

ROMERO CATHOLIC EDUCATION TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2018

Romero Catholic Education Trust

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 18
Governance Statement	19 to 23
Statement on Regularity, Propriety and Compliance	24
Statement of Trustees' Responsibilities	25
Independent Auditor's Report on the Financial Statements	26 to 28
Independent Reporting Accountant's Report on Regularity	29 to 30
Statement of Financial Activities incorporating Income and Expenditure Account	31 to 32
Balance Sheet	33
Statement of Cash Flows	34
Notes to the Financial Statements	35 to 61

Romero Catholic Education Trust

Reference and Administrative Details

Members	S Cunningham, Bishop J Hughes, Diocesan Director of Education A Byrne, Chair
Trustees (Directors)	A Byrne, Chair R Hall Rev D Tindall M Wood L Byron-Ledwith A Gregory D Hart G D O'Hehir J Thompson (resigned 15 March 2018) A Wake G Summerbell J Foster D Kirkwood (appointed 17 September 2018) L A Petterson (appointed 6 July 2018) F O'Neill (appointed 20 June 2018) D Brown (appointed 21 September 2018)
Company Secretary	J Summerbell
Senior Management Team	L Byron-Ledwith, Headteacher C Parker, Deputy Headteacher M Dunn, Leadership Team S Macdermott, Leadership Team G McIntyre, Leadership Team C Pullen, Leadership Team P Watson, Leadership Team A Hill, Chief Financial Officer
Principal and Registered Office	St John's Catholic School And Sixth Form College Woodhouse Lane Bishop Auckland County Durham DL14 6JT
Company Name	Romero Catholic Education Trust
Company Registration Number	07835950
Auditors	Tait Walker LLP Chartered Accountants and Statutory Auditor Bulman House Regent Centre Gosforth Newcastle Upon Tyne NE3 3LS
Bankers	Lloyds Bank Plc 2nd Floor Skinnergate Darlington County Durham DL3 7ND

Romero Catholic Education Trust

Trustees' Report for the Year Ended 31 August 2018

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a directors' report under company law.

St John's successfully converted from a Single Academy Trust to a Multi Academy Trust in December 2016, establishing the MAT as the Romero Catholic Education Trust. St Joseph's Primary (Newton Aycliffe) joined the Trust on 1 April 2018.

The Romero Catholic Education Trust operates 1 primary and 1 secondary academy in South West Durham. October 2017 census stated that St John's School & Sixth Form College – A Catholic Academy had 1381 students on roll. The academy is over-subscribed for Year 7 admissions (PAN = 220; admissions into Year 7 September 2017 = 238).

St Joseph's Primary School – A Catholic Academy had 138 pupils on roll at October 2017 census collection. The PAN for St Joseph's is 25.

The Romero Catholic Education Trust has 1519 students on roll (including nursery provision and Sixth Form provision) as of October 2017 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 2018 (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. Election of the Chair took place on Tuesday 17 October 2017 and the election of the Vice-Chair was deferred due to the progress of the sponsorship of St Joseph's RC Primary School. 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 2017 – 18 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 such as:

- Role of Trustees in a Multi-Academy Trust
- Role of Governors on Local Governing Bodies
- 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 2018 the Academy Trust Board consists of:

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

Romero Catholic Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

- Vacancy (Finance)

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 2018, St John's Leadership Team consists of:

- 1 Headteacher
- 1 full time Deputy Headteacher
- 3 full time Assistant Headteachers
- 2 part time Assistant Headteachers

In the Summer term, a further 2 full time Assistant Headteachers were appointed to the Leadership Team (appointments effective as of 1 September 2018).

At St Joseph's, a new Local Governing Body will be established at the start of the new academic year with a recruitment process to fill the vacancies of 1 Parent Governor and 1 Staff Governor.

As of 31 August 2018, 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.

Romero Catholic Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

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

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

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

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

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.

Romero Catholic Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

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.

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 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 2017-18 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 the these functions of the Trust are effective, efficient, provide value for money, and meet the current and future business needs (Working with Avec, ongoing from the Summer term 2018)
- 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). Start recruitment process to fill vacancies on LGBs (Autumn term 1)

During the academic year 2017-18 the priorities for St John's School & Sixth Form College – A Catholic Academy have been to:

- Review Leadership structure to ensure capacity (2 new Assistant Headteachers appointed to the Leadership Team – Summer 2018)

Romero Catholic Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

- Maintain effective budget planning and financial management to sustain reserves (healthy reserves as of 31 August 2018)
- Ensure Gospel Values for all (St John's Mission took place – Spring 2018 - working in conjunction with our parishes, Catholic primary feeder schools and the Youth Ministry Team)
- Further develop literacy across the curriculum (Literacy working group established; support from Durham LA English advisor; strategies trialled to improve literacy skills of students)
- Maths: improve on 2017 results in Maths to ensure that more students make better progress at KS4 from their starting point, particularly at low and high prior attainment (evidence of improvements with LPA students in 2018 results)
- EBACC: improve on 2017 results within the EBACC element, particularly in Science and MFL (Evidence of improvements in 2018 Science results: 9-4 grades in 2 Sciences = 74% (63% in 2017); 9-4 grades in 3 Sciences = 31% (23% in 2017))
- KS5: improve value added scores (Evidence of improvements in A Level and Academic average point scores in 2018 results)

