



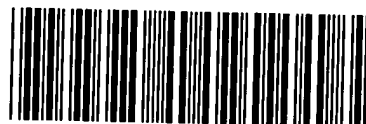
Romero Catholic Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Period Ended 31 August 2020

FRIDAY



AA3JDHEW

A22

30/04/2021

#182

COMPANIES HOUSE

Contents Table

Reference and Administrative Details	1 - 2
Trustees' Report	3 - 13
Governance Statement	14 - 17
Statement of Regularity, Propriety and Compliance	18 - 19
Statement of Trustees' Responsibilities	20
Independent Auditor's Report on the Financial Statements	21 - 23
Independent Reporting Accountant's Report on Regularity	24 - 25
Statement of Financial Activities incorporating Income and Expenditure Account	26
Balance Sheet	27
Statement of Cash Flows	28
Notes to the Financial Statements	29 - 49

References & Administrative Details

Company number: 11907285 (England & Wales)

Registered Office: Romero Catholic Academy Trust
St Bede's Roman Catholic High School
Green Lane, Blackburn
BB2 4SR

Members

	<u>Joined</u>	<u>Ceased</u>
Bishop John Arnold	October 2019	-
Mrs Mary Hunter	October 2019	-
Canon Michael Cooke	October 2019	-
Canon Anthony McBride	October 2019	-
Mr Simon Smith	October 2019	-

Trustees

	<u>Joined</u>	<u>Ceased</u>
Mrs A M Ager	27 th March 2019	-
Mr J F Corrigan	1 st January 2020	-
Mr D M Fairclough	1 st January 2020	-
Mr G F Greenhalgh	27 th March 2019	-
Mr P S Gunn	27 th March 2019	-
Mr J P Hickey	1 st November 2019	-
Mrs H E Sullivan	1 st January 2020	-

References & Administrative Details

Principle staff and dates of their appointments

Executive Team Central Role

		Date of Appointment
Mr D Callaghan	Chief Executive Officer	1 st September 2019
Miss E Fleming	Chief Financial Officer	1 st September 2019
Ms Carla Jenkinson	HR Manager	1 st June 2020

Central Improvement Team

		Date of Appointment
Des Callaghan	Chief Executive Officer	1 st November 2019
Alison Burrows	Challenge Partner	1st July 2020

Banker

Lloyds TSB
7 Manchester Road
Burnley
Lancashire
BB11 1HT

Auditor

Beever and Struthers
Central Buildings
Richmond Terrace
Blackburn
BB1 7AP

Solicitors

Browne Jackson
14th Floor, No.1 Spinningfields
1 Hardman Square
Manchester
M3 3EB

Internal Auditor

John Akinyemi
Cofie Limited
8 Nuttall Court
Warrington
WA3 7NQ

Trustees' Report for the Period Ended 31st August 2020

The Trustees present their annual report together with the financial statements and auditors' report of Romero Catholic Academy Trust (The "Charitable Company") for the period 27th March 2019 to 31st August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Multi-Academy Trust (MAT) operates academies for pupils aged 3-16, serving the catchment area in within the Diocese of Salford of Lancashire, Blackburn with Darwen and Calderdale. There are currently no schools within Blackburn with Darwen converted to the Trust. The numbers on roll are 2,543 pupils as reported in the most recent DfE information. The schools' combined capacity is 2,657.

Governance, Structure & 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 academies. The Trustees of Romero Catholic Academy Trust are also the directors of the charitable company for the purpose of company law. The charitable company operates as Romero Catholic Academy Trust.

Details of the Trustees who served during the period, and to the date these accounts are approved are included in the Reference and Administrative Details on pages 1 and 2.

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 whilst 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

Professional Indemnity Insurance is in place to protect Members, Trustees and Officers from claims arising from negligent acts, errors or omissions occurring on Trust business.

Method of Recruitment and Appointment or Election of Trustees

The members of the Trust are responsible for the appointment of the Trustees. The recruitment of Trustees is mainly dependent on the skill gaps that the members identify and upon the candidate's expertise, experience and skills. The number of Trustees shall be a minimum of three but shall not be subject to any maximum, as referenced in the Articles of Association and are appointed for a term of four years.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustees are appointed on the skills they bring to the board to maintain a robust overview and governance throughout the Trust. Prior to conversion, the Trustees agreed the Trust's vision and ethos, committee structure and organisation and agreed the scheme of delegation. Trustees receive information relating to the Trust, including policies and procedures and receive an induction pack on the roles and responsibilities of being a Trustee. Trustees are subject to enhanced DBS checking.

Trustees received the following training throughout the period ending 31st August 2020:

- New Ofsted Framework
- Safeguarding & Prevent
- Financial (Reserves)
- DfE funded Governance Leadership programme

Appropriate skill gap analysis is undertaken annually which is then used to form a training programme for the 2020-21 academic year.

Trustees' Report for the Period Ended 31st August 2020

Organisational Structure

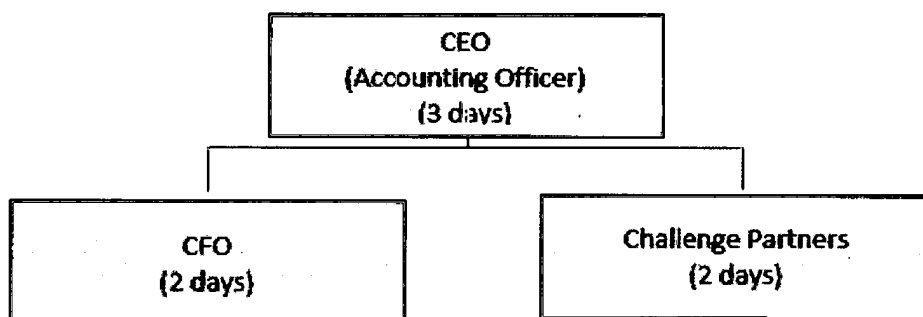
The organisational structure is set out in the Memorandum and Articles of Romero Catholic Academy Trust. The aim of the structure is to devolve responsibility and encourage involvement in decision making at all levels. Trustees have overall responsibility and ultimate decision making at all levels. The Trustees also have overall responsibility for strategic direction and growth of the Trust, adopting an annual plan and budget, monitoring the Trust and academies by the use of financial management and other performance information; making staff appointments to the key leadership posts and approving the Annual Report and financial statements. They are also responsible for all matters relating to finance and personnel and for setting the Trust's general policies.

The Trustees are responsible for ensuring the Local Governing Boards fulfil their statutory obligations in a manner which will allow the Trust to fulfil its aims, ensuring procedures are in place to ensure: regularity, propriety and value for money, setting general policies, budget planning and monitoring and major decision making about the direction of the trust, capital expenditure and senior staff appointments. The CEO is the Accounting Officer and is supported by the school improvement team and Executive Central Team. The Central Team is responsible for implementing the policies laid down by the Trustees and reporting back to them. The Trustees delegate day to day operation of the academies to the Headteachers in each school who are supported by school leadership.

The Trustees have clear terms of reference and have a sub-committee for Finance, Audit and Resources that meet quarterly. In addition, a Nomination and a Remuneration committee was instated in the 20/21 financial year, that meets annually. The Trustees have Local Governing Bodies (LGB) in each Academy. The LGBs also have clear terms of reference and work from the Trust's Scheme of Delegation. Each Committee and LGB will meet at least on a termly basis. Reports from the sub-committee(s) and LGBs will be available to the Trustees.

