contributions payable	24	274	128
Defined benefit pension scheme finance cost	24	72	65
Increase in stocks		(2)	-
Decrease/(increase) in debtors		71	(93)
(Decrease)/increase in creditors		(73)	130
Profit on disposal of tangible fixed assets		(5)	-
Net cash provided by Operating Activities		<u>550</u>	<u>425</u>

### 21 Cash flows from investing activities

	2019 £ 000	2018 £ 000
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(96)	(242)
Proceeds from sale of tangible fixed assets	10	-
Capital funding received from sponsors and others	120	202
Net cash provided by/(used in) investing activities	<u>35</u>	<u>(39)</u>



## **Romero Catholic Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)**

#### **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 grant, which may have to be repaid in the event of breaches. The total amount of funding received was £385,000.

#### **23 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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

#### **24 Pension 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 latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £104,826 (2018 - £102,269) were payable to the schemes at 31 August 2019 and are included within creditors.

#### **Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

## **Romero Catholic Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)**

#### **24 Pension and similar obligations (continued)**

##### **The Teachers' Pension Budgeting And Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

##### **Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%. A copy of the latest valuation report can be found at:  
<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

##### **Scheme Changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the period amounted to £621,084 (2018: £567,295).

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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

# Romero Catholic Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 24 Pension and similar obligations (continued)

#### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £350,000 (2018 - £286,000), of which employer's contributions totalled £274,000 (2018 - £218,000) and employees' contributions totalled £76,000 (2018 - £68,000). The agreed contribution rates for future years are 15 per cent for employers and 5.5-12.5 per cent for employees.

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.

#### Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.60	3.50
Rate of increase for pensions in payment/inflation	2.10	2.00
Discount rate for scheme liabilities	1.90	2.80
Inflation assumptions (CPI)	2.10	2.00

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

	2019	2018
<b>Retiring today</b>		
Males retiring today	22.30	23.30
Females retiring today	23.80	25.00
<b>Retiring in 20 years</b>		
Males retiring in 20 years	24.00	25.50
Females retiring in 20 years	25.70	27.30

#### Sensitivity analysis

	At 31 August 2019	At 31 August 2018
	£000	£000
Discount rate +0.1%	7,956	5,956
Discount rate -0.1%	8,337	6,241
Mortality assumption – 1 year increase	8,423	6,272
Mortality assumption – 1 year decrease	7,869	5,922
CPI rate +0.1%	8,257	6,182
CPI rate -0.1%	8,033	6,014

# Romero Catholic Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 24 Pension and similar obligations (continued)

The academy trust's share of the assets in the scheme were:

	2019 £ 000	2018 £ 000
Equities	2,060	1,312
Corporate bonds	478	354
Government bonds	1,050	676
Other bonds	204	179
Property	294	184
Total market value of assets	<u>4,086</u>	<u>2,705</u>

The actual return on scheme assets was £377,000 (2018 - £130,000).

### Amounts recognised in the statement of financial activities

	2019 £ 000	2018 £ 000
Current service cost	548	346
Interest income	(99)	(76)
Interest cost	<u>171</u>	<u>141</u>
Total amount recognised in the SOFA	<u>620</u>	<u>411</u>

### Changes in the present value of defined benefit obligations were as follows:

	2019 £ 000	2018 £ 000
At start of period	6,097	5,362
Transferred in on existing academies joining the trust	-	617
Current service cost	368	346
Interest cost	171	141
Employee contributions	76	68
Actuarial (gain)/loss	1,285	(402)
Benefits paid	(33)	(35)
Past service cost	<u>180</u>	<u>-</u>
At 31 August	<u>8,144</u>	<u>6,097</u>

# Romero Catholic Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 24 Pension and similar obligations (continued)

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

	2019 £ 000	2018 £ 000
At start of period	3,392	2,829
Transferred in on existing academies joining the trust	-	182
Interest income	99	76
Actuarial gain/(loss)	278	54
Employer contributions	274	218
Employee contributions	76	68
Benefits paid	(33)	(35)
At 31 August	4,086	3,392

### 25 Related party transactions

Owing to the nature of the academy trust 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 the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

#### Expenditure related party transactions

During the year the academy made the following related party transactions:

##### Peru mission

(a charity in which D Tindall (trustee) is a governor)

In the prior year the trust donated £16,982 towards trips in Peru. The amount was paid to the Peru mission on behalf of the academy trust; no agency fee was charged. There have been no donations in the current year.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to Peru mission was £Nil (2018 - £Nil).

#### Income related party transactions

During the year the academy made the following related party transactions:

##### St Mary's RCVA Primary School

(a charitable company in which M Whalen (trustee) is a trustee)

The trust received income for sharing an ICT technician and reimbursement of costs from St Mary's RCVA Primary School totalling £4,027 (2018: NIL) during the year.

##### St Wilfrid's RCVA Primary School

(a school in which A Wake (trustee) is a governor)

The trust received income for sharing an ICT technician and transport costs from St Wilfrid's RCVA Primary School totalling £4,627 (2018: £5,253) during the year.

## **Romero Catholic Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)**

#### **26 Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the academy trust brought forward £39,855 from previous years and received £1,278 and disbursed £13,212 from the fund and transferred £26,643 to other schools. An amount of £1,278 is included in other creditors relating to undistributed funds that is repayable to ESFA.