During the academic year 2017-18 the priorities for St Joseph's Primary – A Catholic Academy have been to:

- Recruit a permanent Headteacher (appointed May 2018)
- Recruit 3 teachers (2 permanent and 1 temporary) to bring stability to teaching and learning (2 permanent and 1 temporary appointed from 1 September 2018)
- Continue to work with primary advisors to Improve standards of teaching and learning to move the school from RI -> Good (SLA with Durham LA; ongoing work with EDP; training and support from Durham LA and other colleagues to share best practice)
- Promote the school to the wider community to increase pupil numbers (same focus for 2018-19)
- Embed effective marking, presentation, expectations and feedback policies to improve the quality of work in books
- Improve attendance rates (working with Durham LA advisor – ongoing)

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 2018 (continued)

Strategic report: Achievements and Performance

ST JOHN'S: KS5

	Achievements and Performance 2017-18	Achievements and Performance 2016-17
A Level Average point score per entry	34.92	31.56
A Level Average point score per entry expressed as a grade	C+	C
A Level Value added score	-0.01	-0.08
A Level entries % achieving A* – A grades	18%	17%
A Level entries % achieving A* - B grades	48%	38%
A Level entries % achieving A* - C grades	82%	62%
Academic Average point score per entry	35.24	31.61
Academic Average point score per entry expressed as a grade	B-	C
Academic Value added score	-0.01	-0.08
Applied General (vocational) Average point score per entry	27.45 New specifications	41.86 New specifications
Applied General (vocational) Average point score expressed as a grade	Merit+ New specifications	Distinction+ New specifications
Applied General (Vocational) Value added score	0 New specifications	+0.24 New specifications

Romero Catholic Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Raising Achievement in English and Maths at KS5

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

- 2018 – The average progress made in English (GCSE) is **+0.87**
- 2017 - The average progress made in English (GCSE) is +1.00
- 2016 - The average progress made in English (GCSE) is +0.47
- 2018 – The average progress made in Maths (GCSE) is **+0.54**
- 2017 - The average progress made in Maths (GCSE) is +0.53
- 2016 - The average progress made in Maths (GCSE) is +0.38

ST JOHN'S: KS4

	Achievements and Performance 2017-18	Achievements and Performance 2016-17
Basics - & achieving standard pass in English & Maths (9 – 4 grades)	77%	74%
Basics - & achieving strong pass in English & Maths (9 – 5 grades)	47%	53%
% achieving standard pass in English Language (9 – 4 grades)	76%	77%
% achieving standard pass in English Literature (9 – 4 grades)	84%	82%
% achieving standard pass in English overall (9 – 4 grades)	89%	87%
% achieving strong pass in English overall (9 – 5 grades)	71%	74%
% achieving standard pass in Maths (9 – 4 grades)	79%	77%
% achieving strong pass in Maths (9 – 4 grades)	53%	56%
% of all entries achieving 9 – 5 grades including A* - B	58%	53%
Overall Attainment 8	49.2	50
Progress 8 score	-0.18 unadjusted	-0.12

Romero Catholic Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

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

Subject	Entries	% Grades 9-4 2017-18	% Grades 9-4 2016-17	% Grades 9-5 2017-18	% Grades 9-5 2016-17	% National 9-4 Grades
Biology	47	98	100	98	85	90
Chemistry	47	98	100	94	92	90
Physics	47	100	97	89	97	91
Art & Design	29	83	88	66	41	75
Photography	16	100	100	75	72	76
PE	36	94	85	80	55	70
Drama	11	100	71	81	14	74
Graphics	13	100	73	69	40	61
Business St	20	100	67	75	38	66
Media St	24	100	76	63	36	65

ST JOSEPH'S: EYS, KS1 and KS2

	EYS		YR1		KS1					
	<i>% GLD</i>	<i>% Phonic check</i>	<i>Reading % EX</i>	<i>Reading % GD</i>	<i>Writing % EX</i>	<i>Writing % GD</i>	<i>Maths % EX</i>	<i>Maths % GD</i>	<i>R/W/M % EX</i>	<i>R/W/M % HS</i>
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							
	<i>Reading % EX</i>	<i>Reading % GD</i>	<i>Writing % EX</i>	<i>Writing % GD</i>	<i>Maths % EX</i>	<i>Maths % GD</i>	<i>R/W/M % EX</i>	<i>R/W/M % HS</i>
2017-18 Results	79%	14%	86%	7%	79%	0%	64%	0%
2016-17 Results	70%	15%	80%	0%	75%	15%	55%	0%

Romero Catholic Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

	KS2				
	<i>Reading Average Scaled Score</i>	<i>Maths Average Scaled Score</i>	<i>Reading Average Progress</i>	<i>Writing Average Progress</i>	<i>Maths Average Progress</i>
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

Key Performance Indicators

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.