Organisational Structure

Core Team Structure - Year 1 (September 2019/20)



Romero Catholic Academy Trust Organisational Structure

Roles and responsibilities of Members, Trustees, Local Governing Boards, Chief Executive Officer and Headteachers of School are clearly defined within the Scheme of Delegation

Trustees' Report for the Period Ended 31st August 2020

Trustees of the Multi-Academy Trust

Mrs A Ager
 Mr J Corrigan
 Mr D Fairclough
 Mr G Greenhalgh
 Mr P Gunn
 Mr J Hickey
 Mrs H Sullivan

Committee Organisation

Finance, Audit & Resources Committee

Mrs A Ager
 Mr G Greenhalgh
 Mr P Gunn
 Mr J Hickey

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees met Committee to set the pay for the Chief Executive Officer, and members of the Executive Central Team. The Nomination and Remuneration Committee will receive a report which will also review all other pay increases in a report provided by the Chief Executive Officer annually.

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force in April 2017, which put in place provisions in the Trade Union Act 2016 requiring relevant public-sector employers to publish specified information related to facility time provided to trade union officials:

In-line with the regulations, Romero Catholic Academy Trust is required to publish the following information relating to trade union officials and facility time (figures cover the period 27th March 2019 to 31st August 2020):

Relevant union officials

Number of employees who were relevant union officials during the relevant period
1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1% - 50%	0
51% - 99%	0
100%	1

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£52,472.40
Provide the total pay bill	£52,472.40
Provide the percentage of the total pay bill spent on facility time, calculated as (total cost of facility time ÷ total pay bill) x 100	100%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	100%
--	------

Trustees' Report for the Period Ended 31st August 2020

Related Parties and other connected charities and organisations

Since the Trust converted there have been no related parties, other connected charities or organisations to report under this section.

Objectives and Activities

Vision Statement

A family of Catholic schools, inspired by Jesus, to love learn and achieve.

Our Mission

Within Romero Catholic Academy Trust learning will take place in communities inspired by the Gospel, where Christ's commandment to 'love one another as I have loved you' creates an ethos which is expressed in positive relationships within and beyond our schools. All our schools promote the kindness, dignity, self-esteem and full development of each person who is made in God's image and uniquely loved by God.

Our schools are living communities of faith, service, prayer and worship. Our schools are inclusive; we have a culture of love where people of diverse identities are recognised, welcomed, respected and cherished. We seek to make a difference to all groups of children, especially the most vulnerable in our society.

Our schools within the trust will work in partnership with each other to provide deep levels of support to staff and to expand the opportunities for our pupils

We work with families and parishes to promote strong, positive relationships. Every school in the Trust is on a journey of continual improvement, aspiring to be more, not have more.

Core Values

- All pupils have access to academic, physical and spiritual development.
- Participation in worship and prayer within the school.
- A range of educational experiences and learning beyond the classroom.
- Opportunities to make sustained progress gaining knowledge and understanding.
- Recognition of personal skills and expertise that have been acquired and applied thus preparing young people for the next stage of their life.
- Exceptional learning in all areas of the curriculum and a desire for further learning.
- Excellent role models who are leaders in schools.
- Resilience and independence to meet challenging situations with confidence and determination.
- A safe, positive learning environment where everyone understands the importance of good behaviour.
- A safe nurturing experience and an understanding how to keep everyone safe.
- Opportunities to celebrate achievements and successes.
- A collective responsibility for all our children.

Strategic Aims

Strategic Aim 1: Mission and Ethos

Through our Catholic faith, promote the academic, spiritual, emotional and social growth of the individual child and young person

OBJECTIVES

- 1.1 To ensure strong links between school and parish
- 1.2 To ensure all academies are well prepared for the Diocesan Section 48 Inspection
- 1.3 To enable schools to participate in the wider life of the Trust and the Diocese
- 1.4 To provide opportunities for all pupils and staff to deepen and explore their faith
- 1.5 To ensure that Religious Education is a high priority core subject in schools
- 1.6 To ensure Catholic social teaching is embedded in the curriculum and the life of the school including our responsibilities for the environment and care for our common home.

Trustees' Report for the Period Ended 31st August 2020

Objectives, Strategies and Activities

Strategic Aim 2: Teaching, Learning and Assessment

To ensure that all our academies provide the very best teaching in order to promote and provide high quality learning for all our children and young people and ensuring that there is support in place for teachers to achieve this. We aim to develop 'life-long learners' who have a thirst for knowledge as a result of high quality teaching and assessment.

OBJECTIVES

- 2.1 To implement a CPD programme that ensures that all our staff have the right skills to raise standards further, deliver good teaching and learning and disseminate good practice to ensure rapid improvement
- 2.2 To secure high quality teaching and learning
- 2.3 To ensure every academy has a relevant, rich and broad curriculum
- 2.4 To ensure that all vulnerable groups make at least good progress
- 2.5 To use assessment proportionately to inform and progress children's learning.

Strategic Aim 3: Academy Improvement

To establish a self-sustaining, system-led, collaborative approach to improvement that enables rapid improvement where required

OBJECTIVES

- 3.1 To establish a self-sustaining, system-led collaborative approach to improvement that enables rapid improvement when required
- 3.2 To develop school-to-school support for leadership
- 3.3 To build effective links to outstanding providers outside of the Trust to support continuing improvement
- 3.4 To ensure all schools operate effective quality assurance and self-evaluation
- 3.5 To ensure that all schools have effective development planning leading to improvement
- 3.6 To enhance the Trust's ability to develop the next generation of school leaders in both phases
- 3.7 To ensure all schools are well prepared for Ofsted inspection

Romero Catholic Academy Trust Curriculum Intent

The Trust has a curriculum that provides all pupils, regardless of their aptitude, interest or background, the knowledge, skills and character development to feel success in learning and ambition for their future. Each school's curriculum will be bespoke and distinctive to the needs of their pupils and communities but share common aims

Curriculum Aims:

1. Develop young people with active and creative minds, engendering a sense of compassion and understanding of others and the courage to act on their beliefs, enabling them to make a lasting contribution to their local communities.
2. Ensures that religious education is a priority in all schools
3. Responds to the health and social needs of pupils
4. Ensure the holistic development of a pupil's character to instil confidence, personal skills and the drive to fulfil their dreams and potential in any social context.
5. Provide a challenging and inspiring academic core curriculum for all pupils to study to ensure no one is disadvantaged or restricted in their future education opportunities or career prospects.
6. Facilitate higher order thinking of pupils using cognitive resources linked to fundamental concepts (core knowledge) that have been located in their long-term memory so that pupils know and remember more.
7. Integrate learning experiences which facilitate the rapid closure of gaps in both academic progress and personal development.

Trustees' Report for the Period Ended 31st August 2020

Curriculum Aims continued:

8. Embrace a cross-phase approach to curriculum design to ensure continuity in provision through the primary and secondary phases, leading to a shared understanding of our pedagogies in each phase and clear links in the progression of learning fundamental concepts.
9. Offer meaningful academic and vocational learning pathways from KS4 onwards.
10. Grow pupil's love of learning and an appreciation of the beauty of using new ideas and skills to explain and shape our world.

Three-year Strategic Plan

The Trust is committed to delivering the above benefits, whilst at the same time retaining the identities and best aspects of all six schools. Each school has kept its own name, headteacher and local governing board, and will continue to focus on delivering quality teaching within their local community.

