

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**THE ROMERO CATHOLIC MULTI ACADEMY COMPANY OVERVIEW
FOR THE YEAR ENDED 31 AUGUST 2017**

The Multi Academy Company (referred to hereafter as 'MAC' formed on the 1 August 2015 and recognised the need to develop a clear Vision, Mission, Values and Aims for our team of eight schools, Board members, Local Academy Committee representatives, children, families and wider stakeholders. We have outlined these below along with brief details of our schools.

Vision

"A Beacon of Excellence for Catholic Education"

Mission

"We are a Christ-centred Community dedicated to faith formation, academic excellence and individual growth for all of our young people, all rooted in the Gospel message of Jesus Christ."

Values

These are fundamental to our long-term success and represent the set of standards under which all of us in the Romero MAC will work, and against which performance will be assessed and rewarded.

Respect

We respect and value those we work with and the contribution that they make.

Integrity

We act fairly, ethically and openly in all we do.

Service

We put our children at the centre of all that we do.

Excellence

We use our energy, skills and resources to deliver the best, sustainable results.

Aims

As Catholic Schools in the Romero MAC we are committed to:

Spiritual Growth

An ethos in which the Gospel message is proclaimed, community in Christ experienced, service to each other and the wider world community is recognised, and thanksgiving and worship of our God is cultivated.

Formation of the Whole Person

Providing well rounded high quality education that empowers and enables pupils to recognise their full potential and respond to what God calls them to be.

Academic Excellence

Building on the collaborative success of the Romero Partnership our schools will be inspirational, academically rigorous and innovative, achieving standards of excellence in all settings, supported by exceptionally caring staff who reflect the light of Christ.

Family Partnership

Partnering with, upholding and supporting parents and guardians in their role as primary educators of their children.

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**THE ROMERO CATHOLIC MULTI ACADEMY COMPANY OVERVIEW
FOR THE YEAR ENDED 31 AUGUST 2017**

Vibrant Communities

Ensure diverse, dynamic, welcoming, compassionate communities available to all.

Global awareness

Nurture the personal integrity and faith development of pupils that also challenges them to know and understand communities around the world.

Stewardship

Ensuring a vibrant sustainable future for our schools through unified support and prudent management of resources

Our Vision, Mission, Values and Aims are communicated via many formats across our Academies and with our Families and stakeholders and are designed to develop a learning culture that provides for outstanding learning for our children from ages 2 to 19.

Our eight Academies have a combined pupil capacity of 3,562 and had a roll of 3,227 in the school census on 6 January 2017. These schools are Cardinal Wiseman (11-18 years), Corpus Christi (3-11 years), St Gregory's (4-11 years), St John Fisher (4-11 years), St Patrick's (2-11 years), SS Peter and Paul (4-11 years), Sacred Heart (4 – 11 years) and Good Shepherd (3 -11 years).

In addition we have the only Primary Teaching School in Coventry (Blue Sky Alliance) linked to our outstanding primary school Sacred Heart.

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

| | |
|--|--|
| Directors | Dean Kavanagh, Chair Brendan Fawcett, Vice Chair Eleanor Barry Sarah McCann Jane Marron (resigned 18 October 2016) Fionnuala Hegarty Yvonne Salter-Wright Tony Quinn (appointed 5 May 2017) Helen Quinn Julie Fulea Andrew Bowen Colin Beesley Charlotte Miller (appointed 29 November 2016) Angela Whelan (resigned 23 April 2017) |
| Company registered number | 09702162 |
| Company name | The Romero Catholic Academy |
| Principal and registered office | c/o Corpus Christi Catholic Primary School Langbank Avenue Coventry West Midlands CV3 2QP |
| Accounting Officer | Helen Quinn |
| Senior management team | Debbie Newman, Principal Corpus Christi School Yvonne Clarke, Principal Good Shepherd School Helen Quinn, Principal Sacred Heart School and Blue Sky Teaching School Paul Madia, Head of School Sacred Heart School Kevin Shakespeare, Principal SS Peter and Paul School Geraldine Marshall, Principal St Gregory's School Dee Williams, Principal St John Fisher School Andrea Sherratt, Principal St Patrick's School Tony Quinn Executive Principal Cardinal Wiseman School (appointed 05 May 2017) Patrick Taggart, Academy Business Director Dal Youssef, Head of HR Doug Collis, Head of Finance (resigned 30 June 2017) Angela Whelan Interim Principal Cardinal Wiseman School (appointed 08 September 2016 and resigned 23 April 2017) |
| Independent auditors | Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN |

**THE ROMERO CATHOLIC ACADEMY
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Bankers

Lloyds Bank plc
Solihull Business Centre
355 Stratford Road
Shirley
Solihull
West Midlands
B90 3BW

Solicitors

Wright Hassall
Olympus Ave
Royal Leamington Spa
Warwick
CV34 6BF

Internal Risk Review

Dains
15 Colmore Row
Birmingham
B3 2BH

**THE ROMERO CATHOLIC ACADEMY
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Directory of Academies Cardinal Wiseman Catholic Secondary School
Potters Green Road
Coventry
CV2 2AJ

Corpus Christi Catholic Primary School
Langbank Avenue
Coventry
CV3 2QP

Good Shepherd Catholic Primary School
Spring Road
Coventry
CV6 7FN

Sacred Heart Catholic Primary School
Brays Lane
Coventry
CV2 4DW

SS. Peter and Paul Catholic Primary School
Arkle Drive
Coventry
CV2 2EF

St. Gregory's Catholic Primary School
Harry Rose Road
Coventry
CV2 5AT

St. John Fisher Catholic Primary School
Kineton Road
Coventry
CV2 3NR

St. Patrick's Catholic Primary School
Deedmore Road
Coventry
CV2 1EQ

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

The Directors present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Company operates 7 primary and 1 secondary academies in Coventry. It's academies have a combined pupil capacity of 3,562 and had a roll of 3,227 in the school census on 6 January 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

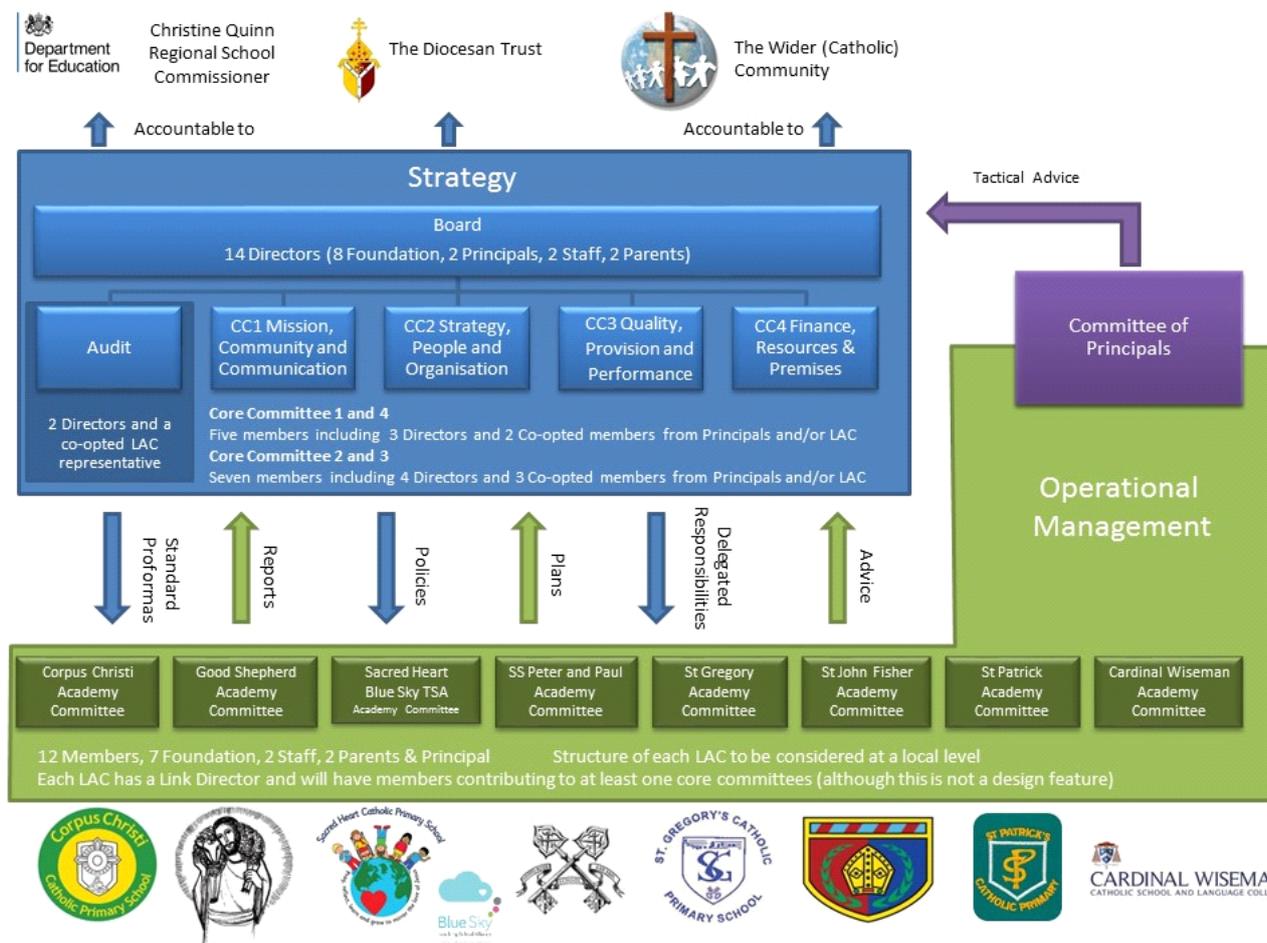
Constitution

The Academy was incorporated on 24 July 2015 and opened as an Academy on 1 August 2015. The Academy is a Company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Directors of The Romero Catholic Academy are also the Directors of the Charitable Company for the purposes of charity law. The Charitable Company is known as The Romero Catholic Academy.