In preparation for the sponsorship of St Joseph's, trustees worked with Avec Partnership to:

- Review the effectiveness of the existing governance structure
- Establish a new structure for the MAT and provide relevant training for our Trustees

During the 2017-18 academic year, the Trust was able to secure capital funding from Hexham and Newcastle Diocese, Department for Education and through the Condition Improvement Fund (CIF) application process. As a result, St Joseph's benefited from the following capital projects:

- Replacement of the roof
- Replacement of windows
- Improvements to the heating system, including the replacement of heaters

St John's was unsuccessful in securing funding from CIF for capital works which included moving stairwells to improve circulation and fire safety; creating a multi-use games area for student use. 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 to improve the facilities and will continue to seek support from the diocese and Durham LA with these matters.

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.

Romero Catholic Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Following their consultation regarding academisation in 2016-17, the Hexham and Newcastle Diocese are continuing to support schools who wish to join/form MATs. The diocesan-wide plan, which outlines 5 regions in the diocesan academy model, is being actively encouraged, although there is no timescale imposed for schools to become academies or to form MATs.

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 2018 results the percentage of students going into higher education was 54%. Of the students who have gone on to Higher Education, 34% attended Russell Group universities. 1 student is studying Law at Downing College, Cambridge University. 100% of students, who had planned to go onto Higher Education, were successful in achieving the grades necessary to secure their first or second choice university placements.

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 Electrical Engineering).

The spiritual life of the Sixth Form continues to flourish with students trained as Cafod Leaders and others who are following the John Paul II Award (3 students completed the JPPII Award in 2018). In 2017-18 we introduced a residential retreat programme for Sixth Form students. 30 Year 12 students participated in the retreat at Holy Island and the feedback from students and staff was extremely positive. We intend to build on this success in 2018-19. In addition, 15 Sixth Form students took part in our annual charitable expedition to Peru in Summer 2018 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.

The Effectiveness of the Sixth Form and 16-19 Programmes

The Extended Project Qualification and the National Citizen Service programme continue to provide further opportunities for students to increase their average point scores whilst developing their skills for research, independent study and community work. 26 students completed the EPQ in 2017-18 with 73% securing A*-B grades.

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. Teacher use a wide range of resources and strategies when planning lessons which engage 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. 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: 4matrix and Class-Charts

Romero Catholic Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

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.

In many lessons students are appropriately challenged. An area for development in this academic year is ensuring work is demanding of all students, especially the most able to ensure the level of challenge results in improved outcomes for this group. This includes developing questioning further to stretch all students.

Attitudes in lessons are positive and students have good established habits for learning. Teachers encourage resilience in students and encourage students in understanding that the classroom environment is the place where mistakes can be made. Homework is set, often through the use of ClassCharts and extends the learning beyond the classroom. Where homework is not completed sanctions are applied by staff including the use of detentions. Parents 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 to report student progress.

Teaching, Learning and Assessment are monitored through internal and externally judged departmental reviews.

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

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

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

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

St Joseph's has sought support from Durham LA advisors to improve the quality of teaching and learning. This support has included setting high expectations and ensuring that pupils understand the next steps to follow in order to make progress.

A monitoring timetable has been established to ensure that lessons are observed and books/work are reviewed regularly to check on pupils' progress. A new marking policy has been implemented to ensure that challenge is in place for all groups of children. Staff's planning folders include differentiation, with challenge evident in the planned activities/tasks.

The Education Development Partner continues to work with St Joseph's to ensure that progress is being made and priorities for improvement are being addressed.

Romero Catholic Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Student Admissions: St John's

St John's continues to be an oversubscribed Academy. For the last 4 years Durham County Council has asked us to accept all of our Year 7 first choice applications. We increased our PAN from 209 to 220 but we still exceed these numbers. Admission figures are detailed below for Year 7 and Year 12:

- Pupil admission number (PAN) for 2016 onwards = 220
- Year 7 intake 2016-17 = 263 (first choice applications). Actual numbers who attended in September 2016 = 260
- Year 7 intake 2017-18 = 235 (first choice applications). Actual numbers who attended in September 2017 = 238
- Year 7 proposed intake 2018-19 = 237 (first choice applications).
- Numbers entering Year 12 in September 2016 = 112
- Numbers entering Year 12 in September 2017 = 128
- We continue to offer a wide range of subjects and courses for all students which cover A Level and vocational areas.

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 2017-18	15	8	36	78	137
Admissions in 2016-17	11	15	35	81	142

Exclusions

- At St John's there has been 1 permanent exclusion during the academic year 2017-18 (well below national averages).
- At St Joseph's there has been 0 permanent exclusions during the academic year 2017-18 (well below national averages).
- For both academies the percentages of fixed term exclusions are below national averages.

Attendance

- At St John's attendance for Years 7 - 11 in 2017-18 was 95.34%.
- At St Joseph's attendance for the whole school in 2017-18 was 94%.