Achievements and Performance:

This year the Trust has focused on its third strategic theme ('Academy Improvement') in its 3-year strategic plan. The 2019-20 plan for the Trust has delivered the following:

- Agree Trust framework for setting challenging achievable pupil attainment and progress targets in each school.
- Establish the central school improvement and support offer.
- Establish strong partnerships within a school improvement framework with external Challenge Partners to enhance the effectiveness of our schools and quality assure self-evaluations and actions.
- All Trust staff and leaders prioritising increasing their understanding of how children learn and the effectiveness of their subject pedagogy.
- Establish a collaborative response to priority areas for school improvement.
- Implement specific action plans for each school to address all areas of the school curriculum which are not yet 'good', according to Ofsted
- Developing provision for a 'continuum of professional development' and wellbeing for all Trust staff
- Developing a Trust-wide school improvement framework commensurate with EEF model
- Standardise self-evaluation and Headteachers' report to LGBs to enable effective comparisons and quality assurance
- Agree headteacher appraisal objectives that are in synergy with the Trust's priorities and aims
- Implement a robust training programme for school business managers to ensure compliance with the Academies financial handbook

Achievements and Performance: Key Performance Indicators (2019-20)

Phonics screening, Key Stage 2 SATs and GCSE and vocational examinations were cancelled in 2020 due to COVID 19. Previous data would be before the schools converted to the Romero Catholic Academy Trust. Therefore, the schools' self-evaluation (SEF) are used as a 'proxy' for attainment, progress and standards. The schools' previous data is available through the DfE <https://www.compare-school-performance.service.gov.uk/find-a-school-in-england>

Trustees' Report for the Period Ended 31st August 2020

Achievements and Performance: Key Performance Indicators (2019-20) continued

Below summarise the performance in our schools:

All Saints RC High School, Rawtenstall

	Inadequate	Requires Improvement			Good			Outstanding		
		Emerging	Secure	Strong	Emerging	Secure	Strong	Emerging	Secure	Strong
Quality of Education				●	○					
Behaviour & Attitudes						●	○			
Personal Development						●				
○	previous judgement – (June 2017)									
●	current judgement – (November 2020)									

Blessed Trinity RC College, Burnley

	Inadequate	Requires Improvement			Good			Outstanding		
		Emerging	Secure	Strong	Emerging	Secure	Strong	Emerging	Secure	Strong
Quality of Education			○		●					
Behaviour & Attitudes						○	●			
Personal Development							●			
○	previous judgement – (June 2017)									
●	current judgement – (November 2020)									

St Augustine of Canterbury RC Primary, Burnley

	Inadequate	Requires Improvement			Good			Outstanding		
		Emerging	Secure	Strong	Emerging	Secure	Strong	Emerging	Secure	Strong
Quality of Education						○	●			
Behaviour & Attitudes								○	●	
Personal Development								●		
○	previous judgement – (July 2018)									
●	current judgement – (November 2020)									

St Joseph's RC Academy, Todmorden

	Inadequate	Requires Improvement			Good			Outstanding		
		Emerging	Secure	Strong	Emerging	Secure	Strong	Emerging	Secure	Strong
Quality of Education				○		●				
Behaviour & Attitudes						○				
Personal Development						●				
○	previous judgement – January 2019									
●	current judgement – September 2020									

Trustees' Report for the Period Ended 31st August 2020

St Mary's RC Primary, Bacup

	Inadequate	Requires Improvement			Good			Outstanding		
		Emerging	Secure	Strong	Emerging	Secure	Strong	Emerging	Secure	Strong
Quality of Education				●						
Behaviour & Attitudes					●					
Personal Development				●						

Trustees' Report for the Period Ended 31st August 2020

Financial Review

During the year Romero Catholic Academy Trust has received income of £27,308,218.

Comprising of the following types of funding for all schools within the Romero Catholic Academy Trust;

- GAG funding
- DFC Annual allocation
- Primary PE and Sport Premium
- Teacher Pay Grant
- Teachers' Pension Contribution
- High Needs Funding
- LAC Funding
- Pupil Premium Funding
- Free School Meal Supplementary Grant
- Universal Infant Free school meals

Over the year Romero Catholic Academy Trust expended £9,458,950, resulting in net income of £17,849,269 leading to reserves carried forward of £16,625,269. Of this a deficit of £4,541,323 which related to restricted funds for the academies which is being carried forward to be utilised in future years. £924,685 of unrestricted funds is to be used within the Academies Charitable objectives. The Trust also has a restricted fixed assets fund of £20,241,907 which is being carried forward and will be spent in line with the Capital Grant programme and offset future depreciation charges.

During the year the Accounting Officer has been working with the Central Management team, the business managers and the Trust's external auditors to implement efficient and quality financial management systems. These systems are continuously under review and will be implemented at each school as they open. The Trust's internal auditor's were appointed post year end and will be working with the trust also going forward.

Reserves Policy

The amount of reserves held in the Financial Review noted above. The level of reserves held at each school at 31st August 2020 is considered to be sufficient and in-line with the Trust Reserves Policy.

The Trust needs to hold reserves to protect its activities by providing a financial comfort zone against an unpredictable environment and to make sufficient provision for future cash flow requirements and capital procurement. Further reasons are listed below:

- Contingency fund to deal with minor adjustments to operational expenditure from some budget headings;
- A planned accumulation of funds to pay for some major construction work or project;
- Expenditure held over to the following year to withstand variations in the level of funding to the Trust to balance out variations in funding levels; and
- Potential redundancy payments to staff.

In order to achieve this sustainability moving forward, the Trust has implemented within its policy that restricted reserves are only available once the MAT has met its commitments and other planned expenditure and is in accordance with the limitations outlined in the original funding

As noted above, the restricted general reserves carried forward are a surplus of £181,677.

This is after accounting for the pension deficit reserve of £4,723,000. Excluding the pension deficit reserve and designated funds, the total restricted and unrestricted general funds are £1,106,362 as at 31st August 2020

Reserves held in excess of the target reserves will be reviewed by the MAT on a regular basis and an appropriate range of options will be considered which might include releasing the funds into revenue budget in furtherance of the MAT's objectives, assigning funds to appropriate designated reserves as may be determined by the MAT; or investing the funds to generate further income to allow expansion of the MAT's work.

The Board of Trustees ensure that the Reserves Policy is in accordance with the requirements laid down in the Academies Financial Handbook by the ESFA. The Department for Education expects the Trust to use their allocated funding for the full benefit of current pupils. If Trusts have surplus, they must have a clear plan for how it will be used to benefit their pupils. It is the policy of the Trust to have reserves which can be used for future education purposes in line with the development plans.

Trustees' Report for the Period Ended 31st August 2020

Investment Policy

All investments are agreed by the Trustees, which have regard to the Charity Commission guidance in relation to charity investment policy. The Trust does not currently hold any investments other than cash, which is held for its normal operations. The Trustees have adopted a low-risk strategy to its cash holdings. Surplus cash is held in an instant access account to ensure that there is always sufficient cash to meet short and medium-term requirements.

In the longer term, as reserves build up, the Trust will seek to maximise its return by investing surplus cash in time deposits with banks approved by the Trustees.

Principal Risks and Uncertainties

The Multi-Academy Trust has undertaken work during the period to develop and embed the system of internal control, including financial, operational and risk management which has been designed to protect the Academy Trust's assets and reputation.