Details of the Directors who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 3 to 5.

Our structure is set out below and outlines the reporting and accountability lines across the Multi Academy Company.



**THE ROMERO CATHOLIC ACADEMY
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**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Members' Liability

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

Directors' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim.

DIRECTORS

Method of Recruitment and Appointment or Election of Directors

The Multi Academy Company Board are appointed according to the provisions of the articles of association as follows:

- 8 Directors who are appointed by the Diocesan Bishop
- 2 Parent Directors who are elected by Parents of registered pupils at the Academy
- 2 Staff Directors appointed by the Board, via election, if required.
- 2 Principals who are appointed by election from the Committee of Principals.

Policies and Procedures Adopted for the Induction and Training of Directors

The training and induction provided for new Directors will depend upon their existing experience but would always include a tour of an Academy and a chance to meet staff and pupils. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as a Director. Advantage is taken of specific courses offered by the Diocese, Local Authority, NGA, IoD and other bodies.

There are a number of Director strategy and development sessions each year, which include training sessions to keep the Directors updated on relevant developments impacting their roles and responsibilities.

Organisational Structure

The Board of Directors have been delegated responsibility for the governance, leadership and management of the Multi Academy Company (MAC) on behalf of the Romero Catholic Academy. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and a summary of activity and achievements is submitted to the Board before each meeting. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

Each Academy is governed by a Local Academy Committee which contains members appointed by the Diocesan Bishop and elected staff and parent representatives.

The Directors set the strategic direction, determine the policy and procedures of the Academy, hold the Academy to account, provide support and challenge to the Principals, approve the annual School Improvement Plan, agree an annual budget, approve the statutory accounts, and make major decisions about the direction of the Academy, capital expenditure and staff structures and appointments.

The Directors have devolved responsibility for day-to-day management of the Academies to the Local Academy Committees and Principals. The SMT implement the policies laid down by the Directors and report back to them at agreed timescales.

The Principal of Sacred Heart Catholic Primary School, Helen Quinn, is the Accounting Officer.

**THE ROMERO CATHOLIC ACADEMY
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**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Directors consider Principals, the Academy Business Director, Head of Finance and Head of HR as comprising the key management personnel of the Academy, in charge of directing and controlling, running and operating the MAC on a day to day basis. The pay of key management personnel is reviewed annually.

Total Directors remuneration in the period amounted to £222,702. This relates to staff and principal Directors only. Foundation and parent Directors are not remunerated.

Details of Directors expenses and related party transactions are disclosed in notes 10, 11 and 27 to the accounts.

Connected Organisations, including Related Party Relationships

The Board of Directors complete a pecuniary interest declaration on an annual basis which sets out any relationship with the MAC that is not directly related to duties as a Board member. Each Board member is required to declare a potential 'conflict of interest' if it arises between such declarations. Once such a declaration has been made the Board member concerned takes no further part in any decision relating to the matter declared.

A register of interests is included on the Romero website.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and aims of the Company are specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice by establishing, maintaining, carrying on, managing and developing Catholic schools, offering a broad range of curriculum and conducted as Catholic schools in accordance with the code of Canon Law of the Latin Church and the doctrinal, social and moral teachings of the Catholic Church. We follow the directive and policies issued by the diocesan bishop to ensure that the formation, governance and education of our Academy schools are based on the principles of Christian doctrine and at all times serving as witness to the Catholic faith in our Lord Jesus Christ.

Objectives, Strategies and Activities

The Academy's main strategy is rooted in the mission of the Catholic Church. Our main objectives for the year ended 31 August 2017 are:

- **Spiritual Growth**
An ethos in which the Gospel message is proclaimed, community in Christ experienced, service to each other and the wider world community is recognised, and thanksgiving and worship of our God is cultivated.
- **Formation of the Whole Person**
Providing well rounded, high quality education that empowers and enables pupils to recognise their full potential and respond to what God calls them to be.
- **Academic Excellence**
Building on the collaborative success of the Romero Partnership our Academies will be inspirational, academically rigorous and innovative, achieving standards of excellence in all settings, supported by exceptionally caring staff who reflect the light of Christ.
- **Family Partnership**
Partnering with, upholding and supporting parents and guardians in their role as primary educators of their children.
- **Vibrant Communities**
Ensure diverse, dynamic, welcoming, compassionate communities available to all.

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

- **Global awareness**
Nurture the personal integrity and faith development of pupils that also challenges them to know and understand communities around the world.
- **Stewardship**
Ensuring a vibrant sustainable future for our Academies through unified support and prudent management of resources.

Public Benefit

The Directors confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in the surrounding area. In particular, but without prejudice to the generality of the forgoing by estimating, maintaining, managing and developing schools, offering a broad curriculum.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

STRATEGIC REPORT

Achievements and Performance

The Academy is in its second year of operation and the total number of students in the year ended 31 August 2017 was 3,227.

Key Performance Indicators

Cardinal Wiseman Catholic Secondary Academy

Attainment and Progress

Overall KS4 Attainment

2017 saw the introduction of the reformed GCSEs in English and Maths graded on the new 9-1 scale. Grade 5 represents a 'strong' pass; grade 4 a 'standard' pass (equivalent to the old A*-C grades). Results for English show a 9-4% pass of 72.6% and for maths 59.6% with an English and Maths overlap of 54.8%. Results are lower than the A*-C % pass rate in 2016 although English results were in line with the national 9-4% pass rates of 72.5%. The national pass rate for Maths in 2017 is 70.7%.

Progress 8 and Attainment 8 scores are lower than 2016 at -0.41 and 40.2 respectively. This compares to -0.24 and 48.1 in 2016.

2017 Strengths

Black African students performed well with a progress 8 score of +0.29, English had a progress 8 score of +0.71 and Maths a progress 8 score of +0.51.

EAL (English as an additional language) students continued to do well with a progress 8 score of +0.27. Religious Education results continue to perform well with A*-C pass rate of 74% and 30% achieving A*-A grades.

Areas for Development

Pupil Premium achievement and progress is still below national average although the school gap has narrowed. White British males and high attainers at KS2 are a focus for the school in order to bring their results in line with national averages.

Overall KS5 Attainment

2017 saw the first results of the new specification linear A levels. 21.2% of A level results were A*-A with 49.2% A*-B; and 98.3% A*-E. Value added results for A levels continues to be positive with an overall value of +0.08.

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**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Due to linear reforms AS results are no longer reported and going forward students will not be sitting these as external exams.

Vocational Applied General qualifications saw an improvement on 2016 with 86.5% of results being Distinction* or Distinction grades. 94.6% of all results were Merit or above. Value added results improved from -0.12 to +0.09.

Examination results for 2017 represented a significant achievement in A2 results. The Academy achieved a 49% pass rate at A* to B in A2 exams in 2017. 2017 KS4 results dipped on the 2016 results and strategies are in place to improve this for 2018

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**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

| Key Data KS5 | 2015 Actual | 2016 Actual | 2017 Actual | 2017 Targets |
|--|---------------------------------------|--|---|---------------------|
| % gaining A Levels at A*-A in academic year (achievement) | 13.6 | 35 | 21.2 | 16.4 |
| % gaining A levels A*/B in academic yr | 33.8 | 61.7 | 49.2 | 56 |
| % gaining A levels A*-E in academic yr | 98.2 4 on U | 99.2 1 U grade | 98.3 2 on U | 100 |
| A level VA | | 0.26 | 0.08 | |
| Average A level point score & excluding fails | | 38.02 (B-) | 30.5 (C) | |
| A Level retention % | 94.6 | 96.7 | 95.9% | |
| % AS levels at A in academic yr | 22.3 (17.4 inc resits) | 17.5 (21.3 inc resits) | 12.7 | 15.4 (VA target) |
| %gaining AS levels A/B in academic yr | 41.4 (43.4 inc resits) | 33.9 (41.3 inc resits) | 31.3 | 49.1 (VA target) |
| %gaining AS levels A*-E in academic yr | 92.4 12 on U 94.7 (incl resits) | 89.3 19 on U 91.7 (incl resits) | 91.6 14 on U | 100 |
| Average AS level point score & Excluding fails | 99.8 (D) 108 (C) | 98.5 (D) 107.4 (C) excl U grades | 13.1 (D+) 14.7 (C-) Excl U grades | |
| AS Level retention % | 82.2 | 83.3 | 88.2 | |
| % gaining App General sub/dip D*-D in acad yr (achievement) * | | | 86.5 | 99.5 |
| % gaining App General Sub/Dip D*-M in acad yr * | | | 94.6 | 100 |
| Average Sub/Dip point score * | | | 42.4 (Dist) | |
| Average Applied General Score – performance table | | 35.33 (Dist) | 39.8 (Dist) | |
| Avg Applied General Score 1 Equiv 0.5 Equiv 1.5/2 Equiv | | | 39.7 (Dist) 7.71 (Pass) 67.1 (DM) | |
| Tech Level Avg Score | | | 23.5 (Merit -) | |
| App General VA 2017 Table Cohort | | -0.12 | 0.09 | |
| Certificate D*-D App General | | | 10.5 | |
| Certificate D* -M App General | | | 41.8 | |
| Certificate D*-P | | | 73.1 18 on U | |
| App Gen Retention 1 Equiv 0.5 Equiv | | | 91.8 84.3 | |
| Tech Level Retention | | | 90.3 | |