Going Concern

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

Romero Catholic Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

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 2018. Our cash resources and budget for 2018/19 indicate that we expect our day-to-day activities to be adequately funded by income from all sources.

Total income for the year was £7,980k and expenditure amounted to £8,262k. After including the FRS102 adjustments of £456k for the Local Government Pension Scheme, this resulted in an inflow of funds for the year of £174k.

Total funds at 31 August 2018 are in surplus by £620k, made up of £841k within restricted funds and £165k of unrestricted general funds. The restricted fixed asset fund totalled £2,319k, and the Local Government Pension Scheme reserve fund totalled £2,705k (deficit).

Of the total income for the year, £7,275k was obtained as ESFA grants. These grants and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The £7,275k received from the ESFA was a combination of the General Annual Grant of £6,553k and other grants of £722k.

Almost all expenditure relates to the Trust's educational activities, with a small amount of £12k identified as governance costs. £4,168k of expenditure was for teaching and educational support staff and £1,246k of other direct costs. The remaining costs cover support staff, maintenance, cleaning, catering, and insurance and other occupancy and support.

At 31 August 2018, the net book value of fixed assets was £2,328k.

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 2018 was £1,006k, made up of £165k of unrestricted reserves, and £841k 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.

Romero Catholic Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

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

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

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

Plans for Future Periods

Learning Improvement Plans for 2018-19 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
- Continuing to review the support staff structure, 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 LGBs at St John's and St Joseph'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

Romero Catholic Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Planned support from Durham Advisors 2018-19

- Support whole school priority on stretch and challenge for HPA students
- To follow up actions from the Science review
- To follow up findings from the Maths review especially around problem solving and consistency of methods used across the department. Provide additional support for Maths NQTs
- Review assessment at KS3 and KS4
- Support school priority on metacognition
- To review role and impact of Catch Up funding.(strategy impact and approaches to identification, intervention, monitoring and impact)

In-House CPD 2018-19: St John's

Safeguarding					
Catholic Life and Collective Worship					
School Priorities					
High Prior Attainers					
Attachment Awareness					
Metacognition					
All Teaching Staff	NQT, NQT+ ITT	HODs	HOYs	Senior Leaders	LSAs
Subject Planning and Development Sessions					
Pastoral Planning and Monitoring					
Feedback, Assessment & Marking	Quality First Teaching	Feedback, Assessment & Marking		Quality First Teaching	
Action Research	Feedback, Assessment & Marking	Lesson Observation & Appraisal		Technology	
Aspiring Middle Leaders	Creative Teaching	Action Research		Action Research	
Creative Teaching	Skilful Questioning	Aspiring Senior Leaders		Skilful Questioning	
Skilful Questioning	Problem-solving & Independent Learning	Skilful Questioning			
Problem-solving & Independent Learning					
BTEC standards and Best Practices					
Optional CPD: Data drop-ins; <u>Teachmeets</u> ; Teaching and Learning Group Meetings; TSST; Exam Board training					
Alternative CPD: Mindfulness and Staff Well-Being – 3 activities per half term					

Romero Catholic Education Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

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.

During the year, Baldwins Audit Services Limited resigned as auditors and Tait Walker LLP were appointed through a tendering process.

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 13.12.18 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 Headteacher, as Accounting Officer, for ensuring that financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Romero Catholic Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

The full board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Lisa Byron	7	7
Tony Byrne (Chair)	6	7
Alan Gregory	4	7
Bob Hall	6	7
David Hart	5	7
Denise Kirkwood	4	7
Geoff O'Hehir	4	7
Joanna Foster	4	7
Angela Smith (resigned 09.02.2018)	2	4
Gerald Summerbell	6	7
Jean Thompson (resigned 15.03.2018)	3	5
Fr D Tindall	5	7
Ann Wake	7	7
Mary Wood	7	7

Romero Catholic Education Trust

Governance Statement (continued)

During the academic year 2017-18 the purpose of the finance committee was:

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

Attendance at Finance meetings in the academic year 2017-18 was as follows:

Trustees	Meetings attended	Out of possible
A Byrne (Chair of Trustees)	6	6
L Byron-Ledwith (Accounting Officer – appointed 1 September 2015)	6	6
G O'Hehir	5	6
D Hart	6	6
J Foster	5	6
G Summerbell	6	6
J Thompson (resigned 15.03.2018)	0	3

Romero Catholic Education Trust

Governance Statement (continued)

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.
- One year extension of existing cleaning contract agreed at the year 1 price.
- Ongoing review of staffing structure and contracts of employment, resulting in more efficient delivery of teaching and learning objectives and support services.
- Delivery of Condition Improvement Fund roof replacement works at St Joseph's within budget.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 2018 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 Governing Body 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 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

Romero Catholic Education Trust

Governance Statement (continued)

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 Governing Body;
- regular reviews by the Finance and General Purposes 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 Governing Body 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
- 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)

Romero Catholic Education Trust

Governance Statement (continued)

- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

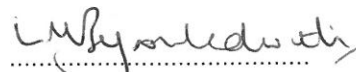
The Academy's internal control policy and procedures ensure a robust control framework is in place. This includes: timely budget planning and monitoring, management and oversight of assets, banking, and investment and cash flow practices with appropriate segregation of duties. This framework drives the 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 on 16 May 2017. This document sets out key financial responsibilities and policies including delegation of spending and virement limits, capitalisation limits.