A review of the main risks faced by Romero Catholic Academy Trust was conducted and systems have been established to mitigate those risks. Going forward Romero Catholic Academy Trust will do a full review of the risks it faces and has documented these within a Risk Register; this will be reviewed by its Trustees. The Trustees are also kept up-to-date between these meetings of any issues that may impact upon the management of risk.

The Finance, Audit and Resources committee has an ongoing responsibility for the monitoring of risks and has engaged Cofie Ltd as its Internal Auditors to ensure compliance is maintained. An internal audit plan has been agreed to be undertaken in 2020/21. The Trust's external auditors will submit areas to be addressed in the Trust's annual audit which are monitored by the Finance, Audit and Resources committee.

Fundraising

The Trust has nominated a senior leader who is responsible for ensuring that charitable giving by pupils, staff and families is appropriate and only allows fundraising activities if:

- The charity is registered with the UK's Charity Commission.
- The charity and the cause demonstrate no political, religious or cultural discrimination.
- The Charity's values are consistent with fundamental British values of democracy, rule of law, individual liberty and mutual respect, and tolerance of those with different faiths and beliefs.
- There is no compulsion for pupils, staff and families to participate in any fundraising activities.
- If the monies raised are to be split across a number of charities the basis of this split must be notified in advance and during the fundraising activity.
- Pupils and staff organising fundraising are adequately inducted on the appropriate procedures.
- Learning is not disrupted by fundraising.
- All charitable giving is entered on to the Charitable Giving Record and is reviewed and approved by the nominated senior leader.
- Evidence is sought to ensure charitable funds have been appropriately spent.

Plans for Future Period

Headteachers are engaging with the strategic plan to ensure that it reflects schools' priorities and actions. However, the effects of the Covid-19 pandemic have resulted in emergency priorities. The focus for headteachers has been to safely reopen schools whilst offering a full broad and balanced curriculum. This involves:

- Effective risk assessment is in place, regularly reviewed and implemented.
- The Catholic life of the school is maintained through collective acts of worship, observation of the liturgical year and charitable work.
- Pupils who are absent through Covid-19 related absence receive their education entitlement including through online learning when required.
- Child protection and safeguarding remains a priority, including the mental health and wellbeing of pupils.
- Pastoral support for pupils at home is reviewed and new approaches implemented when required.
- Staff wellbeing is regularly reviewed and recorded to ensure a duty of care.
- Subject leadership to be developed to take into account online learning, monitoring of engagement and effectiveness of delivery for isolation and class closures.
- Monitoring of curriculum to ensure broad and balanced curriculum is being consistently and effectively delivered across school.

Trustees' Report for the Period Ended 31st August 2020

Also, heads are focusing on the gaps in learning of pupils who have had their time in school reduced, as result of Covid-19 and particularly the disadvantaged. This involves:

- The school improvement plan clearly identifies actions, time scales and cost for intervention.
- There is a clear plan and audit trail of the use of catch up funding for governors and trust leaders to review each term.
- Disadvantaged pupils' progress is tracked and additional intervention is put in place when required
- Data is collected to monitor length and frequency of pupil absence due to COVID-19 allowing for further targeted intervention.
- Engagement and communication with parents is maintained so that they are aware of the school's intervention and can more effectively support their child's learning.
- Curriculum and assessment developed across school to ensure full coverage of skills based curriculum, delivering effective sequences of learning and building on children's experiences, knowledge and understanding

The three key aims for the 2020-21 academic year are outlined below:

- **Ensure the Trust's schools mitigate against the risks and loss of learning as a result of the Covid-19 pandemic** – *The schools become examples of best practice in terms of remote learning and catch up provision.*
- **Sustain improving trends in schools' provision and outcomes** – *All aspects of our schools' provision are at least good*
- **Grow the number of schools in the Trust to enable even more effective collaboration.** – *our aim is to increase the Trust by 3 schools in September 2021*

Funds Held as Custodian Trustee on Behalf of Others

Romero Catholic Academy Trust holds no funds on behalf of others.

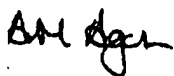
Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Beever and Struthers are willing to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on ...^{26th January 2021} and signed on the Board's behalf by:



Angela Ager

Chair of Trustees

Governance Statement for the Period Ended 31st August 2020

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Romero Catholic Academy 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 Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirement and responsibilities assigned to it in the funding agreement between Romero Catholic Academy 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 include here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The **Members** met during the period on 7th January, 10th March, 12th May, 7th July, and therefore attendance during the period at meetings of the Members was as follows: -

Member	Meetings attended	Out of a possible
Bishop John Arnold	4	4
Mrs Mary Hunter	4	4
Canon Michael Cooke	4	4
Canon Anthony McBride	4	4
Mr Simon Smith	4	4

The **Board of Trustees** have formally met seven times during the period (19th September, 12th November 2019, 10th December 2019, 28th January 2020, 24th March 2020, 19 May 2020 and 7th July 2020). Attendance during the year at meetings of the Board of Trustees was as follows: -

Trustee	Meetings attended	Out of a possible
Mrs A Ager (Chair)	7	7
Mr J Corrigan	3	4
Mr D Fairclough	3	4
Mr G Greenhalgh	7	7
Mr P Gunn	7	7
Mr J Hickey	3	6
Mrs H Sullivan	4	4

Where Trustees have tendered apologies during the period this has been due to work commitments.

The **Finance, Audit and Resources Committee** is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board, by enabling more detailed consideration to be given to the best means of the Board of Trustees' responsibility to ensure regulatory compliance, financial probity and manage risk. The appointment of internal auditors was a decision made by the Committee. Subsequently, Cofie were appointed as the Trust's Internal Auditors.

Attendance at meetings in the year (28 January 2020 and 9 June 2020) was as follows: -

Trustee	Meetings attended	Out of a possible
Mrs A Ager	2	2
Mr G Greenhalgh (Chair)	2	2
Mr P Gunn	2	2
Mr J Hickey	1	2

Governance Statement for the Period Ended 31st August 2020

Review of Value for Money

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

The Accounting Officer must consider how the Trust's use of its resources have provided good value for money during each academic period, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the period by: -

- **Improving educational standards**
 - Refining the education model to be applied across some Trust schools aimed at maximising pupil performance
 - Developing a Quality Assurance framework so that it is focused on areas for development. This is to ensure that resources are carefully targeted on addressing underperformance and maximising improvement
 - Developing high quality Continuing Professional Development (CPD) to school business managers
- **Robust governance and oversight of Multi Academy Trust finances**
 - The Trust is developing clear guidance through a financial management handbook but recognises that it has not yet been embedded within the trusts financial processes
 - The Trust currently benefits from the provision of suitably qualified finance staff and the CFO holds regular meetings with all schools within the Trust
 - The Accounting Officer and CFO meet on a weekly basis and review management accounts on a monthly basis.
 - Disruption due to COVID and managing growth of the Trust in a remote working manner has resulted in the Trust experiencing delays in appointing Internal Auditors during the 2019/2020 financial year. However, Cofie Ltd have been commissioned as the Internal Auditors for the Trust from 25th September 2020. The Trust has implemented a programme of works for the Internal Auditor and reports will highlight the practices in place at the schools as well as risk recommendations. Any recommendations from the internal audit reports will be actioned at both the school and Trust level with a considerable amount of this work already being undertaken.
- **Better Purchasing**
 - The Trust ensures a continual focus on best value for money and clearly understands the importance of the efficient and effective use of its resources. The schools promote fair competition through quotations and tenders, in accordance with its financial regulations, to ensure that goods and services are secured in the most economic and effective way.
 - Where possible, the Trust has secured single supplier contracts, through competitive tender, for areas where a single supplier is appropriate for our schools i.e. insurance, payroll, internal audit, financial management systems.
 - Budget holders review and sign off every purchase order request and regularly challenge these for efficiency and effectiveness.
- **Maximising income generation**
 - The Trust is mindful of the need to generate additional funds to maximise income generation. It was the Trust's intention to review this with all schools however with COVID restrictions it has become impossible to utilise Trust premises to generate additional funds.
 - A full review of this will take place during the Autumn Term of the 2020 academic year.