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**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Key stage 4 result

| 2017 Results | | | | | | | 9-4% | | 9-5% | | 9-4 Eng/ Ma | 9-5 Eng/ Ma |
|------------------------|---------------------|------------|---------------|-------------|-----------------|------------|----------------|-----------|----------------|-----------|-------------------|-------------------|
| | Attainment 8 Avg | Progress 8 | P8 English | P8 Maths | P8 EBAC C | P8 Open | Max English | Mat hs | Max English | Mat hs | % | % |
| Cohort | 40.2 | -0.38 | -0.07 | -0.22 | -0.64 | 0.45 | 72. 6 | 59. 6 | 57. 7 | 40. 9 | 54.8 | 36.5 |
| High | 54.3 | -0.56 | -0.23 | -0.54 | -0.81 | 0.53 | 95. 7 | 87. 0 | 82. 6 | 73. 9 | 87.0 | 69.6 |
| Middle | 37.9 | -0.33 | -0.04 | -0.08 | -0.54 | 0.50 | 71. 9 | 55. 1 | 53. 9 | 29. 2 | 48.3 | 24.7 |
| Low | 22.2 | -0.21 | 0.16 | -0.12 | -0.62 | 0.11 | 26. 7 | 10. 0 | 23. 3 | 3.3 | 6.7 | 3.3 |
| Males | 36.9 | -0.65 | -0.52 | -0.07 | -0.81 | 0.96 | 64. 8 | 63. 6 | 47. 7 | 45. 5 | 55.7 | 37.5 |
| Females | 42.7 | -0.18 | 0.28 | -0.35 | -0.50 | 0.05 | 78. 3 | 56. 7 | 65. 0 | 37. 5 | 54.2 | 35.8 |
| Pupil Premium | 32.9 | -0.70 | -0.54 | -0.34 | -0.92 | 0.81 | 60. 3 | 47. 4 | 39. 7 | 29. 5 | 41.0 | 25.6 |
| Non Pupil Premium | 44.3 | -0.19 | 0.22 | -0.15 | -0.47 | 0.22 | 80. 0 | 66. 9 | 68. 5 | 47. 7 | 62.3 | 43.1 |
| Non SEN | 42.6 | -0.38 | -0.06 | -0.23 | -0.58 | 0.47 | 78. 0 | 65. 4 | 61. 5 | 46. 2 | 61.0 | 41.2 |
| SEN | 23.6 | -0.44 | -0.10 | -0.17 | -0.99 | 0.29 | 34. 6 | 19. 2 | 30. 8 | 3.8 | 7.7 | 3.8 |
| White British/Irish | 37.4 | -0.67 | -0.28 | -0.51 | -1.01 | 0.62 | 73. 3 | 56. 0 | 55. 2 | 37. 1 | 52.6 | 31.9 |
| Other White | 38.9 | 0.13 | -0.32 | 0.34 | 0.90 | 0.49 | 48. 0 | 60. 0 | 40. 0 | 36. 0 | 44.0 | 28.0 |
| Black African | 42.5 | 0.29 | 0.71 | 0.51 | 0.02 | 0.14 | 80. 0 | 60. 0 | 60. 0 | 40. 0 | 53.3 | 40.0 |
| PP Gap | -11.40 | -0.51 | -0.76 | -0.19 | -0.45 | 0.59 | | | | | | |
| PP Gap 2016 | | -0.78 | -0.67 | -0.82 | -0.87 | 0.69 | | | | | | |

**THE ROMERO CATHOLIC ACADEMY
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**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Primary Academy School Performance

The following information details the unvalidated data for The Romero Catholic Academy.

**End of Key Stage Outcomes
Foundation Stage**

| EYFS % GLD Good level of development 2017 | |
|--|------------|
| National | 70.7% |
| Corpus Christi | 67% |
| Good Shepherd | 69% |
| Sacred Heart | 73% |
| SS Peter and Paul | 69% |
| St Gregory | 81% |
| St John Fisher | 77% |
| St Patrick's | 64% |
| Romero average | 71% |

Key Stage One

| | Expected | | | | Greater Depth | | |
|--------------------------|-----------------|----------------|--------------|--|----------------------|----------------|--------------|
| | Reading | Writing | Maths | | Reading | Writing | Maths |
| National | 76% | 69% | 75% | | 25% | 16% | 21% |
| Corpus Christi | 68% | 58% | 63% | | 15% | 5% | 10% |
| Good Shepherd | 80% | 70% | 70% | | 20% | 13% | 20% |
| Sacred Heart | 77% | 70% | 75% | | 27% | 15% | 23% |
| SS Peter and Paul | 64% | 65% | 68% | | 14% | 11% | 7% |
| St Gregory | 77% | 73% | 73% | | 30% | 20% | 23% |
| St John Fisher | 88% | 78% | 78% | | 22% | 20% | 20% |
| St Patrick's | 64% | 52% | 68% | | 16% | 4% | 0% |
| Romero average | 74% | 67% | 71% | | 21% | 13% | 15% |

The performance in reading and writing shows that at least half the schools are broadly in line with pupils reaching expected standard.

The performance in maths shows that just over half the schools are broadly in line with pupils reaching greater depth.

Key Stage Two

| | Expected | | | | Greater Depth | | | |
|--------------------------|------------|------------|------------|------------|---------------|------------|------------|------------|
| | Reading | Writing | GAPS | Maths | Reading | Writing | GAPS | Maths |
| National | 71% | 78% | 77% | 75% | 25% | 18% | 31% | 23% |
| Corpus Christi | 73% | 80% | 83% | 67% | 20% | 5% | 13% | 10% |
| Good Shepherd | 63% | 67% | 46% | 48% | 4% | 13% | 11% | 7% |
| Sacred Heart | 78% | 92% | 90% | 90% | 30% | 15% | 45% | 32% |
| SS Peter and Paul | 69% | 72% | 89% | 83% | 25% | 11% | 14% | 14% |
| St Gregory | 69% | 79% | 69% | 83% | 17% | 20% | 14% | 17% |
| St John Fisher | 78% | 86% | 88% | 71% | 27% | 20% | 19% | 25% |
| St Patrick's | 50% | 68% | 77% | 61% | 13% | 4% | 17% | 13% |
| Romero average | 69% | 76% | 75% | 72% | 19% | 13% | 19% | 17% |

Performance across the schools in reading, writing, GAPS and mathematics was broadly in line with national with the average just 2% below national and 3% in maths.

| | Combined KS1 | Combined KS2 |
|--------------------------|--------------|--------------|
| National | 64% | 61% |
| Corpus Christi | 49% | 50% |
| Good Shepherd | 63% | 34% |
| Sacred Heart | 65% | 77% |
| SS Peter and Paul | 63% | 64% |
| St Gregory | 70% | 65% |
| St John Fisher | 71% | 61% |
| St Patrick's | 48% | 37% |
| Romero average | 61% | 55% |

Across the Academies, the performance against National standards was favourable at the end of Reception and Key Stage One. At Key Stage Two performance was below National.

Blue Sky Teaching Alliance

The Alliance completed its third year of operation between September 2016 and August 2017. During this time the Alliance worked with eleven Primary schools, two Special schools and an Independent school on a range of provision for schools in Coventry and beyond.

The Alliance engages in several networks; Coventry TSA Council; Coventry Solihull and Warwickshire Strategy Board; BDES Diocese TSA network; CatholicLinks TSAs; CES.

Initial Teacher training

- Five trainees took part in School Direct with Blue Sky TSA during 2016 – 2017. One Secondary and four Primary.
- Senior leaders at Sacred Heart led the Primary NQT programme for the city alongside Swan Alliance.

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

CPD and Leadership Formation

- Eight schools are now engaged with the Mastery in Mathematics using Singaporean Principles programme. Training for all teachers, math leads is complete and this is complemented by networks set up for year groups to share the good practice.
- Over fifty days were led by Specialist Leaders of Education and Leaders from across the Alliance focusing on New Headteacher Induction; Maths; NQT; Moving On and Moving Forward (Catholic leadership); Reading.
- Conferences were held for Headteachers (two day residential in October at Ardencote); Senior Leaders (one day conference in June at Heart of England) and Raising Achievement for Boys (one day conference with Gary Wilson)
- The Alliance led the programme for Leading Practitioner accreditation across the city.
- Leadership formation across Catholic schools continued to be a focus with two programmes running and 8 leaders taking part.
 - Aspire to Lead—Leadership swap
 - Aspire to Lead—Two day split Headship Shadow

School to School Support

- Support was given between January and May 2017 to a free school with leaders from across two Primary schools in the Alliance
- Two SLEs were appointed during the year taking the total of Blue Sky SLEs to twelve.
- Two LLEs were appointed during the year taking the total of Blue Sky LLEs to four.
- The Alliance supported the Coventry SSIF bid which was successful. £500,000 was secured for 31 schools in the city focusing on three interventions. The programme will be implemented in 2017 – 2018 and Blue Sky will be responsible for providing support to schools eligible.

Going Concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Going concern policy.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2017, the Academy received total income of £19,318,347 and incurred total expenditure of £19,003,075. The excess of income over expenditure for the year was £313,956.

At 31 August 2017 the net book value of fixed assets was £685,069 and movements in tangible fixed assets are shown in note 14 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in note 23 to the financial statements.

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Principals, and other staff, as well as delegated authority for spending.

Reserves Policy

The Directors review the reserve levels annually and currently set a target of 10% of the GAG funding. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors take into consideration the future plans of the MAC and each Academy, the uncertainty over future income streams and other key risks identified during the risk review. Any reserves held are in accordance with the requirements laid down in the Master Funding Agreement and by the ESFA.

Investment Policy

During this accounting period all funds have been held in bank accounts with the Lloyds group. Interest is negligible and the Board have not taken out additional investments. The Directors will review their investment policy in the forthcoming financial year in accordance with social, environmental and ethical considerations in relation to the tenets of the Catholic Church. Each Academy also operates its own bank account for small petty cash transactions.