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

Approved by order of the members of the Governing Body on 13.12.18 and signed on its behalf by:


A Byrne
Trustee


L Byron-Ledwith
Accounting officer
Trustee

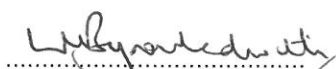
Romero Catholic Education Trust

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 2017.

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 2017.

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

Date: 13.12.18

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 Annual 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 2017 to 2018;
- 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 the 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 13.12.18 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 2018, 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'.

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 2018 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 Academies Accounts Direction 2017 to 2018.

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

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 25, 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Romero Catholic Education Trust

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.

Tait Walker LLP

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

Date: *17th December 2018*

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 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Romero Catholic Education Trust Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of the Romero Catholic Education Trust's funding agreement with the Secretary of State for Education dated 28 November 2011 and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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:

- Enquiry of senior management and Trustees of the Academy Trust;
- Observation and re-performance of financial controls;
- Inspection and review of the accounting records, meeting minutes and internal control procedures;
- Review of card transactions;
- Review of register of business and pecuniary interests;
- Review of related party transactions;
- Review of a sample of gifts and hospitality expenditure;
- Review of a sample of payroll, expenditure and expense claims;
- Review of termly internal assurance reports;

Romero Catholic Education Trust

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

- Completion of regularity questionnaire by Accounting Officer; and
- Review of formal letter of representation from Trustees acknowledging responsibilities and specific representations provided.

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 2017 to 31 August 2018 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.

Tait Walker LLP

Tait Walker LLP
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle Upon Tyne
NE3 3LS

Date: *17th December 2018*

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
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	-	19	217	236
Transfer from local authority on conversion	27	-	(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
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	929	7,087	246	8,262
Total		929	7,087	246	8,262
Net income/(expenditure)		1	(254)	(29)	(282)
Transfers between funds		-	(16)	16	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	24	-	456	-	456
Net movement in funds/(deficit)		1	186	(13)	174
Reconciliation of funds					
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

Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2017 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	1	-	28	29
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	434	6,992	-	7,426
Other trading activities	4	367	-	-	367
Investments	5	1	-	-	1
Total		803	6,992	28	7,823
Expenditure on:					
Raising funds	6	556	-	-	556
<i>Charitable activities:</i>					
Academy trust educational operations	7	261	6,921	233	7,415
Total		817	6,921	233	7,971
Net (expenditure)/income		(14)	71	(205)	(148)
Transfers between funds		-	(55)	55	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	24	-	248	-	248
Net movement in (deficit)/funds		(14)	264	(150)	100
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2016		180	(2,316)	2,482	346
Total funds/(deficit) carried forward at 31 August 2017		166	(2,052)	2,332	446

Romero Catholic Education Trust

(Registration number: 07835950)
Balance Sheet as at 31 August 2018

	Note	2018 £ 000	2017 £ 000
Fixed assets			
Tangible assets	12	2,328	2,332
Current assets			
Stocks	13	9	9
Debtors	14	283	191
Cash at bank and in hand		1,458	1,072
		<u>1,750</u>	<u>1,272</u>
Creditors: Amounts falling due within one year	15	<u>(739)</u>	<u>(625)</u>
Net current assets		<u>1,011</u>	<u>647</u>
Total assets less current liabilities		3,339	2,979
Creditors: Amounts falling due after more than one year	16	<u>(14)</u>	<u>-</u>
Net assets excluding pension liability		3,325	2,979
Pension scheme liability	24	<u>(2,705)</u>	<u>(2,533)</u>
Net assets including pension liability		<u>620</u>	<u>446</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	17	839	481
Restricted fixed asset fund	17	2,319	2,332
Restricted pension fund	17	<u>(2,705)</u>	<u>(2,533)</u>
		453	280
Unrestricted funds			
Unrestricted income fund	17	<u>167</u>	<u>166</u>
Total funds		<u>620</u>	<u>446</u>

The financial statements on pages 31 to 61 were approved by the Trustees, and authorised for issue on 13.12.18 and signed on their behalf by:


A Byrne
Trustee

Romero Catholic Education Trust

Statement of Cash Flows for the Year Ended 31 August 2018

	Note	2018 £ 000	2017 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	20	425	822
Cash flows from investing activities	21	<u>(39)</u>	<u>(533)</u>
Change in cash and cash equivalents in the year		386	289
Cash and cash equivalents at 1 September		<u>1,072</u>	<u>783</u>
Cash and cash equivalents at 31 August		<u><u>1,458</u></u>	<u><u>1,072</u></u>

Romero Catholic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

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 2017 to 2018 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 receivable

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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 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 2018 (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 2018 (continued)

1 Accounting policies (continued)

Transfer on conversion

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.