Governance Statement for the Period Ended 31st August 2020

- **Reviewing controls and managing risks**
 - Critical Incident and Business Continuity Plans and Risk policy has been adopted by the Trust and at school level. Trustees approve and monitor the above at their meetings.
 - The Headteachers and Business Managers review budget monitoring reports, considering expenditure against each budget cost centre monthly and address any significant variances against budget. Once complete, the monthly budget monitoring reports are submitted to the Board of Trustees, Executive Central Team and Local Governing Bodies.
 - The Board of Trustees review and approves and scheme of delegation annually. Full segregation of duties is maintained within each department.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at Romero Catholic Academy Trust for the period 27th March 2019 to 31st August 2020 and up to the date of approval of the annual report and financial statements. The Trust has identified a number of deficiencies during post year end. The Trust has fully re-evaluated its internal controls and processes and has invested adequate resources to facilitate the remedy of the identified deficiencies.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees reviews and evaluates the Academy Trust's significant risks that have been in place for the period 27th March 2019 to 31st August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties agreed by the Board of Trustees;

- comprehensive budgeting and monitoring system with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews undertaken by the resources committee of reports which indicate financial performance against the forecasts and a of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined (asset purchase or capital investment) guidelines;
- delegation of authority by using the Scheme of Delegation; and
- Identification, tracking and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Cofie Ltd as their internal auditors from 25th September 2020.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The role will focus upon the following areas: -

- Finance Procedures Manual
- Financial Management Reports
- Payroll
- Purchases
- Bank Reconciliation
- Capital Contracts
- Control Accounts

Governance Statement for the Period Ended 31st August 2020

Due to a combination of mitigating factors the Trust experienced significant delays in appointing an Internal Auditor. Managing the planned growth of the Trust at a time of the COVID pandemic, remote working and staff changes were main factors to this.

Moving forward the Trust will, on an annual basis, ensure that the internal auditor reports back to the Board of Trustees, through the Finance, Audit and Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Reviews are underway in the 2020/21 financial year to assist in identifying other areas in which the Trust are able to implement an improved control environment.

Review of Effectiveness

As accounting officer, the Chief Executive 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 External Auditor;
- The financial management and governance self-assessment process or the school resource management self-assessment tool
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 26th January 2021..... and signed on its behalf by:



Mrs Angela Ager
Chair of Trustees



Mr Desmond Callaghan
Accounting Officer

Statement on Regularity, Propriety and Compliance

For the Period Ended 31 August 2020

As Accounting Officer of Romero Catholic Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with 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 have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of all 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 2019.

I confirm that there were a number of instances of material irregularity, impropriety or funding non-compliance that have been discovered to date. I can confirm that these have been brought to the attention of the Board of Trustees and the ESFA. Any instances are identified after the date of this statement, these will be notified to the Governing Body and ESFA. These are summarised below:-

Matter 1

Risk Register – following conversion of the Academies the Trustees identified the risks to which the trust was exposed and monitored these at the Board meetings throughout the period. No specific risk register has been produced but is now a key action of the Board

Matter 2

Internal Scrutiny - An internal auditor was not appointed until after the end of the first financial year. During the period under review no internal scrutiny of the Trust was completed.

Matter 3

Management accounts – Monthly management accounts were prepared and approved by the Trustees during the period, however the management accounts formats did not include a balance sheet or cashflow forecast. The format of the management accounts has now been updated to include these items.

Matter 4

Accuracy of the financial records – Whilst a financial handbook had been started for the Trust this was not completed and embedded within the Trust's financial processes, this led to a number of control processes not being completed as would be expected, including:

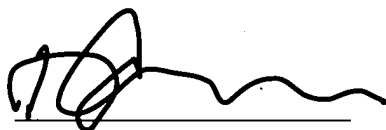
- The inclusion of all relevant bank accounts within the Trust's finance system
- The reconciliation of balance sheet control accounts including the bank accounts
- Inconsistency in postings between the schools
- No fixed asset register was maintained
- Assets donated on conversion were not reflected in the trial balance
- No depreciation posted in the management accounts
- Trust debit cards were used to purchase items in excess of >£10,000 which breached the permitted limits in the draft financial handbook – the purchases were appropriate expenditure for the Trust.
- Whilst the Trust always maintained a surplus of cash within the bank account, one school was overdrawn for one day due to a payment being authorised when there was not sufficient funds to clear the payment.
- Accruals and prepayments were not calculated on a monthly basis

All of the above items have been corrected in the preparation of the Statutory Financial Statements and processes adopted and improved post year end, however these issues led to inaccuracies in the management accounts.

Statement on Regularity, Propriety and Compliance

For the Period Ended 31 August 2020

As Accounting Officer I am very confident that the above instances of material irregularity, impropriety or funding non-compliance will be addressed across the Trust within the 2020/2021 financial year.



Mr Desmond Callaghan

Accounting Officer

26th January 2021

Statement of Trustees' Responsibilities

For the Period Ended 31st August 2020

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial period. 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 then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 in 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 of Trustees on 26th January 2021 and signed on its behalf by:

AM Ager

Mrs Angela Ager

Chair of Trustees

Independent Auditor's Report on the Financial Statements to the Members of Romero Catholic Academy Trust

Opinion

We have audited the financial statements of Romero Catholic Academy Trust (the 'Academy Trust') for the period ended 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, the Statement of Cashflows 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', and the Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

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 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'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.

Independent Auditor's Report on the Financial Statements to the Members of Romero Catholic Academy Trust

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 Strategic Report and Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have 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 20, 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'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 or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report on the Financial Statements to the Members of Romero Catholic Academy Trust

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Academy'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'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 and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Bradley BA FCA (Senior Statutory Auditor)

For and on behalf of Beaver and Struthers, Statutory Auditor

Central Buildings
Richmond Terrace
Blackburn
Lancashire
BB1 7AP

Date: 26th January 2021

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

In accordance with the terms of our engagement letter dated 4th November 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Romero Catholic Academy Trust during the period 27 March 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Romero Catholic Academy 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 Academy 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 Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities Romero Catholic Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 25 October 2019 and the Academies Financial Handbook extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 27 March 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review that the activities are in keeping with the Academy Trust's framework and charitable objectives; and
- Testing undertaken on a sample basis to review whether the Academy Trust's expenditure is in accordance with the Funding Agreement; and
- Other testing in accordance with the guidance issued in the Academies Accounts Direction 2019 to 2020.

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

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 27 March 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matter 1- Risk Register – In accordance with section 2.36 of the Academies Financial Handbook 2019 the Trust must maintain a risk register. Following conversion of the Academies the Trustees identified the risks to which the trust was exposed and monitored these at the Board meetings throughout the period. No specific risk register has been produced but is now a key action of the Board.