Principal Risks And Uncertainties

The Academy has agreed a Risk Management Policy and Risk Register which is actively used to manage risk including the financial risks to the MAC and each Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Directors have assessed the major risks to which the MAC is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Directors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the MAC is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from each Academy's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the MAC.

PLANS FOR FUTURE PERIODS

Our future plans include:

- Sustaining, securing and further developing the Catholic life of the MAC
- Staff attraction and retention
- Raising attainment in all schools to be in line with national expectations for attainment and progress
- Review and improve the MAC Financial, HR, Premises and pupil attainment systems
- Ongoing VFM and economies of scale across the MAC
- MAC wide website development to ensure consistency of image, information and ease of access
- Developing leadership skills at Board, LAC and senior leadership levels to include succession planning
- Develop strategies to manage an effective work life balance across the MAC
- Develop our Blue Sky teaching school into a beacon of excellence in its field and increase its capacity to develop staff across our area.
- A review of the approach to Facilities management and the scope for an in house team

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The MAC does not hold any funds on behalf of others.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Disabled employees make a positive contribution to delivering the objectives of the Academy and our employment procedures highlight the need for reasonable adjustments to be made in order to support employees in carrying out their work.

Where a disabled person is placed at a substantial disadvantage by the requirements of their job, by arrangements in the workplace or by a physical feature of the premises where work or other work-related activities takes place, the Line Manager must consider whether any reasonable adjustments can be made to overcome that disadvantage.

The Academy is committed to ensuring that its recruitment and selection procedures do not disadvantage disabled people at application, interview or when completing any assessments and selection tests.

Any major changes which will impact on an employee's terms and conditions or changes to relevant policies are sent to Trade Unions before implementation. Major restructures require Trade Union and employee consultation.

AUDITORS

In so far as the Directors are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Directors' Report, incorporating a strategic report, approved by order of the Board of Directors, as company directors, on20/12/17..... and signed on the board's behalf by:



**Dean Kavanagh, Chair
Chair of the Board**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Directors, we acknowledge we have overall responsibility for ensuring that The Romero Catholic Academy 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 Directors has delegated the day-to-day responsibility to the Principal of Sacred Heart Catholic Primary School, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Romero Catholic Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Directors' report and in the Statement of Directors' responsibilities. The Board of Directors has formally met 8 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

| Director | Meetings attended | Out of a possible |
|-----------------------------|-------------------|-------------------|
| Dean Kavanagh, Chair | 6 | 8 |
| Brendan Fawcett, Vice Chair | 8 | 8 |
| Eleanor Barry | 6 | 8 |
| Sarah McCann | 5 | 8 |
| Jane Marron | 1 | 1 |
| Fionnuala Hegarty | 8 | 8 |
| Yvonne Salter-Wright | 7 | 8 |
| Tony Quinn | 2 | 2 |
| Helen Quinn | 7 | 8 |
| Julie Fulea | 6 | 8 |
| Andrew Bowen | 7 | 8 |
| Colin Beesley | 8 | 8 |
| Charlotte Miller | 0 | 0 |
| Angela Whelan | 5 | 6 |

During the year there were the following changes in the composition of the Board of Directors:

Jane Marron resigned on the 18 October 2016
Angela Whelan resigned on the 23 April 2017
Tony Quinn was appointed on the 5 May 2017
Charlotte Miller was appointed on the 29 November 2016

Governance Reviews

The Board has carried out 2 review sessions that have evaluated the skills and impact of the Board over the year. This has led to the appropriate allocation of Directors to Core Committees and specific projects.

The Finance, Resources and Premises Committee is a sub-committee of the main Board of Directors. Its purpose is to:

- Provide a robust financial environment, which meets all requirements regarding statutory compliance, ensuring solvency and probity, so that the financial resources made available to the Academy Company for running its Academies are managed effectively and efficiently, to provide a quality education for the children in the Academies that is value for money.

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

- Provide a strong policy, monitoring, evaluation and reporting framework so the Academy Company and its Academies function in line with the Academies Financial Handbook, so the public money given to educate the children on roll is used effectively and efficiently, to ensure they make at least good progress in all aspects of learning, formation, attainment and progress.
- Enable the Board of Directors of the Academy Company to be accountable for the use of: public monies, diocesan charitable assets (premises and buildings) made available to provide Catholic education; and all other resources held in the ownership of the Academies, by ensuring high standards of management and administration of the Academies' finances and resources.
- Make recommendations to the Board of Directors and to other committees as necessary and appropriate.

Attendance at meetings in the year was as follows:

| Member | Meetings attended | Out of a possible |
|------------------------------|-------------------|-------------------|
| Paul Madia (Chair) | 4 | 5 |
| Sarah McCann (Vice Chair) | 4 | 5 |
| Andy Bowen (Parent Director) | 5 | 5 |
| Charlotte Miller | 2 | 2 |

The Audit Committee is also a sub-committee of the main Board of Directors. Its purpose is to:

- Provide the Board of Directors with assurance over the suitability of, and compliance with, its financial systems and controls.
- Provide internal scrutiny which delivers objective and independent assurance.
- Provide assurances to the Board of Directors that risks are being adequately identified and managed by: reviewing the risks to internal financial controls and agreeing a programme of work to address, and provide assurance on, those risks.
- Investigate any activity within its term of reference, and to seek any information it requires from staff, who are requested to co-operate with the committee as it conducts its investigations.
- Make recommendations to the Board of Directors as necessary and appropriate.

Attendance at meetings in the year was as follows:

| Member | Meetings attended | Out of a possible |
|-----------------------------------|-------------------|-------------------|
| Brendan Fawcett (Chair) | 3 | 3 |
| Jane Marron (Vice Chair) | 0 | 1 |
| Steve Mangan (LAC Representative) | 3 | 3 |
| Yvonne Slater Wright | 2 | 2 |

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Principal of Sacred Heart Catholic Primary School has responsibility for ensuring that the MAC delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Negotiating a nil cost catering contract with high investment levels and profit share arrangements for the schools

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

- Saved over £250K on new roofs via tendering outside established suppliers
- Achieved a new cashless system for schools with the discounts negotiated being equivalent to two schools receiving the service at no cost for two years
- Switched clerking providers and saved each school over a £1,000 for the same service
- Saved over £50,000 via switching insurance providers

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;
- regular reviews by the of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Directors has considered the need for a specific internal audit function and has decided to appoint Dains LLP as internal auditor.

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

Testing of payroll systems
Testing of purchase systems
Testing of control account/bank account reconciliations

GOVERNANCE STATEMENT (continued)

On a quarterly basis, the risk reviewer reports to the Board of Directors through the audit committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal of Sacred Heart Catholic Primary School has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

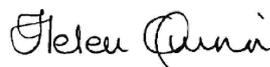
- the work of the internal auditor;
- the work of the external auditor and risk reviewers;
- the financial management and governance self-assessment process;
- the work of the executive managers within the MAC who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the and Audit 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 Directors on 13 December 2017 and signed on their behalf, by:



Dean Kavanagh, Chair
Chair of the Board



Helen Quinn
Accounting Officer

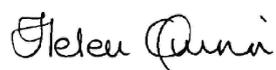
**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Romero Catholic Academy I have considered my responsibility to notify the Academy Company Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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



**Helen Quinn
Accounting Officer**

Date: 13 December 2017

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

The Directors (who act as governors of The Romero Catholic Academy and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments 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 Directors 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 Directors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Directors and signed on its behalf by:



**Dean Kavanagh, Chair
Chair of the Board**

Date: 20/12/17

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ROMERO CATHOLIC ACADEMY**

OPINION

We have audited the Financial Statements of The Romero Catholic Academy for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating income and expenditure account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the Financial Statements:

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

BASIS OF 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 United Kingdom, including the Financial Reporting Council'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 Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or
- the Directors 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 Directors 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 information and, except to the extent otherwise explicitly stated in our report, we do not express any form of other assurance conclusion thereon.

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ROMERO CATHOLIC ACADEMY**

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 Directors' Report for which the Financial Statements are prepared is consistent with the Financial Statements.
- the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of Directors' Responsibilities, the Directors (who are also the Directors of the Academy for the purposes of company law) 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 Directors 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 Directors 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 Directors either intend to liquidate the Academy's or to cease operations, or have no realistic alternative but to do so.

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ROMERO CATHOLIC ACADEMY**

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. The description forms part of our Auditor's report.

Pamela Tuckett FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN
Date:

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE
ROMERO CATHOLIC ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 26 March 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Romero Catholic Academy during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF THE ROMERO CATHOLIC ACADEMY'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of The Romero Catholic Academy's funding agreement with the Secretary of State for Education dated 23 July 2015, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the 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's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE
ROMERO CATHOLIC ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

CONCLUSION

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

Pamela Tuckett FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date:

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

| | | Unrestricted funds | Restricted funds | Restricted fixed asset funds | Total funds | As restated Total funds Period Ended 2016 |
|--|------|--------------------|--------------------|------------------------------|--------------------|---|
| | Note | 2017 £ | 2017 £ | 2017 £ | 2017 £ | £ |
| INCOME FROM: | | | | | | |
| Donations and capital grants | 2 | - | 434,600 | 852,336 | 1,286,936 | (4,712,995) |
| Charitable activities | 3 | 307,792 | 17,462,019 | - | 17,769,811 | 20,349,529 |
| Other trading activities | 4 | 247,389 | - | - | 247,389 | 197,570 |
| Investments | 5 | 1,871 | - | - | 1,871 | 2,531 |
| TOTAL INCOME | | 557,052 | 17,896,619 | 852,336 | 19,306,007 | 15,836,635 |
| EXPENDITURE ON: | | | | | | |
| Raising funds | | 214,108 | - | - | 214,108 | 178,159 |
| Charitable activities | | 312,188 | 18,216,966 | 259,813 | 18,788,967 | 21,214,459 |
| TOTAL EXPENDITURE | 6 | 526,296 | 18,216,966 | 259,813 | 19,003,075 | 21,392,618 |
| NET INCOME / (EXPENDITURE) BEFORE TRANSFERS | | | | | | |
| Transfers between Funds | 18 | 30,756 | (320,347) | 592,523 | 302,932 | (5,555,983) |
| | | - | (162,096) | 162,096 | - | - |
| NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES | | | | | | |
| | | 30,756 | (482,443) | 754,619 | 302,932 | (5,555,983) |
| Actuarial gains/(losses) on defined benefit pension schemes | 23 | - | 3,669,000 | - | 3,669,000 | (5,439,000) |
| NET MOVEMENT IN FUNDS | | 30,756 | 3,186,557 | 754,619 | 3,971,932 | (10,994,983) |
| RECONCILIATION OF FUNDS: | | | | | | |
| Total funds brought forward | | 447,569 | (11,653,846) | 211,294 | (10,994,983) | - |
| TOTAL FUNDS CARRIED FORWARD | | 478,325 | (8,467,289) | 965,913 | (7,023,051) | (10,994,983) |

The notes on pages 32 to 57 form part of these financial statements.

THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 09702162

BALANCE SHEET
AS AT 31 AUGUST 2017

| | Note | £ | 2017 £ | £ | As restated 2016 £ |
|---|------|--------------------|----------------------------------|---------------------|-----------------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 14 | | 685,069 | | 186,278 |
| CURRENT ASSETS | | | | | |
| Debtors | 15 | 662,408 | | 640,279 | |
| Cash at bank and in hand | | 3,106,144 | | 2,105,075 | |
| | | | <u>3,768,552</u> | <u>2,745,354</u> | |
| CREDITORS: amounts falling due within one year | 16 | (1,706,672) | | (1,118,615) | |
| NET CURRENT ASSETS | | | <u>2,061,880</u> | | <u>1,626,739</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>2,746,949</u> | | <u>1,813,017</u> |
| Defined benefit pension scheme liability | 23 | | (9,770,000) | | (12,808,000) |
| NET ASSETS | | | <u><u>(7,023,051)</u></u> | | <u><u>(10,994,983)</u></u> |
| FUNDS OF THE ACADEMY COMPANY | | | | | |
| Restricted funds: | | | | | |
| General funds | 18 | 1,302,711 | | 1,154,154 | |
| Fixed asset funds | 18 | 965,913 | | 211,294 | |
| | | | <u>2,268,624</u> | <u>1,365,448</u> | |
| Restricted funds excluding pension liability | | | | | |
| Pension reserve | | (9,770,000) | | (12,808,000) | |
| | | | <u>(7,501,376)</u> | <u>(11,442,552)</u> | |
| Total restricted funds | | | | | |
| Unrestricted funds | 18 | | 478,325 | | 447,569 |
| TOTAL DEFICIT | | | <u><u>(7,023,051)</u></u> | | <u><u>(10,994,983)</u></u> |

The financial statements on pages 29 to 57 were approved by the Directors, and authorised for issue, on and are signed on their behalf, by:

D Kavanagh

Dean Kavanagh, Chair
Chair of the Board

The notes on pages 32 to 57 form part of these financial statements.

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

| | Note | 31 August 2017 £ | Period ended 31 August 2016 £ |
|--|------|-------------------------|--|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 20 | <u>756,501</u> | <u>2,239,762</u> |
| Cash flows from investing activities: | | | |
| Interest received | | 1,871 | 2,531 |
| Purchase of tangible fixed assets | | (609,639) | (377,182) |
| Capital grants from DfE/ESFA | | <u>852,336</u> | <u>239,964</u> |
| Net cash provided by/(used in) investing activities | | <u>244,568</u> | <u>(134,687)</u> |
| Change in cash and cash equivalents in the year | | | |
| Cash and cash equivalents brought forward | 21 | <u>2,105,075</u> | - |
| Cash and cash equivalents carried forward | | <u><u>3,106,144</u></u> | <u><u>2,105,075</u></u> |

The notes on pages 32 to 57 form part of these financial statements.

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The Romero Catholic Academy constitutes a public benefit entity as defined by FRS 102.

1.2 GOING CONCERN

The Directors 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 Academy to continue as a going concern. The Directors 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 Company has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Company's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 FUND ACCOUNTING

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

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 and include grants from the Department for Education.

Transfers between funds relate to the use of the General Annual Grant (GAG) and other restricted funds to purchase fixed assets.

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

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

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

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

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

Capital grants received towards capital improvement of diocesan owned premises, is recognised as restricted donations from non-charitable activities. The corresponding expenditure is recognised as revenue expenditure in the SOFA and disclosed as grant expenditure in note 8.

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

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

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

Expenditure on charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £2,000 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|-----------------------|---|-----------------------|
| Fixtures and fittings | - | 5 years straight line |
| Computer equipment | - | 3 years straight line |

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 incorporating income and expenditure account.

On conversion the Academy Company was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method

Where the Academy Company has been granted use of school buildings from the Catholic Archdiocese of Birmingham under supplemental agreements, the Academy Accounts Direction prescribes that under this agreement the risks and rewards of ownership remain with the Diocese. A donation from the Diocese has been recognised equal to the deemed rental expense, based on the rateable value of the buildings. This approach differs to the 2016 accounts where the risks and rewards were deemed with the Academy Company under the ESFA guidance, hence a prior year adjustment has been made to remove these assets.

The supplemental agreement includes the right for the Catholic Archdiocese of Birmingham Trustees to give not less than 2 years written notice to the Academy Company and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

1.7 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.10 LIABILITIES AND PROVISIONS

Liabilities and provisions 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 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 are measured at the best estimate of the amounts required to settle the obligation.

1.11 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. 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 costs as detailed in note 16. 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 instruments.

1.12 TAXATION

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

1.13 PENSIONS

Retirement benefits to employees of the Academy Company are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.14 AGENCY ARRANGEMENTS

The Academy Company acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Company does not have control over the charitable application of the funds. The Academy Company can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in note 28.

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Company obtains use of fixed assets as a lessee. The classification of such leases as operating or finance leases requires the Academy Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

| | Unrestricted funds | Restricted funds | Restricted Fixed Asset funds | Total funds | As restated Total funds Period Ended 2016 £ |
|--------------------------------|-------------------------------|-----------------------------|---|------------------------|--|
| | 2017 £ | 2017 £ | 2017 £ | 2017 £ | |
| Donations | - | 434,600 | - | 434,600 | (4,952,959) |
| Capital Grants | - | - | 852,336 | 852,336 | 239,964 |
| | - | 434,600 | 852,336 | 1,286,936 | (4,712,995) |
| <i>Total Period Ended 2016</i> | 765,688 | (6,378,400) | 899,717 | (4,712,995) | |

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds | Restricted funds | Total funds | As restated Total funds Period ended 2016 |
|-------------------------------------|-----------------------|---------------------|-------------------|---|
| | 2017 £ | 2017 £ | 2017 £ | 2016 £ |
| DfE/ESFA grants | | | | |
| General Annual Grant | - | 15,232,561 | 15,232,561 | 16,897,494 |
| Start up Grants | - | - | - | 395,000 |
| Other DfE/ESFA grants | - | 1,530,587 | 1,530,587 | 1,594,006 |
| | <u>-</u> | <u>16,763,148</u> | <u>16,763,148</u> | <u>18,886,500</u> |
| Other Government grants | | | | |
| Other Government grants non capital | - | 399,939 | 399,939 | 596,924 |
| High Needs | - | 89,112 | 89,112 | 56,047 |
| | <u>-</u> | <u>489,051</u> | <u>489,051</u> | <u>652,971</u> |
| Other funding | | | | |
| Internal catering income | 243,965 | - | 243,965 | 225,691 |
| Income for hosting trainee teachers | 36,003 | - | 36,003 | 50,510 |
| Income from Other Academies | - | 209,820 | 209,820 | 471,817 |
| Other | 27,824 | - | 27,824 | 62,040 |
| | <u>307,792</u> | <u>209,820</u> | <u>517,612</u> | <u>810,058</u> |
| | <u>307,792</u> | <u>17,462,019</u> | <u>17,769,811</u> | <u>20,349,529</u> |
| <i>Total Period Ended 2016</i> | <u>338,241</u> | <u>20,011,288</u> | <u>20,349,529</u> | |

4. OTHER TRADING ACTIVITIES

| | Unrestricted funds | Restricted funds | Total funds | As restated Total funds Period Ended 2016 |
|--------------------------------|-----------------------|---------------------|----------------|---|
| | 2017 £ | 2017 £ | 2017 £ | 2016 £ |
| Lettings | 51,718 | - | 51,718 | 45,517 |
| Trip Income | 195,671 | - | 195,671 | 152,053 |
| | <u>247,389</u> | <u>-</u> | <u>247,389</u> | <u>197,570</u> |
| <i>Total Period Ended 2016</i> | <u>197,570</u> | <u>-</u> | <u>197,570</u> | |

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

5. INVESTMENT INCOME

| | Unrestricted funds | Restricted funds | Total funds | As restated Total funds Period ended 2016 £ |
|--------------------------------|-------------------------------|-----------------------------|------------------------|--|
| | 2017 £ | 2017 £ | 2017 £ | |
| Bank Interest | 1,871 | - | 1,871 | 2,531 |
| <i>Total Period Ended 2016</i> | 2,531 | - | 2,531 | |