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.

Romero Catholic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

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.

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.

Romero Catholic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

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 notes 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.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Romero Catholic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

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 the Department for Education Group.

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 funds received and paid and any balances held are disclosed in note 24.

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.

Romero Catholic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

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 2018. 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 directors 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.

2 Donations and capital grants

	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2018 £ 000	Total 2017 £ 000
Other voluntary income				
Capital grants	19	183	202	28
Other donations	-	34	34	1
	<u>19</u>	<u>217</u>	<u>236</u>	<u>29</u>
	Unrestricted funds £ 000	Restricted fixed asset funds £ 000	Total 2017 £ 000	
Total 2017	<u>1</u>	<u>28</u>	<u>29</u>	

Romero Catholic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2018 £ 000	Total 2017 £ 000
DfE/ESFA revenue grants				
General Annual Grant GAG	-	6,553	6,553	6,649
Other ESFA Group grants	29	693	722	268
National College grants	-	-	-	74
	<u>29</u>	<u>7,246</u>	<u>7,275</u>	<u>6,991</u>
Other government grants				
Local authority grants	-	-	-	1
	-	-	-	1
Non-government grants and other income				
Catering income	469	-	469	434
Total grants	<u>498</u>	<u>7,246</u>	<u>7,744</u>	<u>7,426</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Total 2017 £ 000	
Total 2017	<u>434</u>	<u>6,992</u>	<u>7,426</u>	

4 Other trading activities

	Unrestricted funds £ 000	Total 2018 £ 000	Total 2017 £ 000
Hire of facilities	70	70	37
Catering income	12	12	12
School trips	243	243	212
Other income	106	106	106
	<u>431</u>	<u>431</u>	<u>367</u>
	Unrestricted funds £ 000	Total 2017 £ 000	
Total 2017	<u>367</u>	<u>367</u>	

Romero Catholic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

5 Investment income

	Unrestricted funds £ 000	Total 2018 £ 000	Total 2017 £ 000
Short term deposits	1	1	1
	Unrestricted funds £ 000	Total 2017 £ 000	
Total 2017	1	1	

6 Expenditure

	Non Pay Expenditure			Total 2018 £ 000	Total 2017 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds	-	-	-	-	555
Academy's educational operations					
Direct costs	4,946	-	568	5,514	5,302
Allocated support costs	1,236	766	746	2,748	2,114
	<u>6,182</u>	<u>766</u>	<u>1,314</u>	<u>8,262</u>	<u>7,971</u>
	Non Pay Expenditure			Total 2017 £ 000	
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Total 2017	<u>6,082</u>	<u>636</u>	<u>1,253</u>	<u>7,971</u>	

Romero Catholic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2018 £ 000	2017 £ 000
Operating lease rentals	25	20
Depreciation	246	234
Fees payable to auditor - audit	8	7
Fees payable to auditor - other audit services	1	6

7 Charitable activities

	2018 £ 000	2017 £ 000
Direct costs - educational operations	5,514	5,302
Support costs - educational operations	2,748	2,113
	8,262	7,415

	Educational operations £ 000	2018 £ 000	2017 £ 000
Analysis of support costs			
Support staff costs	1,236	1,236	875
Depreciation	246	246	233
Technology costs	50	50	34
Premises costs	520	520	403
Other support costs	684	684	355
Governance costs	12	12	213
Total support costs	2,748	2,748	2,113

8 Staff

Staff costs

	2018 £ 000	2017 £ 000
Staff costs during the year were:		
Wages and salaries	4,841	4,602
Social security costs	465	452
Operating costs of defined benefit pension schemes	833	932
	6,139	5,986
Supply staff costs	43	96
	6,182	6,082

Romero Catholic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Staff (continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2017: £14,994).

Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2018 No.	2017 No.
Charitable Activities		
Teachers	108	97
Administration and support	73	66
Management	2	9
	<u>183</u>	<u>172</u>

Higher paid staff

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

	2018 No.	2017 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
	<u>1</u>	<u>1</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 £554,036 (2017 - £633,104).

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 2018 (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: £85,000 - £90,000 (2017 - £85,000 - £90,000)

Employer's pension contributions: £10,000 - £15,000 (2017 - £10,000 - £15,000)

A Smith (Trustee):

Remuneration: £25,000 - £30,000 (2017 - £25,000 - £30,000)

Employer's pension contributions: £5,000 - £10,000 (2017 - £0 - £5,000)

No expenses were paid to Trustees during the year (2017: 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 2018 (continued)

12 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and fixtures £ 000	Motor vehicles £ 000	Plant and equipment £ 000	Total £ 000
Cost					
At 1 September 2017	2,344	947	43	3	3,337
Additions	224	18	-	-	242
At 31 August 2018	2,568	965	43	3	3,579
Depreciation					
At 1 September 2017	218	752	35	-	1,005
Charge for the year	96	143	6	1	246
At 31 August 2018	314	895	41	1	1,251
Net book value					
At 31 August 2018	2,254	70	2	2	2,328
At 31 August 2017	2,126	195	8	3	2,332