Matter 2- Internal Scrutiny – In accordance with section 3.1 of the Academies Financial Handbook 2019 the Trust must have a programme of Internal Scrutiny using one of the options provided by section 3.17. The Trust decided to appoint an Internal Auditor to deliver this work, however an internal auditor was not appointed until after the end of the first financial year. During the period under review no internal scrutiny of the Trust was completed.

Matter 3- Management accounts – Monthly management accounts were prepared and approved by the Trustees during the period in accordance with section 2.19 of the Academies Financial Handbook 2019. However the management accounts formats did not include a balance sheet or cashflow forecast as required by section 2.21 of the Academies Financial Handbook 2019. The format of the management accounts has now been updated to include these items.

Matter 4- Accuracy of the financial records – Section 2.6 & 2.7 of the Academies Financial Handbook 2019 requires the design and implementation of sound internal controls to ensure discipline in financial management. Whilst a financial handbook had been started for the Trust this was not completed and embedded within the Trust's financial processes, this led to a number of control processes not being completed as would be expected, including:

- The inclusion of all relevant bank accounts within the Trust's finance system
- The reconciliation of balance sheet control accounts including the bank accounts
- Inconsistency in postings between the schools
- No fixed asset register was maintained
- Assets donated on conversion were not reflected in the trial balance
- No depreciation posted in the management accounts
- Trust debit cards were used to purchase items in excess of >£10,000 which breached the permitted limits in the draft financial handbook – the purchases were appropriate expenditure for the Trust.
- Whilst the Trust always maintained a surplus of cash within the bank account, one school was overdrawn for one day due to a payment being authorised when there was not sufficient funds to clear the payment.
- Accruals and prepayments were not calculated on a monthly basis

All of the above items have been corrected in the preparation of the Statutory Financial Statements and processes adopted and improved post year end, however these issues led to inaccuracies in the management accounts.



.....
Mark Bradley BA FCA
For and on behalf of Beever and Struthers, Chartered Accountants
Central Buildings
Richmond Terrace
Blackburn
Lancashire
BB1 7AP

Date: 26th January 2021

Statement of Financial Activities for the Period Ended 31 August 2020
(including Income and Expenditure Account)

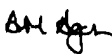
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2020 £
Income and endowments from:					
Donations and capital grants	2	-	4,807	514,459	519,266
Transfer from local authority on conversion	25	923,717	(3,171,000)	19,935,605	17,688,322
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	9,099,663	-	9,099,663
Other trading activities	4	276	-	-	276
Investments	5	692	-	-	692
Total		924,685	5,933,470	20,450,064	27,308,219
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	6	-	(9,250,793)	(208,157)	(9,458,950)
Net (expenditure)/income		924,685	(3,317,323)	20,241,907	17,849,269
Actuarial gains on defined benefit pension schemes	15,23	-	(1,224,000)	-	(1,224,000)
Net movement in funds		924,685	(4,541,323)	20,241,907	16,625,269
Reconciliation of funds					
Total funds brought forward	15	-	-	-	-
Total (deficit)/ funds carried forward	15	924,685	(4,541,323)	20,241,907	16,625,269

All the academy trust's activities derive from continuing activities during the above financial period.

Balance Sheet as at 31 August 2020
(Company number: 11907285)

	Note	31 August 2020 £
Fixed assets		
Tangible assets	12	19,831,472
Current assets		
Debtors	13	659,459
Cash at bank and in hand		<u>1,750,311</u>
		2,409,770
Liabilities		
Creditors: Amounts falling due within one year	14	<u>(892,973)</u>
Net current assets		<u>1,516,797</u>
Total assets less current liabilities		<u>1,813,579</u>
Net assets excluding pension liability		21,348,269
Defined benefit pension scheme liability	23	<u>(4,723,000)</u>
Total net assets		<u>16,625,269</u>
Restricted funds		
Restricted income fund	15	181,677
Fixed asset fund	15	20,241,907
Pension reserve	15	<u>(4,723,000)</u>
		15,700,584
Unrestricted funds		
Unrestricted income funds	15	<u>924,685</u>
Total funds		<u>16,625,269</u>

The financial statements on pages 26 to 49 were approved by the Trustees, and authorised for issue on.. 26th January.2021..... and signed on their behalf by:


.....
Ms Angela Ager
Trustee

Registration number: 11907285

Romero Catholic Academy Trust

Statement of Cash Flows for the Period Ended 31 August 2020

	Note	31 August 2020 £
Cash flows from operating activities		
Net cash provided by operating activities	19	1,804,551
Cash flows from investing activities	20	<u>(54,240)</u>
Increase in cash and cash equivalents in the period		1,750,311
Cash and cash equivalents at 27 March 2019		<u>-</u>
Cash and cash equivalents at 31 August 2020	21	<u>1,750,311</u>

All of the cash flows are derived from continuing operations in the current financial period.

Romero Catholic Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2020

1 Accounting policies

Statement of 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Romero Catholic Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements cover period from 27 March 2019 to 31 August 2020, a long period of accounts. The charitable company was incorporated on 27 March 2019, this is the first period of accounts.

Going Concern

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

Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the academy trust which amount 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.

Romero Catholic Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2020

1 Accounting policies (continued)

Other income

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

Donated goods, facilities and services

Goods donated 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'.

Transfer on conversion

Where assets and liabilities are received by the academy 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 academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

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.

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.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £1,000 (IT equipment £500) 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.

Romero Catholic Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2020

1 Accounting policies (continued)

Tangible fixed assets

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

Asset class	Depreciation method and rate
Leasehold land and buildings	over life of the lease (125 years)
Plant and Machinery	Straight line over 7 years
Fixtures, fittings and equipment	Straight line over 7 years
ICT equipment	Straight line over 3 years
Motor Vehicles	Straight line over 7 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

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.

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 note 13. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. 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.

Taxation

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

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

Romero Catholic Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2020

1 Accounting policies (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated 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 based on 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 net income/(expenditure) 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 Education and Skills Funding Agency/Department for Education.

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 resulted 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 period are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2020. 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.

Romero Catholic Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2020

1. Accounting policies (continued)

Conversion to an Academy Trust

The conversion from a state-maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis set out below.