6. EXPENDITURE

| | Staff costs | Premises | Other costs | Total | Total Period ended 2016 £ |
|------------------------------------|--------------------|-------------------|--------------------|-------------------|------------------------------------|
| | 2017 £ | 2017 £ | 2017 £ | 2017 £ | |
| Expenditure on fundraising trading | - | - | 214,108 | 214,108 | 178,159 |
| Education: | | | | | |
| Direct costs | 11,470,796 | - | 1,576,312 | 13,047,108 | 14,411,095 |
| Support costs | 2,311,991 | 1,125,788 | 2,304,080 | 5,741,859 | 6,803,364 |
| | 13,782,787 | 1,125,788 | 4,094,500 | 19,003,075 | 21,392,618 |
| <i>Total Period Ended 2016</i> | 14,445,101 | 1,332,353 | 5,615,164 | 21,392,618 | |

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

7. DIRECT COSTS

| | Total 2017 £ | As restated Total Period ended 2016 £ |
|--------------------------|-----------------------------|---|
| Pension income | 109,000 | 181,000 |
| Educational supplies | 436,945 | 1,117,645 |
| Examination fees | 106,932 | 108,775 |
| Staff development | 143,278 | 150,842 |
| Other costs | 194,405 | 459,552 |
| Supply teachers | 282,421 | 224,550 |
| External Education Costs | 541,872 | 120,865 |
| Wages and salaries | 8,759,002 | 9,742,353 |
| National insurance | 823,129 | 778,236 |
| Pension cost | 1,606,244 | 1,484,367 |
| Depreciation | 43,880 | 42,910 |
| | 13,047,108 | 14,411,095 |
| | 13,047,108 | 14,411,095 |
| <i>Total 2016</i> | <i>14,411,095</i> | |

8. SUPPORT COSTS

| | Total 2017 £ | As restated Total Period ended 2016 £ |
|---------------------------------------|-----------------------------|---|
| Pension income | 163,000 | 322,000 |
| Educational supplies | 425,557 | 548,421 |
| Other costs | 155,114 | 500,909 |
| Recruitment and support | 69,198 | 68,119 |
| Maintenance of premises and equipment | 316,540 | 366,241 |
| Cleaning | 93,762 | 213,680 |
| Rent and rates | 483,488 | 492,607 |
| Energy costs | 196,323 | 230,288 |
| Insurance | 149,452 | 180,971 |
| Security and transport | 35,675 | 29,537 |
| Catering | 687,140 | 665,165 |
| Technology costs | 37,204 | 43,781 |
| Office overheads | 127,403 | 186,425 |
| Legal and professional | 395,102 | 567,766 |
| Bank interest and charges | 267 | 225 |
| Governance | 27,675 | 23,642 |
| Wages and salaries | 1,605,124 | 1,601,101 |
| National insurance | 117,713 | 79,943 |
| Pension cost | 589,154 | 534,551 |
| Depreciation | 66,968 | 147,992 |
| | 5,741,859 | 6,803,364 |
| | 5,741,859 | 6,803,364 |
| <i>Total 2016</i> | <i>6,803,364</i> | |

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

| | 31 August 2017 £ | As restated Period ended 31 August 2016 £ |
|--|---------------------------------|---|
| Depreciation of tangible fixed assets: - owned by the Company | 110,848 | 190,902 |
| Operating lease rentals | 65,435 | 65,435 |
| Auditors' remuneration - audit | 24,495 | 21,450 |
| Accountancy costs non-audit | 2,945 | 1,907 |
| Governance Internal audit costs | 2,750 | 2,750 |
| | ===== | ===== |

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

10. STAFF COSTS

Staff costs were as follows:

| | 31 August 2017 | Period ended 31 August 2016 |
|--|---------------------------|-----------------------------------|
| | £ | £ |
| Wages and salaries | 10,294,264 | 11,296,417 |
| Social security costs | 940,842 | 858,179 |
| Operating costs of defined benefit pension schemes | 2,195,398 | 2,018,918 |
| | 13,430,504 | 14,173,514 |
| Apprenticeship levy | 4,212 | - |
| Supply teacher costs | 282,421 | 224,550 |
| Staff restructuring costs | 65,650 | 47,037 |
| | 13,782,787 | 14,445,101 |

Staff restructuring costs comprise:

| | 31 August 2017 | Period ended 31 August 2016 |
|---------------------|---------------------------|-----------------------------------|
| | £ | £ |
| Redundancy payments | 36,154 | 47,037 |
| Severance payments | 29,496 | - |
| | 65,650 | 47,037 |

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £29,496 (2016: Nil). Individually, these payments were: £7,996, £4,000 and £17,500.

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

| | 31 August 2017 | Period ended 31 August 2016 |
|---------------------|---------------------------|-----------------------------------|
| Teachers | 187 | 200 |
| Educational Support | 202 | 235 |
| Admin and Clerical | 116 | 82 |
| Management | 20 | 19 |
| | 525 | 536 |

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

| | 31 August 2017 | Period ended 31 August 2016 |
|--------------------------------|---------------------------|-----------------------------------|
| In the band £60,001 - £70,000 | 6 | 5 |
| In the band £70,001 - £80,000 | 2 | 1 |
| In the band £90,001 - £100,000 | 0 | 1 |

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

10. STAFF COSTS (continued)

The key management personnel of the Academy Company comprise the Directors and the senior management team as listed on page 3. 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 Company was £724,819 (2016: £792,833).

As staff Directors are not remunerated in respect of their role as a Director, where staff Directors do not form part of the key management personnel other than in their role as Director, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

11. DIRECTORS' REMUNERATION AND EXPENSES

The Principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Directors. Other Directors did not receive any payments, other than expenses, from the Academy in respect of their role as Directors. The value of Directors' remuneration fell within the following bands:

Mr Colin Beesley

Remuneration £50,000 - £55,000 (2016: £45,000 - £50,000)

Employer's Pension Contributions £5,000 - £10,000 (2016: £5,000 - £10,000)

Ms Helen Quinn

Remuneration £70,000 - £75,000 (2016: £75,000 - £80,000)

Employer's Pension Contributions £10,000 - £15,000 (2016: £10,000 - £15,000)

Ms Margaret McNally

Remuneration £Nil (2016: £5,000 - £10,000)

Employer's Pension Contributions £Nil (2016: £0 - £5,000)

Ms Charlotte Miller

Remuneration £45,000 - £50,000 (2016: £Nil)

Employer's Pension Contributions £5,000 - £10,000 (2016: £Nil)

During the year, no Directors received any benefits in kind (2016: £NIL).

During the year ended 31 August 2017, 1 Director received expenses totalling £18 (2016: £200 to 2 Directors).

**THE ROMERO CATHOLIC ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

12. CENTRAL SERVICES

The Academy has provided the following central services to its academies during the year:

- Financial Support
- HR Support
- Governance Support
- Insurance
- Broadband
- Finance Systems
- Legal Support
- Payroll
- School Improvement Support

The Academy charges for these services on the following basis:

The charge is based on 5% of GAG income.

The actual amounts charged during the year were as follows:

| | 31 August 2017 | Period ended 31 August 2016 |
|---|----------------------------|-----------------------------------|
| | £ | £ |
| Corpus Christi Catholic Primary School | 61,970 | 61,361 |
| Cardinal Wiseman Catholic School | 320,799 | 258,847 |
| Good Shepherd Catholic Primary School | 49,176 | 54,070 |
| Sacred Heart Catholic Primary School | 87,551 | 95,583 |
| St Gregory's Catholic Primary School | 45,353 | 49,890 |
| St John Fisher Catholic Primary School | 83,731 | 90,084 |
| St Patrick's Catholic Primary School | 48,506 | 54,431 |
| Ss Peter and Paul Catholic Primary School | 43,526 | 49,101 |
| | <hr/> 740,612 <hr/> | <hr/> 713,367 <hr/> |
| Total | | |

13. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £3,604 (2016: £3,604).

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FOR THE YEAR ENDED 31 AUGUST 2017**

14. TANGIBLE FIXED ASSETS

| | Fixtures and fittings £ | Computer equipment £ | Total £ |
|-----------------------|-------------------------------|----------------------------|----------------|
| COST | | | |
| At 1 September 2016 | 143,943 | 233,239 | 377,182 |
| Additions | 524,813 | 84,826 | 609,639 |
| | <u>668,756</u> | <u>318,065</u> | <u>986,821</u> |
| At 31 August 2017 | | | |
| DEPRECIATION | | | |
| At 1 September 2016 | 49,597 | 141,307 | 190,904 |
| Charge for the year | 43,880 | 66,968 | 110,848 |
| | <u>93,477</u> | <u>208,275</u> | <u>301,752</u> |
| At 31 August 2017 | | | |
| NET BOOK VALUE | | | |
| At 31 August 2017 | <u>575,279</u> | <u>109,790</u> | <u>685,069</u> |
| At 31 August 2016 | <u>94,346</u> | <u>91,932</u> | <u>186,278</u> |

A prior year adjustment has been made to remove the Diocese School Buildings used by the Company, due to the revised guidance issued by the DfE. A notional rental expense is now recognised for the use of the properties, along with an equal amount for a donation from the Diocese. Long term leasehold property cost and depreciation as at the 1 September 2016 have been reduced by £24,095,519 and £464,175 respectively.

15. DEBTORS

| | 2017 £ | Period Ended 2016 £ |
|--------------------------------|----------------|---------------------------|
| Trade debtors | 13,629 | 34,798 |
| VAT Recoverable | 203,314 | 206,932 |
| Prepayments and accrued income | 445,465 | 398,549 |
| | <u>662,408</u> | <u>640,279</u> |

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2017 £ | Period Ended 2016 £ |
|------------------------------------|------------------|---------------------------|
| Trade creditors | 138,519 | 26,575 |
| Other taxation and social security | 436,438 | 237,686 |
| Other creditors | 67,448 | 210,482 |
| Accruals and deferred income | 1,064,267 | 643,872 |
| | <u>1,706,672</u> | <u>1,118,615</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

| | 2017 £ | Period Ended 2016 £ |
|--------------------------------------|-----------------------|---------------------------|
| DEFERRED INCOME | | |
| Deferred income at 1 September 2016 | 353,175 | - |
| Resources deferred during the year | 305,885 | 353,175 |
| Amounts released from previous years | (353,175) | - |
| | <u>305,885</u> | <u>353,175</u> |
| Deferred income at 31 August 2017 | <u>305,885</u> | <u>353,175</u> |

At the year end, £180,681 has been deferred in respect of income for Universal Infant Free School meals, £14,881 in respect of DFC income received in advance, £23,048 in respect of unspent funding, £13,130 in respect of rates rebates, £3,500 of LAC income received in advance, £7,393 of 16-19 Bursary, £8,533 in respect of refugee funding, £3,782 of trip income, £4,500 in respect of special Project income, £437 of Nursery fees paid in advance, £40,000 in respect of teaching schools Bursary and £6,000 of NSS Bursary.