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 2018 (continued)

13 Stock

	2018 £ 000	2017 £ 000
Catering and uniform stock	9	9

14 Debtors

	2018 £ 000	2017 £ 000
Trade debtors	19	15
VAT recoverable	63	31
Prepayments	107	78
Accrued grant and other income	94	67
	<u>283</u>	<u>191</u>

15 Creditors: amounts falling due within one year

	2018 £ 000	2017 £ 000
Trade creditors	177	146
Other taxation and social security	121	112
Other creditors	43	13
Accruals	182	144
Deferred income	114	115
Pension scheme creditor	102	95
	<u>739</u>	<u>625</u>

Deferred income

	2018 £ 000	2017 £ 000
Deferred income at 1 September 2017	115	65
Resources deferred in the period	114	115
Amounts released from previous periods	(115)	(65)
Deferred income at 31 August 2018	<u>114</u>	<u>115</u>

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

16 Creditors: amounts falling due after one year

	2018 £ 000
Salix Loan	<u>14</u>

Romero Catholic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
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>
Restricted fixed asset funds					
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>
Restricted pension funds					
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
Unrestricted funds					
General funds	<u>166</u>	<u>930</u>	<u>(929)</u>	<u>-</u>	<u>167</u>
Total funds	<u><u>446</u></u>	<u><u>7,980</u></u>	<u><u>(8,262)</u></u>	<u><u>456</u></u>	<u><u>620</u></u>

Romero Catholic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

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

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2017 £ 000
Restricted general funds					
General Annual Grant	174	6,649	(6,317)	(55)	451
Other DfE/ ESFA Grants	49	342	(361)	-	30
	<u>223</u>	<u>6,991</u>	<u>(6,678)</u>	<u>(55)</u>	<u>481</u>
Restricted fixed asset funds					
Transferred on conversion	257	-	(114)	-	143
DfE/ ESFA Capital Grants	1,261	28	(43)	-	1,246
Capital expenditure from GAG	603	-	(60)	55	598
Other capital grants	361	-	(16)	-	345
	<u>2,482</u>	<u>28</u>	<u>(233)</u>	<u>55</u>	<u>2,332</u>
Restricted pension funds					
Pension reserve	<u>(2,539)</u>	<u>-</u>	<u>(242)</u>	<u>248</u>	<u>(2,533)</u>
Total restricted funds	166	7,019	(7,153)	248	280
Unrestricted funds					
General funds	<u>180</u>	<u>803</u>	<u>(817)</u>	<u>-</u>	<u>166</u>
Total funds	<u><u>346</u></u>	<u><u>7,822</u></u>	<u><u>(7,970)</u></u>	<u><u>248</u></u>	<u><u>446</u></u>

Romero Catholic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
General Annual Grant	174	13,202	(12,515)	(71)	790
Other DfE/ ESFA Grants	49	1,057	(1,057)	-	49
	<u>223</u>	<u>14,259</u>	<u>(13,572)</u>	<u>(71)</u>	<u>839</u>
Restricted fixed asset funds					
Transferred on conversion	257	-	(228)	-	29
DfE/ ESFA Capital Grants	1,261	245	(89)	-	1,417
Capital expenditure from GAG	603	-	(121)	71	553
Other capital grants	361	-	(41)	-	320
	<u>2,482</u>	<u>245</u>	<u>(479)</u>	<u>71</u>	<u>2,319</u>
Restricted pension funds					
Pension reserve	<u>(2,539)</u>	<u>(435)</u>	<u>(435)</u>	<u>704</u>	<u>(2,705)</u>
Total restricted funds	166	14,069	(14,486)	704	453
Unrestricted funds					
General funds	<u>180</u>	<u>1,733</u>	<u>(1,746)</u>	<u>-</u>	<u>167</u>
Total funds	<u><u>346</u></u>	<u><u>15,802</u></u>	<u><u>(16,232)</u></u>	<u><u>704</u></u>	<u><u>620</u></u>

Romero Catholic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (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.

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 2018 (continued)

17 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	2018 £ 000	2017 £ 000
St John's School and Sixth Form, a Catholic Academy	992	647
St Joseph's Primary School, a Catholic Academy	14	-
Total before fixed assets and pension reserve	1,006	647
Transferred on conversion	2,319	2,332
Pension reserve	(2,705)	(2,533)
Total	620	446

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 2018 £ 000
St John's School and Sixth Form, a Catholic Academy	4,748	1,295	893	784	7,720
St Joseph's Primary School, a Catholic Academy	147	94	16	39	296
Academy Trust	4,895	1,389	909	823	8,016

Romero Catholic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	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	<u>167</u>	<u>(1,866)</u>	<u>2,319</u>	<u>620</u>

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	-	-	2,332	2,332
Current assets	254	955	61	1,270
Current liabilities	(88)	(474)	(61)	(623)
Pension scheme liability	-	(2,533)	-	(2,533)
Total net assets	<u>166</u>	<u>(2,052)</u>	<u>2,332</u>	<u>446</u>