The assets and liabilities transferred on conversion to the academy trust from each school to an Academy Trust have been valued at their fair value. The fair value has been derived on based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 25.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2019/20 Total £
Other voluntary income				
Capital grants	-	-	514,459	514,459
Other donations	-	4,807	-	4,807
	-	4,807	514,459	519,266

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2019/20 Total £
DfE/ESFA revenue grants			
General Annual Grant	-	7,652,123	7,652,123
Other DfE Group Grants	-	1,072,955	1,072,955
	-	8,725,078	8,725,078
Other government grants			
Local Authority Grants	-	149,088	149,088
Other income from the academy trust's educational operations	-	225,497	225,497
	-	374,585	374,585
Total grants	-	9,099,663	9,099,663

Romero Catholic Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2020

4 Other trading activities

	Unrestricted funds £	Total 2019/20 £
Hire of facilities	276	276
	<u>276</u>	<u>276</u>

5 Investment income

	Unrestricted funds £	Total 2019/20 £
Short term deposits	692	692
	<u>692</u>	<u>692</u>

6 Expenditure

	Non Pay Expenditure			Total 2020 £
	Staff costs £	Premises £	Other costs £	
Expenditure on raising funds				
Direct costs	6,111,197	208,157	448,644	6,767,998
Allocated support costs	1,464,000	450,155	776,797	2,690,952
	<u>7,575,197</u>	<u>658,312</u>	<u>1,225,441</u>	<u>9,458,950</u>

Net income/(expenditure) for the period includes:

	2019/20 £
Operating Leases	9,083
Depreciation	208,157
Fees payable to auditor - audit	18,900
Fees payable to auditor – non audit services	<u>6,640</u>

Romero Catholic Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2020

7 Charitable activities

	2019/20 £
Direct costs - educational operations	6,767,998
Support costs - educational operations	<u>2,690,952</u>
	<u>9,458,950</u>

	Educational operations £	2019/20 £
Analysis of support costs		
Support staff costs	1,464,000	1,464,000
Premises costs	450,155	450,155
Other support costs	<u>776,797</u>	<u>776,797</u>
Total support costs	<u>2,690,952</u>	<u>2,690,952</u>

8 Staff

a. Staff costs

	2019/20 £
Staff costs during the period were:	
Wages and salaries	5,506,937
Social security costs	504,636
Pension costs	<u>1,468,817</u>
	<u>7,480,390</u>
Agency staff costs	<u>94,807</u>
	<u>7,575,197</u>

Romero Catholic Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2020

8. Staff continued...

b. Staff numbers

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

	2019/20 No.
Teachers	139
Administration and support	170
Management	<u>27</u>
	<u>336</u>

c. Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2019/20 No.
£60,001 - £70,000	6
£70,001 - £80,000	2
£100,001 - £110,000	1

d. Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior leadership team as listed on page 1 and 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £537,251.

Romero Catholic Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2020

9 Central services

The academy trust provides the following central services to its academies during the period:

- Financial Services
- Human Resources
- Facilities & Estates
- Governance
- Business Support

The academy trust charges each school for these services based on a percentage of their GAG. The actual amounts charged during the period were as follows:

	2019/20
	£
All Saints Catholic High School	22,840
Blessed Trinity RC College	49,518
St Mary's RC Primary School	7,448
St Augustine's RC Primary School	7,097
St Joseph's RC Academy	11,852
St John The Baptist RC Primary School	9,370
	108,125

10 Related party transactions - trustees' remuneration and expenses

No trustees have been paid remuneration or has received other benefits from an employment with the Academy Trust. The Chief Executive and Accounting officer Desmond Callaghan is not a trustee, he is remunerated by St Bede's High School where he is the Headteacher. The trust are charged by St Bede's High School in terms of services provided by Mr Callaghan at an arm's length basis.

Other related party transactions involving the trustees are set out in note 24.

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. The scheme protects trustees and officers from claims arising from negligent acts, errors and omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim, it is not possible to quantify the trustees and officer's indemnity element from the overall cost of the RPA scheme.

Romero Catholic Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2020

12. Tangible Fixed Assets

	Leasehold Land and Buildings	Plant and Machinery	Furniture, Fixtures and Equipment	Computer Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost						
At 27 March 2019	-	-	-	-	-	-
Transfer on Conversion	19,613,144	32,748	169,508	107,572	12,633	19,935,605
Additions	-	25,110	48,169	30,745	-	104,024
At 31 August 2020	19,613,144	57,858	217,677	138,317	12,633	20,039,629
Depreciation						
At 27 March 2019	-	-	-	-	-	-
Charged in Period	78,453	30,376	38,112	57,005	4,211	208,157
At 31 August 2020	78,453	30,376	38,112	57,005	4,211	208,157
Net Book Value						
At 31 August 2020	19,534,691	27,482	179,565	81,312	8,422	19,831,472

Romero Catholic Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2020

13 Debtors

	2020 £
Trade debtors	15,535
VAT recoverable	49,491
Payments and accrued income	594,433
	<u>659,459</u>

14 Creditors: amounts falling due within one year

	2020 £
Trade creditors	380,508
Other taxes & social security	202,957
Other creditors	249,832
Accruals	59,676
	<u>892,973</u>

15 Funds

	Balance at 27 March 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	-	7,652,123	(7,489,157)	-	162,966
Pupil Premium	-	626,820	(626,820)	-	-
Other Government Grants and income:					
Other	-	825,527	(806,816)	-	18,711
	-	9,104,470	(8,922,793)	-	181,677
Restricted fixed asset funds					
Transferred on conversion	-	19,935,605	(208,157)	-	19,727,448
DfE/ESFA capital grants	-	514,459	-	-	514,459
	-	20,450,064	(208,157)	-	20,241,907
Restricted pension funds					
Pension Reserve	-	(3,171,000)	(328,000)	(1,224,000)	(4,723,000)
Total restricted funds	-	26,383,534	(9,458,950)	(1,224,000)	15,700,584
Unrestricted funds					
Unrestricted general funds	-	924,685	-	-	924,685
Total funds	-	27,308,219	(9,458,950)	(1,224,000)	16,625,269

Romero Catholic Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2020

15. Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	Total £
All Saints' Catholic High School	
Blessed Trinity RC College	63,478
St Mary's RC Primary School	482,430
St Augustine's RC Primary School	363,569
St Joseph's RC Academy	55,631
St John The Baptist RC Primary School	259,764
Central Services	197,456
	<u>(315,965)</u>
Total before fixed assets and pension reserve	1,106,362
Fixed asset fund	20,241,907
Pension Reserve	<u>(4,723,000)</u>
Total	<u>16,625,269</u>

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2020 £
All Saints' Catholic High School	1,323,747	188,459	10,915	247,680	1,770,801
Blessed Trinity RC College	2,687,806	452,450	86,654	610,211	3,837,121
St Mary's RC Primary School	618,394	76,734	4,876	138,472	838,476
St Augustine's RC Primary School	403,500	112,618	2,002	140,636	658,756
St Joseph's RC Academy	418,600	111,673	22,983	159,157	712,413
St John The Baptist RC Primary School	624,245	162,572	3,904	172,715	963,436
Central	35,038	359,361	38,378	37,013	469,790
Academy Trust	<u>6,111,330</u>	<u>1,463,867</u>	<u>169,712</u>	<u>1,505,884</u>	<u>9,250,793</u>

Romero Catholic Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2020

16 Analysis of net assets between funds 2020

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	19,831,472	19,831,472
Current assets	924,685	1,074,650	410,435	2,409,770
Current liabilities	-	(892,973)	-	(892,973)
Pension scheme liability	-	(4,723,000)	-	(4,723,000)
Total net assets	924,685	(4,541,323)	20,241,907	16,625,269

17 Capital commitments

	2020 £
Contracted for, but not provided in the financial statements	452,253

18 Commitments under operating leases

Operating leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £
Amounts due less than one year	9,083
Amounts due between one and five years	4,668
	13,751

Romero Catholic Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2020

19 Reconciliation of net income / (expenditure) to net cash inflow from operating activities

	2020 £
Net income/(expenditure)	17,849,269
Depreciation (note 12)	208,157
Capital grants and other capital funding (note 2)	(514,459)
Interest receivable (note 5)	(692)
Increase in debtors	(194,092)
Increase in creditors	892,973
Pension interest	32,000
Net of pension contributions and current service cost	296,000
Fixed assets transferred on conversion	(19,935,605)
Pension liability transferred on conversion	3,171,000
Net cash provided by Operating Activities	<u>1,804,551</u>

20 Cash flows from investing activities

	2020 £
Dividends, interests & rents from investments	691
Purchase of tangible fixed assets	(104,024)
Capital grants from DfE/ESFA	49,092
Net cash used by investing activities	<u>(54,240)</u>

21 Analysis of cash and cash equivalents

	2020 £
Cash at bank and in hand	<u>1,750,311</u>
Total cash and cash equivalents	<u>1,750,311</u>

22 Analysis of change in net debt

	At 27 March 2019 £	Cash flows £	At 31 August 2020 £
Cash	-	1,750,311	<u>1,750,311</u>
	-	1,750,311	<u>1,750,311</u>
Debt falling due within one year	-	-	-
Total	-	1,750,311	<u>1,750,311</u>

Romero Catholic Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2020

22 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.