17. FINANCIAL INSTRUMENTS

| | 31 August 2017 £ | Period ended 31 August 2016 £ |
|---|-------------------------|--|
| Financial assets measured at fair value through income and expenditure | 3,106,144 | 2,105,075 |
| Financial assets measured at amortised cost | 281,412 | 235,812 |
| | <u>3,387,556</u> | <u>2,340,887</u> |
| Financial liabilities measured at fair value through income and expenditure | <u>896,901</u> | <u>317,272</u> |

Financial assets measured at fair value through income and expenditure comprise cash at bank.

Financial assets measured at amortised cost comprise trade debtors and accrued income.

Financial liabilities measured at fair value through income and expenditure comprise trade creditors and accruals.

**THE ROMERO CATHOLIC ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

| | Brought forward £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Carried forward £ |
|--|----------------------|-------------|------------------|--------------------------|-------------------------|----------------------|
| UNRESTRICTED FUNDS | | | | | | |
| Unrestricted funds | 447,569 | 557,052 | (526,296) | - | - | 478,325 |
| RESTRICTED FUNDS | | | | | | |
| General Annual Grant (GAG) | 1,154,154 | 15,243,585 | (15,384,552) | (162,096) | - | 851,091 |
| Rent Donation | - | 434,600 | (434,600) | - | - | - |
| Higher Needs funding | - | 89,112 | (89,112) | - | - | - |
| Pupil Premium (PP) | - | 1,530,587 | (1,081,744) | - | - | 448,843 |
| Other Grants | - | 399,939 | (397,162) | - | - | 2,777 |
| Other | - | 198,796 | (198,796) | - | - | - |
| Pension reserve | (12,808,000) | - | (631,000) | - | 3,669,000 | (9,770,000) |
| | (11,653,846) | 17,896,619 | (18,216,966) | (162,096) | 3,669,000 | (8,467,289) |
| RESTRICTED FIXED ASSET FUNDS | | | | | | |
| Fixed Assets Transferred on Conversion | 116,148 | - | (80,111) | - | - | 36,037 |
| DfE/ESFA Capital grants | - | 155,606 | (30,737) | - | - | 124,869 |
| School Condition Allocation | 95,146 | 696,730 | (148,965) | 162,096 | - | 805,007 |
| | 211,294 | 852,336 | (259,813) | 162,096 | - | 965,913 |
| Total restricted funds | (11,442,552) | 18,748,955 | (18,476,779) | - | 3,669,000 | (7,501,376) |
| Total of funds | (10,994,983) | 19,306,007 | (19,003,075) | - | 3,669,000 | (7,023,051) |

STATEMENT OF FUNDS - PRIOR YEAR

| | Brought forward £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2016 as restated £ |
|---------------------------|----------------------|-------------|------------------|--------------------------|-------------------------|---|
| UNRESTRICTED FUNDS | | | | | | |
| Unrestricted funds | - | 1,304,030 | (856,461) | - | - | 447,569 |
| | - | 1,304,030 | (856,461) | - | - | 447,569 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

18. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

| | | | | | | |
|----------------------------|---|-------------------|---------------------|---|--------------------|---------------------|
| General Annual Grant (GAG) | - | 17,201,429 | (16,047,275) | - | - | 1,154,154 |
| High Needs Funding | - | 56,047 | (56,047) | - | - | - |
| Pupil Premium (PP) | - | 1,189,371 | (1,189,371) | - | - | - |
| Start Up Grant (SUG) | - | 395,000 | (395,000) | - | - | - |
| Other Grants | - | 697,624 | (697,624) | - | - | - |
| Other Income | - | 471,817 | (471,817) | - | - | - |
| Pension reserve | - | (6,813,000) | (556,000) | - | (5,439,000) | (12,808,000) |
| | | <u>13,198,288</u> | <u>(19,413,134)</u> | | <u>(5,439,000)</u> | <u>(11,653,846)</u> |

RESTRICTED FIXED ASSET FUNDS

| | | | | | | |
|--|---|-------------------|---------------------|---|--------------------|---------------------|
| Fixed Assets transferred on conversion | - | 307,052 | (190,904) | - | - | 116,148 |
| DfE/ESFA Capital Grants | - | 40,898 | (40,898) | - | - | - |
| School Condition Allocation | - | 199,066 | (103,920) | - | - | 95,146 |
| | | <u>547,016</u> | <u>(335,722)</u> | | <u>-</u> | <u>211,294</u> |
| Total restricted funds | - | <u>13,745,304</u> | <u>(19,748,856)</u> | - | <u>(5,439,000)</u> | <u>(11,442,552)</u> |
| Total of funds | - | <u>15,049,334</u> | <u>(20,605,317)</u> | - | <u>(5,439,000)</u> | <u>(10,994,983)</u> |

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

RESTRICTED FUNDS:

General Annual Grant (GAG) - income in restricted funds relates the General Grant which is provided to the School by the Education & Skills Funding Agency in order to fund the day-to-day operations of the Academies.

Rent Donation - this is the donation from the Diocese for the notional rent expenses for the land & buildings

Higher Needs funding - in restricted grants relates to funding provided by Coventry County Council for the Academies to provide additional support to pupils with high needs.

Pupil Premium (PP) - income in restricted grants relates to funding provided by the Education & Skills Funding Agency for the Academies to provide additional support to pupils from low income families.

Other grants - income which has been received for specific purposes from the ESFA.

Other - income received from other Academies for services and training provided and income from sports and breakfast clubs.

Pension reserve - this represents the Academies share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS:

Fixed assets transferred on conversion - this represents the buildings and equipment donated to the school from the Diocese on conversion to an Academy.

Devolved Formula Capital funding (DFC) - are restricted grants related to funding provided by the Education Funding Agency for the Academies to use for the purchase or maintenance of fixed assets.

School Condition Allocation (SCA) - are restricted grants related to a grant provided to the Academies from the School Condition Allocation fund to be used for the capital works of the Academies, as deemed necessary.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

| | Total | Total |
|---|--------------------|--------------|
| | 2017 | Period Ended |
| | £ | 2016 as |
| | | restated |
| | | £ |
| Romero Catholic Academy | 381,075 | 280,590 |
| Corpus Christi Catholic Primary School | 309,093 | 158,140 |
| Cardinal Wiseman Catholic School | 40,407 | 18,546 |
| Good Shepherd Catholic Primary School | 35,281 | 80,251 |
| Sacred Heart Catholic Primary School | 208,015 | 115,890 |
| St Gregory's Catholic Primary School | 195,343 | 187,767 |
| St John Fisher Catholic Primary School | 219,086 | 262,689 |
| St Patrick's Catholic Primary School | 126,969 | 247,393 |
| Ss Peter and Paul Catholic Primary School | 232,782 | 206,297 |
| Blue Sky Teaching Alliance | 32,985 | 44,160 |
| | <hr/> | <hr/> |
| Total before fixed asset fund and pension reserve | 1,781,036 | 1,601,723 |
| Restricted fixed asset fund | 965,913 | 211,294 |
| Pension reserve | (9,770,000) | (12,808,000) |
| | <hr/> | <hr/> |
| Total | (7,023,051) | (10,994,983) |
| | <hr/> <hr/> | <hr/> <hr/> |

**THE ROMERO CATHOLIC ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

18. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciat- ion £ | Total 2017 £ | Total Period Ended 2016 £ |
|---|---|--------------------------------------|------------------------------|--|--------------------|------------------------------------|
| Romero Catholic Academy | - | 281,035 | 1,321,831 | 631,000 | 2,233,866 | 1,309,753 |
| Corpus Christi Catholic Primary School | 956,965 | 141,906 | 276,987 | 67,832 | 1,443,690 | 1,538,861 |
| Cardinal Wiseman Catholic School | 4,914,922 | 844,358 | 1,414,866 | 85,089 | 7,259,235 | 8,101,806 |
| Good Shepherd Catholic Primary School | 753,575 | 141,802 | 263,439 | 10,526 | 1,169,342 | 1,325,629 |
| Sacred Heart Catholic Primary School | 1,325,614 | 207,977 | 473,157 | 32,600 | 2,039,348 | 2,344,754 |
| St Gregory's Catholic Primary School | 541,621 | 144,460 | 239,889 | 14,095 | 940,065 | 1,000,166 |
| St John Fisher Catholic Primary School | 1,218,780 | 203,893 | 322,179 | 33,189 | 1,778,041 | 1,880,364 |
| St Patrick's Catholic Primary School | 656,940 | 136,271 | 239,123 | 98,622 | 1,130,956 | 1,196,187 |
| Ss Peter and Paul Catholic Primary School | 553,958 | 117,289 | 205,050 | 21,387 | 897,684 | 1,016,075 |
| | 10,922,375 | 2,218,991 | 4,756,521 | 994,340 | 18,892,227 | 19,713,595 |

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ |
|-------------------------------|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 685,069 | 685,069 |
| Current assets | 1,928,439 | 1,302,711 | 537,402 | 3,768,552 |
| Creditors due within one year | (1,450,114) | - | (256,558) | (1,706,672) |
| Pension scheme liability | - | (9,770,000) | - | (9,770,000) |
| | 478,325 | (8,467,289) | 965,913 | (7,023,051) |