Romero Catholic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

19 Commitments under operating leases

Operating leases

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £ 000	2017 £ 000
Amounts due within one year	21	25
Amounts due between one and five years	17	37
	<u>38</u>	<u>62</u>

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

		2018 £ 000	2017 £ 000
Net expenditure		(282)	(148)
Depreciation	6	246	234
Capital grants from DfE and other capital income		(202)	(28)
Interest receivable	5	(1)	(1)
Defined benefit pension scheme obligation inherited	24	435	-
Defined benefit pension scheme cost less contributions payable	24	128	193
Defined benefit pension scheme finance cost	24	65	49
Increase in stocks		-	(1)
(Increase)/decrease in debtors		(92)	409
Increase in creditors		128	115
Net cash provided by Operating Activities		<u>425</u>	<u>822</u>

21 Cash flows from investing activities

	2018 £ 000	2017 £ 000
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(242)	(562)
Capital funding received from sponsors and others	202	28
Net cash used in investing activities	<u>(39)</u>	<u>(533)</u>

Romero Catholic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (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 £102,269 (2017 - £95,126) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Romero Catholic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £567,295 (2017 - £554,718). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard 102 (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 2018 (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 2018 was £286,000 (2017 - £255,000), of which employer's contributions totalled £218,000 (2017 - £189,000) and employees' contributions totalled £68,000 (2017 - £66,000). The agreed contribution rates for future years are per cent for employers and 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

	2018 %	2017 %
Rate of increase in salaries	3.50	3.50
Rate of increase for pensions in payment/inflation	2.00	2.00
Discount rate for scheme liabilities	2.80	2.50
Inflation assumptions (CPI)	<u>2.00</u>	<u>2.00</u>

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

	2018	2017
Retiring today		
Males retiring today	23.30	23.20
Females retiring today	25.00	24.90
Retiring in 20 years		
Males retiring in 20 years	25.50	25.40
Females retiring in 20 years	<u>27.30</u>	<u>27.20</u>

Sensitivity analysis

	At 31 August 2018 £000	At 31 August 2017 £000
Discount rate +0.1%	5,956	5,238
Discount rate -0.1%	6,241	5,489
Mortality assumption – 1 year increase	6,272	5,202
Mortality assumption – 1 year decrease	5,922	5,523
CPI rate +0.1%	6,182	5,437
CPI rate -0.1%	<u>6,014</u>	<u>5,288</u>

Romero Catholic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 Pension and similar obligations (continued)

The Academy Trust's share of the assets in the scheme were:

	2018 £ 000	2017 £ 000
Equities	1,312	1,389
Corporate bonds	354	243
Government bonds	676	871
Other bonds	179	122
Property	184	204
Total market value of assets	<u>2,705</u>	<u>2,829</u>

The actual return on scheme assets was £130,000 (2017 - £431,000).

Amounts recognised in the statement of financial activities

	2018 £ 000	2017 £ 000
Current service cost	346	382
Interest income	(76)	(46)
Interest cost	141	95
Total amount recognised in the SOFA	<u>411</u>	<u>431</u>

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

	2018 £ 000	2017 £ 000
At start of period	5,362	4,757
Transferred in on existing academies joining the trust	617	-
Current service cost	346	382
Interest cost	141	95
Employee contributions	68	66
Actuarial (gain)/loss	(402)	137
Benefits paid	(35)	(75)
At 31 August	<u>6,097</u>	<u>5,362</u>

Romero Catholic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 Pension and similar obligations (continued)

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

	2018 £ 000	2017 £ 000
At start of period	2,829	2,218
Transferred in on existing academies joining the trust	182	-
Interest income	76	46
Actuarial gain/(loss)	54	385
Employer contributions	218	189
Employee contributions	68	66
Benefits paid	(35)	(75)
At 31 August	3,392	2,829

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)

The trust donated £16,982 (2017: £600) towards trips in Peru. The amount was paid to the Peru mission on behalf of the academy trust; no agency fee was charged.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

At the balance sheet date the amount due to Peru mission was £Nil (2017 - £Nil).

Romero Catholic Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Related party transactions (continued)

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 £NIL (2017: £4,551) 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 £5,253 (2017: £4,626) during the year.

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 2018 the academy trust brought forward £12,184 from previous years and received £21,766 and disbursed £18,649 from the fund and transferred £24,554 to other schools. An amount of £39,855 is included in other creditors relating to undistributed funds that is repayable to ESFA.

27 Conversion to an Academy Trust

On 1 April 2018 the St Joseph's Roman Catholic Voluntary Aided Primary School converted to Academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Romero Catholic Education Trust from the Durham Local Authority for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Restricted general fund £ 000	Total £ 000
Budget surplus on LA funds	3	3
LGPS pension deficit	(435)	(435)
Net liabilities	<u>(432)</u>	<u>(432)</u>

The above net liabilities include £Nil that were transferred as cash.