23 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 Lancashire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

Contributions amounting to £163,284 were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and the employer make contributions, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension cost paid to TPA in the period amounted to £ 859,817.

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS102, 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 Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2020

23 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 period ended 31 August 2020 was £370,000, of which employer's contributions totalled £281,000 and employees' contributions totalled £89,000. The agreed contribution rates for future years are 23.7% percent for employers and 5.5% 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

	At 31 August 2020 %
Rate of increase in salaries	3.80
Rate of increase for pensions in payment/inflation	2.30
Discount rate for scheme liabilities	<u>1.80</u>

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

	At 31 August 2020
Retiring today	
Males retiring today	22.3
Females retiring today	25
Retiring in 20 years	
Males retiring in 20 years	23.8
Females retiring in 20 years	<u>26.8</u>

Sensitivity analysis

	2020 £
Discount rate +0.1%	(286,000)
Discount rate -0.1%	293,000
Mortality assumption + 1 year increase	339,000
Mortality assumption – 1 year decrease	(330,000)
CPI rate +0.1%	294,000
CPI rate -0.1%	<u>(287,000)</u>

Romero Catholic Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2020

23 Pension and similar obligations (continued)

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

	At 31 August 2020 £
Equities	3,349,000
Government bonds	507,000
Property	999,000
Cash and other liquid assets	132,000
Other	<u>2,358,000</u>
Total market value of assets	<u>7,345,000</u>

The actual return on scheme assets was £67,000.

Amounts recognised in the statement of financial activities

	31 August 2020 £
Net interest cost	32,000
Current service cost (net of employee contributions)	287,000
Administrative expenses	<u>9,000</u>
Total amount recognised in the SOFA	<u>328,000</u>

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

	31 August 2020 £
At start of period	-
On conversion	10,088,000
Current service cost	568,000
Interest cost	108,000
Employee contributions	89,000
Actuarial loss	<u>1,215,000</u>
At 31 August	<u>12,068,000</u>

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

	31 August 2020 £
At start of period	-
On conversion	6,917,000
Interest income	76,000
Admin expenses	(9,000)
Actuarial (loss)	(9,000)
Employer contributions	281,000
Employee contributions	<u>89,000</u>
At 31 August	<u>7,345,000</u>

Romero Catholic Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2020

24 Related party transactions

Owing to the nature of the Academy Trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

25. Conversion to an Academy Trust

On 1 November 2019 St Joseph's RC Primary School and St Mary's RC Primary School converted to academy status. Additional schools converted to the trust at a later date, St John The Baptist RC Primary School converted on 1 December 2019, All Saints' Catholic High School and St Augustine's RC Primary School converted on 1 February 2020 and finally Blessed Trinity RC College converted on 1 March 2020, they all converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Romero Catholic Academy Trust from the Lancashire County Council 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 a net gain 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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2020
	£	£	£	£
Tangible fixed assets				
– Leasehold land and buildings	-	-	19,613,144	19,613,144
– Other tangible fixed assets	-	-	322,461	322,461
Budget surplus on LA funds	923,717	-	-	923,717
LGPS pension deficit	-	(3,171,000)	-	(3,171,000)
Total net assets	923,717	(3,171,000)	19,935,605	17,688,322

Romero Catholic Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2020

25. Conversion to an Academy Trust

The individual transactions are listed below:

St Joseph's RC Academy

On 1 November 2019, St Joseph's RC Primary School converted to academy status and joined Romero Catholic Academy Trust. The land and buildings are held by the church and leased to the school therefore there was no transfer of land and buildings.

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2020
Tangible fixed assets	£	£	£	£
– Leasehold land and buildings	-	-	-	-
– Other tangible fixed assets	-	-	14,896	14,896
Budget surplus on LA funds	73,654	-	-	73,654
Total net assets	73,654	-	14,896	88,550

St Mary's RC Primary School

On 1 November 2019, St Mary's RC Primary School converted to academy status and joined Romero Catholic Academy Trust. The land and buildings are held by the church and leased to the school therefore there was no transfer of land and buildings.

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2020
Tangible fixed assets	£	£	£	£
– Leasehold land and buildings	-	-	-	-
– Other tangible fixed assets	-	-	124,508	124,508
Budget surplus on LA funds	20,226	-	-	20,226
Total net assets	20,226	-	124,508	144,735

Romero Catholic Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2020

25. Conversion to an Academy Trust continued...

St John The Baptist RC Primary School

On 1 December 2019, St John The Baptist RC Primary School converted to academy status and joined Romero Catholic Academy Trust. The land and buildings are held by the church and leased to the school therefore there was no transfer of land and buildings.

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2020
	£	£	£	£
Tangible fixed assets				
- Leasehold land and buildings	-	-	-	-
- Other tangible fixed assets	-	-	13,700	13,700
Budget surplus on LA funds	143,657	-	-	143,657
Total net assets	143,657	-	13,700	157,357

All Saints Catholic High School

On 1 February 2020, All Saints Catholic High School converted to academy status and joined Romero Catholic Academy Trust. The land and buildings are held by the church and leased to the school therefore there was no transfer of land and buildings.

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2020
	£	£	£	£
- Tangible fixed assets				
- Leasehold land and buildings	-	-	-	-
Other tangible fixed assets	-	-	37,468	37,468
Budget surplus on LA funds	45,028	-	-	45,028
Total net assets	45,028	-	37,468	82,496

Romero Catholic Academy Trust

Notes to the Financial Statements for the Period Ended 31 August 2020

25. Conversion to an Academy Trust continued...

St Augustine's RC Primary School

On 1 February 2020, St Augustine's RC Primary School converted to academy status and joined Romero Catholic Academy Trust. The land and buildings are held by the church and leased to the school therefore there was no transfer of land and buildings.

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2020
	£	£	£	£
Tangible fixed assets				
– Leasehold land and buildings	-	-	-	-
– Other tangible fixed assets	-	-	69,179	69,179
Budget surplus on LA funds	83,995	-	-	83,995
Total net assets	83,995	-	69,179	153,174

Blessed Trinity RC College

On 1 March 2020, Blessed Trinity RC College converted to academy status and joined Romero Catholic Academy Trust. The conversion included a 125 year lease of land and buildings from 1 March 2020 at a peppercorn rent.

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2020
	£	£	£	£
Tangible fixed assets				
– Leasehold land and buildings	-	-	19,613,144	19,613,144
– Other tangible fixed assets	-	-	62,710	62,710
Budget surplus on LA funds	557,157	-	-	557,156
Total net assets	557,157	-	19,675,854	20,233,010