**THE ROMERO CATHOLIC ACADEMY
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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | Unrestricted funds | Restricted funds | Restricted fixed asset funds | Total funds as restated |
|--|-----------------------|---------------------|------------------------------------|-------------------------------|
| | Period | Period | Period | Period |
| | Ended 2016 | Ended 2016 | Ended 2016 | Ended 2016 |
| | £ | £ | £ | £ |
| Tangible fixed assets | - | - | 186,278 | 186,278 |
| Current assets | 447,569 | 2,223,887 | 73,898 | 2,745,354 |
| Creditors due within one year | - | (1,069,733) | (48,882) | (1,118,615) |
| Provisions for liabilities and charges | - | (12,808,000) | - | (12,808,000) |
| | <u>447,569</u> | <u>(11,653,846)</u> | <u>211,294</u> | <u>(10,994,983)</u> |

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 31 August 2017 £ | Period ended 31 August 2016 as restated £ |
|--|-------------------------------------|--|
| Net income/(expenditure) for the year (as per Statement of Financial Activities) | 302,932 | (5,555,983) |
| Adjustment for: | | |
| Depreciation charges | 110,848 | 190,904 |
| Interest receivable | (1,871) | (2,531) |
| Increase in debtors | (22,129) | (640,279) |
| Increase in creditors | 588,057 | 1,118,615 |
| Capital grants from DfE and other capital income | (852,336) | (239,964) |
| Defined benefit pension scheme finance cost | 272,000 | 503,000 |
| Defined benefit pension scheme cost less contributions payable | 359,000 | 53,000 |
| Pension liability brought in on conversion | - | 6,813,000 |
| Net cash provided by operating activities | <u>756,501</u> | <u>2,239,762</u> |

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 31 August 2017 £ | Period ended 31 August 2016 £ |
|--------------------------|-------------------------------------|---|
| Cash at bank and in hand | 3,106,144 | 2,105,075 |
| | <u>3,106,144</u> | <u>2,105,075</u> |

**THE ROMERO CATHOLIC ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

22. CAPITAL COMMITMENTS

At 31 August 2017 the Academy had capital commitments as follows:

| | 2017 £ | Period Ended 2016 £ |
|---|----------------|---------------------------|
| Contracted for but not provided in these financial statements | <u>177,528</u> | <u>169,170</u> |

23. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Fund. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £136,080 were payable to the schemes at 31 August 2017 (2016: 196,399) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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23. PENSION COMMITMENTS (continued)

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,046,521 (2016: £1,168,184).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate director-administered funds. The total contribution made for the year ended 31 August 2017 was £1,231,000 (2016: £1,350,000), of which employer's contributions totalled £1,035,000 (2016: £1,064,000) and employees' contributions totalled £196,000 (2016: £286,000). The agreed contribution rates for future years are 14.6 - 21.2% for employers and 5.3 - 9.9% 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:

| | 2017 | 2016 |
|--|---------------|--------|
| Discount rate for scheme liabilities | 2.60 % | 2.20 % |
| Rate of increase in salaries | 4.20 % | 3.75 % |
| Rate of increase for pensions in payment / inflation | 2.70 % | 2.00 % |
| Inflation assumption (CPI) | 1.80 % | 2.00 % |

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

| | 2017 | 2016 |
|----------------------|-------------|------|
| Retiring today | | |
| Males | 21.8 | 23.1 |
| Females | 24.3 | 25.8 |
| Retiring in 20 years | | |
| Males | 24.0 | 25.3 |
| Females | 26.6 | 28.1 |

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**NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

The Academy's share of the assets in the scheme was:

| | Fair value at 31 August 2017 £ | Fair value at 31 August 2016 £ |
|------------------------------|---|---|
| Equities | 1,870,000 | 1,004,000 |
| Corporate bonds | 114,000 | 135,000 |
| Property | 216,000 | 117,000 |
| Cash and other liquid assets | 147,000 | 109,000 |
| Other bonds | 216,000 | 145,000 |
| Other | 393,000 | 183,000 |
| | <u>2,956,000</u> | <u>1,693,000</u> |

The actual return on scheme assets was £389,000 (2016: £201,000).

The amounts recognised in the Statement of Financial Activities are as follows:

| | 31 August 2017 £ | Period ended 31 August 2016 £ |
|----------------------|---------------------------------|--|
| Current service cost | (1,394,000) | (1,117,000) |
| Interest income | 49,000 | 66,000 |
| Interest cost | (321,000) | (569,000) |
| | <u>(1,666,000)</u> | <u>(1,620,000)</u> |

Movements in the present value of the defined benefit obligation were as follows:

| | 31 August 2017 £ | Period ended 31 August 2016 £ |
|------------------------------------|---------------------------------|--|
| Opening defined benefit obligation | 14,501,000 | - |
| Upon conversion | - | 6,983,000 |
| Current service cost | 1,394,000 | 1,117,000 |
| Interest cost | 321,000 | 569,000 |
| Employee contributions | 196,000 | 286,000 |
| Actuarial (gains)/losses | (3,653,000) | 5,574,000 |
| Benefits paid | (33,000) | (28,000) |
| | <u>12,726,000</u> | <u>14,501,000</u> |

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23. PENSION COMMITMENTS (continued)

Movements in the fair value of the Academy's share of scheme assets:

| | 31 August 2017 £ | Period ended 31 August 2016 £ |
|-------------------------------------|---------------------------------|--|
| Opening fair value of scheme assets | 1,693,000 | - |
| Upon conversion | - | 170,000 |
| Interest income | 50,000 | 66,000 |
| Actuarial losses | 16,000 | 135,000 |
| Employer contributions | 1,035,000 | 1,064,000 |
| Employee contributions | 196,000 | 286,000 |
| Benefits paid | (33,000) | (28,000) |
| Administration expenses | (1,000) | - |
| | <hr/> | <hr/> |
| Closing fair value of scheme assets | 2,956,000 | 1,693,000 |
| | <hr/> <hr/> | <hr/> <hr/> |

24. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Company's future minimum lease payments under non-cancellable operating leases was:

| | 2017 £ | Period Ended 2016 £ |
|-------------------------|-------------------|---------------------------|
| AMOUNTS PAYABLE: | | |
| Within 1 year | 46,491 | 65,435 |
| Between 1 and 5 years | 35,988 | 95,657 |
| | <hr/> | <hr/> |
| Total | 82,479 | 161,092 |
| | <hr/> <hr/> | <hr/> <hr/> |

25. MEMBERS' LIABILITY

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

26. GENERAL INFORMATION

The Romero Catholic Academy is a Company limited by guarantee, incorporated in England and Wales. The registered office is c/o Corpus Christi Catholic Primary School, Langbank Avenue, Coventry, West Midlands, CV3 2QP.

**THE ROMERO CATHOLIC ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

27. RELATED PARTY TRANSACTIONS

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

Mrs M Taggart, wife of Mr P Taggart, a Director for part of the prior period, is employed as an office assistant receiving a gross salary in the band £20,000 - £25,000 (2016: £20,000 - £25,000) in addition to defined benefit pension scheme contributions. Mrs M Taggart's appointment was made in open competition and Mr P Taggart was not involved in the decision making process. Mrs M Taggart is paid within the normal pay scales for her role and receives no special treatment as a result of her relationship with a Director.

Transactions with Perry Interim Management Services, a Company where a close relative of Helen Quinn, Director, is a Director and Majority Shareholder, occurred during the year. These consisted of £3,000 of purchases (2016: 2,073). The balance at the year end was £nil (2016: £nil). All services were in line with a best value approach.

Transactions with Anthony Quinn, a close relative of Helen Quinn, Director, for photography services were commissioned during the year. These consisted £855 (2016: £nil) of purchases. The balance at the year end was £nil (2016: £nil). All services were in line with a best value approach.

An amount of £61,385 has been paid to the Catholic Archdiocese of Birmingham on behalf of a member of staff who was loaned to The Romero Catholic Academy from the Diocese during the year. The balance at the year end was £nil.

An amount of £25,540 has been paid to Our Lady of Lourdes Catholic Multi Academy Company on behalf of a member of staff who was loaned to The Romero Catholic Academy from the Multi Academy Company during the year. The balance at the year end was £nil.

28. AGENCY ARRANGEMENTS

The Academy Company distributes 16-19 bursary funds to students as an agent fro ESFA. In the accounting period ended 31 August 2017 the Academy Company received £31,950 and disbursed £21,497 from the fund. An amount of £10,453 is included in other credits relating to undistributed funds that is repayable to the ESFA.

29. CONTROLLING PARTY

The Academy Company is controlled by the Catholic Archdiocese of Birmingham.

30. PRIOR YEAR ADJUSTMENT

Following a change in the guidance contained in the Academies Accounts Direction (AAD) 2016 to 2017 the Directors have assessed that, the terms of the Church Supplemental Agreements between the Company and the Catholic Archdiocese of Birmingham pertaining to land and buildings occupied by the Company are such that the Company does not have control over these assets. The land and buildings therefore no longer meet the criteria for recognition as an asset in the financial statements.

The land and buildings donated on conversion of £23,950,701 have therefore been de-recognised from the date of conversion. Additions since conversion relating to land and buildings totalling £293,783 have been recognised as an expense through restricted funds. Depreciation in respect of these assets totalling £882,047 has been reversed in the Statement of Financial Activities.

In accordance with the AAD 2016 to 2017, an estimate of the rental value of the Church land and buildings has been recognised in the Statement of Financial Activities as a donation and as expenditure. This has no effect on funds carried forward in any period. The annual rent of £434,600 (2016: £434,600) has been estimated as the equivalent of the annual depreciation charge on the value of the land and buildings.